




2017-2022



FINAL INTEGRATED DEVELOPMENT PLAN

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0. TABLE OF CONTENTS


ACRONYMS.....
LIST OF MAPS.....
LIST OF TABLES.....	i
MESSAGE FROM THE MAYOR.....	ii
MESSAGE FROM THE MUNICIPAL MANAGER	iii
1. LOCALITY	1
1.1 Settlements.....	2
1.2 Housing/ Settlements typology.....	4
1.3 Population	5
1.4 Economic development	5
1.5 Opportunities and Development Strengths.....	6
1.6 Tourism.....	7
1.7 Agriculture.....	8
1. 8 Urbanization, Development and upgrades.....	8
1.9 Investment Opportunities (Catalytic Projects).....	8
1.10 Infrastructure	15
1.11 Municipal Governance	15
1.12 Municipal Administration.....	16
1.13 Vision and Mission Statement	18
1.14 Goals and Objectives	18
1.15 Core Values	23
1.16 Key Challenges	23
1.17 How the IDP was formulated	25
1.18 Organizational Performance Management Framework	26
1.19 How Will Performance Be Measured	26
1.20 SWOT Analysis	26
2. ASPECTS INFORMING THE PLANNING DEVELOPMENT PRINCIPLES	29
2.1 Aspects informing the 2017/2022 Integrated Development Plan.....	30
2.2 Government Policies Imperatives	30

3. STRATEGIC FRAMEWORK	43
3.1 Organisational Goals, Vision and Mission Statement.....	44
3.2 Strategic Objectives	47
4. DEMOGRAPHICS	49
4.1 Population Profile	50
4.1.1 RNM compared to the KZN local Municipalities	53
4.1.2 Population distribution.....	59
4.1.3 Household characteristics.....	62
4.1.4 Employment	65
4.1.5 Dependency ratio	66
4.1.6 Poverty.....	67
4.1.7 Key findings	67
4.1.8 Conclusion	68
4.2. LOCAL ECONOMIC DEVELOPMENT ANALYSIS.....	69
4.2.1 Local Economic Development Analysis	69
4.2.2 Sectors within the municipality	71
4.2.3 Tourism	77
4.2.4 Beaches.....	78
4.2.5 Historical / Nature / Mission Tourism.....	79
4.2.6 Accommodation and competitive advantages	79
4.2.7 Property market.....	80
4.2.8 Food insecurity	80
4.2.9 One Home One Garden.....	80
4.2.10 Poverty alleviation projects.....	81
4.2.11 SMMES, Informal Sector and Economically Active Population	82
4.2.12 Informal sector	83
4.2. 13 Women focused initiatives.....	84
4.2.14 Economically Active Population.....	85
4.2.15 Investment Opportunities (Catalytic Projects).....	85
4.2.17 LED Projects	87
4.2.16 Urbanization, development and beach upgrades	88
4.2.18 Key issues.....	88
4.2.19 Socio-economic Profile.....	89

4.2.20 Social Development Analysis.....	90
4.2.21 Youth Development	96
4.2.22 Outreach	97
4.2.23 Safety and Security	98
4.2.24 Cemeteries.....	99
4.2.25 Access to libraries.....	99
4.2.26 Access to recreational facilities.....	100
4.2.26.1 Recreational Facilities	100
4.2.26.2 Sports Complex and sports fields.....	100
4.2.27 Thusong Service Centers.....	101
4.2.28 key findings	101
4.3. CROSS CUTTING ISSUES ANALYSIS.....	101
4.3.1 Spatial Development Vision and Mission.....	101
4.3.2. Spatial Planning	102
4.3.3 Structuring Elements.....	104
4.3.4 Land Scape Character and Built Form.....	105
4.3.5 Land Cover and Broad Land use	106
4.3.6 Land Legal issues	112
4.3.7 Land Use Management	114
4.3.8 Municipal Nodes	114
4.3.9 Hierarchy of Development Corridors.....	118
4.3.10 Densification	120
4.3.11 Cross-Border Alignment Issues.....	122
4.3.12 Environmental Management	125
4.3.13 Environmental Sector Plans	130
4.3.14 Functional Environmental Structures within the Municipality.....	132
4.3.15 Climate Change	132
4.3.16 Geology	134
4.3.17 Air Quality	136
4.3.18 Environmental SWOT Analysis.....	139
4.3.19 Disaster Management.....	139
4.3.20 Risk Assessment	141
4.3.21 Response and Recovery	146

4.3.22 Key Findings	149
4.4. MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT ANALYSIS.....	150
4.4.1 Organizational Development	150
4.4.2 Institutional arrangements.....	150
4.4.3 Organogram.....	151
4.4.4 Municipal Powers and Functions.....	152
4.4.4.1 Institutional Capacity and Human Resource Development.....	155
4.4.5 Inter-Governmental Relations Structures.....	156
4.4.6 Institutional Structures	157
4.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION	160
4.5.1 Intergovernmental Relations.....	161
4.5.2 Municipal Structures.....	164
4.5.3 Audit and Risk Management.....	170
4.5.4 Communications Strategy	172
4.5.5 Public Participation Analysis	173
4.5.6 Putting People First (Batho Pele).....	176
4.5.7 Operation Sukuma Sakhe (OSS).....	176
4.5.8 Amakhosi.....	177
4.5.9 Governance.....	177
4.6 BASIC SERVICE DELIVERY AND INFRASTRUCTURE	178
4.6.1 Water	178
4.6.2 Sanitation.....	179
4.6.3 Solid Waste Management	182
4.6.4 TransportationInfrastructure	187
4.6.5 Energy	189
4.6.6 Human settlements	194
4.6.7 Settlement pattern	195
4.6.8 Housing Needs.....	198
4.6.9 Policy Perspective	199
4.6.10 Human Settlement Programmes & Projects	200
4.6.11 Land for future settlement development (Greenfield and IRDP).....	205
4.6.12 Social Housing Development (Rental)	207

4.6.13 Institutional Capacity	208
4.6.14 Slums clearance	208
4.7 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS	210
4.7.1 Executive Summary	210
4.7.2 MFMA Circulars	210
4.7.3 Funding the Budget	210
4.7.4 A Credible Budget	211
4.7.4 Operating Revenue Framework	214
4.7.5 Property Rates	217
4.7.6 Sale of Electricity and Impact of Tariff Increases	219
4.7.7 Waste Removal and Impact of Tariff Increases	219
4.7.8 Other Tariff of Charges	220
4.7.9 Operating Expenditure Framework	220
4.7.10 Repairs and Maintenance	223
4.7.11 Free Basic Services: Basic Social Service Package	223
4.7.12 Capital Expenditure Framework	223
4.7.13 PART 2 MAIN BUDGET TABLES	223
4.7.14 Overview of the annual budget process	238
4.7.15 IDP and Service Delivery and Budget Implementation Plan	239
4.7.16 Financial Modelling and Key Planning Drivers	240
4.7.17 Debt Management	261
4.8 COMBINED SWOT ANALYSIS	265
4.8.1 Local Economic Development and Social Development	265
4.8.2 Municipal Transformation and Organizational Development	266
4.8.3 Good Governance and Public participation	267
4.8.4 Basic Service Delivery and Infrastructure	267
4.8.5 Municipal Financial and Viability	268
4.8.6 Cross Cutting Issues	269
5. CAPITAL INVESTMENT FRAMEWORK	271
6. IMPLEMENTATION FRAMEWORK	270
6.1 Organizational Performance Management Framework	297
6.1.1 The Legislative Framework for Performance Management	297
6.1.2 Managing and measuring performance at various levels	298



6.1.3 Support Municipal Oversight	299
6.1.4 Performance Reporting and Review	300
6.1.5 In-year Performance Reporting and Review	300
6.1.6 Annual Performance Reporting and Review	301
6.6.7 Reporting requirements.....	303

ACRONYMS

Acronym	Description	Acronym	Description
ABET	Adult Basic Education&Training	DFA	Development FacilitationAct, 1995 (Act no. 67 of 1995)
AIDS	Acquired Immune DeficiencySyndrome	DM	District Municipality
AFS	Annual Financial Statements	DOH	Department of Health
AG	Auditor-General	DORA	Division of Revenue Act
ANC	African National Congress	DOT	Department of Transport
APAC	Associationof Public Accounts Committees	DSB	Development and Services Board
ARV	Antiretroviral(Treatment or Therapy)	DTI	Department of Trade and Industry
BAS	Basic Accounting System	DWA	Department of Water Affairs
BBBEE	Broad Based Black Economic Empowerment	EAP	Employee Assistance Programme
CAA	Civil AviationAuthority	EIA	Environmental Impact Assessment
CBD	Central Business District	EMP	Environmental Management Plan
CBO	Community Based Organisation	EPWP	Expanded Public Works Programme
CCDF	Consolidated Capital Development Fund	EXCO	ExecutiveCommittee
CCTV	Close Circuit Television	FBS	Free Basic Services
CFO	Chief Financial Officer	FET	Further Educationand Training
Cllr	Councilor	FMG	Financial Management Grant
COOP	Cooperative	FPA	Fire ProtectionAssociation
CPF	Community Police Forum	GAMAP	Generally Accepted Municipal Accounting Practices
DA	DemocraticAlliance	GDP	Gross Domestic Product
DAC	Department of Arts and Culture	GDS	Growth and Development Stratedy
DBSA	Development Bank of Southern Africa	GIS	Geographical Information System
DAEA	Department of Agriculture and	GRAP	Generally Recognised AccountingPractice

	Environmental Affairs		
DCS	Department of Corporate Services	HCDA	Hibiscus Coast Development Agency
DCOMMS	Department of Community Services		
DSPG	Department of Strategic Planning and Governance		
DDPS	Department Development Planning Services		
DTS	Department of Technical Services		
DTS	Department of Technical Services		
HCM	Hibiscus Coast Municipality	KPA	Key Performance Area
HDI	Historically Disadvantaged Individual	KPI	Key Performance Indicator
HEAC	Housing EvaluationAssessment Committee	KZN	KwaZulu-Natal
HIV	Human ImmunodeficiencyVirus	LA	Local Authority
HOD	Head of Department	LAC	Local AIDS Council
ICC	InternationalConventionCentre	LGSETA	LocalGovernmentSectorEducationAutho rity
ICT	InformationCommunicationTech nology	LED	Local Economic Development
IDC	Industrial Development Corporation	LLF	Local Labour Forum
IDMSA	Instituteof Disaster Management of South Africa	LM	Local Municipality
		LUMS	Land Usage Management System
IDP	Integrated Development Plan	MAMC	Margate Airport Management Company
IEC	Independent Electoral Commission	MCPF	Municipal Councillors' Pension Fund
IFP	Inkatha Freedom Party	MDB	Municipal DemarcationBoard
IGR	Inter-Governmental Relations	MDG	Millennium Development Goals
ILGM	Institutefor Local Government Management of South Africa	MEC	Member of ExecutiveCommittee

IMATU	Independent Municipal and Allied Trade Union	MFMA	Municipal Finance Management Act, 2003 (Act N° 56 of 2003)
IMESA	Institute of Municipal Engineers of South Africa	MIG	Municipal Infrastructure Grant
IMFO	Institute for Municipal Financial Officers	M&E	Monitoring and Evaluation
ISRDP	Integrated Sustainable Rural Development Programme	MIIU	Municipal Infrastructure Investment Unit
IT	Information Technology	MINMEC	(Meeting between the) Minister (of DPLG) and Members of the Executive Council responsible for local government
MIR	Municipal International Relations	RNM	Ray Nkonyeni Municipality
		SAMWU	South African Municipal Workers Union
MLB	Motor Licensing Bureau	SAP	South African Police
MM	Municipal Manager	SANRAL	South African National Roads Agency Ltd
MPCC	Multi-Purpose Community Centre (Thusongs)	SCM	Supply Chain Management
MPRA	Municipal Property Rates Act, 2004 (Act N° 6 of 2004)	SDBIP	Service Delivery and Budget Implementation Plan
MSA	Municipal Structures Act, 1998 (Act N° 117 of 1998)	SDF	Spatial Development Framework
MSA	Municipal Systems Act, 2000 (Act N° 32 of 2000)	SEA	Strategic Environmental Assessment
MSIG	Municipal Systems Improvement Grant	SEDA	Small Enterprise Development Agency
MSP	Municipal Service Partnerships	SMME	Small, Medium and Micro Enterprise
MTAS	Municipal Turnaround Strategy	STATSSA	Statistics South Africa
MTEF	Medium Term Expenditure Framework	STI	Sexually Transmitted Infection
MTREF	Medium Term Revenue and Expenditure Framework		
NDP	National Development Plan	TB	Tuberculosis

NERSA	NationalEnergy Regulator of South Africa	UGU	Ugu District Municipality
NGO	Non-Governmental Organization	WSP	Workplace Skills Plan
NHBRC	National Home Builders Registration Council	WSSD	Workplace Skills Plan
NSRI	National Sea rescue	SOPA	State of the Province Address
OHS	Occupational Health and Safety	SONA	State of the Nation Address
OPMS	Organizational Perfomance Management System	SWOT	Strength,Weaknesses,Organizational, Threats
PGDS	Provincial Growth and Development Strategy		
PMS	Perfomance Management System		
SALGA	South African Local Government		

LIST OF TABLES

Table 1: Town Centers and Traditional Settlements.....	3
Table 2: Portfolio Committee and their Department Heads.....	16
Table 3:Goals, relevant KPAs and Strategic Objectives	19
Table 4: Challenges and Interventions.....	24
Table 5:SWOT ANALYSIS.....	27
Table 6: Sustainable Development Goals Alignment.....	31
Table 7: PGDS and RNM Alignment	38
Table 8: Strategic Development Alignment Matrix	39
Table 9: Goals and Strategic objectives.....	44
Table 10: Youth Percentage per municipality	59
Table 11: Household Size.....	62
Table 12: Industrial Areas.....	75
Table 13 Municipal Initiatives.....	87
Table 14: Clinics within the municipality	94
Table 15: Important water resources and fresh water ecosystems.....	126
Table 16: Protected Areas.....	Error! Bookmark not defined.
Table 17: Environmental Buffers	137
Table 18: Environmental SWOT ANALYSIS	139
Table 19: Vulnerability reduction outcome	145
Table 20: Disaster SWOT Analysis	149
Table 21: Vacancy Rate.....	151
Table 22:Municipal Powers and function	153
Table 23:Key Findings	159
Table 24:SWOT ANALYSIS	159
Table 25: Intergovernmental Relations.....	161
Table 26: Role and Responsibilities of main entities.....	164
Table 27: Process Plan and Internal Structures	169
Table 28: Waste collection backlog	183
Table 29:Electricity construction	191
Table 30: Projects ready for construction	191
Table 31: Electrification projects.....	192
Table 32: Electrification Plan and Backlog	192
Table 33: Energy provision.....	194
Table 34: Programmes and projects.....	200
Table 35: Programmes and stages	200
Table 36: Completed, planned and under construction projects	201
Table 37: Integrated Residential Development Programme	205
Table 38: 3Year synopsis consolidated overview	213
Table 39: Summary of revenue classified by main revenue source.....	215
Table 40: Operating Transfers and Grants Receipts	216
Table 41:Proposed rates increase.....	218

Table 42: Summary of operating expenditure	220
Table 43: Employee related costs details and Councillors	221
Table 44: Capital expenditure by funding source	223
Table 45:MBRR Table 1 A1-Budget Summary	224
Table 46 :MBRR Table A2-bUDGET AND FINANCIAL	225
Table 47:MBRR Table A3-	226
Table 48:MBRR Table A4.....	227
Table 49:MBRR Table 5	228
Table 50:MRR Table A6	229
Table 51:MBRR Table A7	231
Table 52: MBRR Table A8.....	232
Table 53: MBRR Table B9.....	234
Table 54: Basic Service Delivery Measurement.....	236
Table 55:Collection and expenditure rates.....	237
Table 56:SA3 Detail financial position	243
Table 57: Explanatory notes to table SA3.....	244
Table 58:SA4 Reconciliation of IDP strategic objectives and budget	245
Table 59: SA8Performance Indicators	246
Table 60:SA13b Service Tarrifs by category	247
Table 61:SA14 Household bills.....	247
Table 62:SA15 Investment particulars	248
Table 63:SA17 Borrowings.....	248
Table 64:SA18 Transfers and Grants Receipts.....	249
Table 65:SA19 Grants and subsidies Expenditure	250
Table 66:SA21 Grants and Subsidy made by the municipality	251
Table 67: SA Councillors and staff benefits	252
Table 68:SA24 Summary of personnel numbers	253
Table 69: Capital Expenditure: SA Capital expenditure	254
Table 70:SA30 Budgeted cash flow	255
Table 71:SA34a Capital expenditure on new assets.....	256
Table 72:SA36 List of Capital Projects	257
Table 73:Prioritized Capital Projects.....	257
Table 74:Debtors per type-31 May 2017.....	261
Table 75: Account Type.....	262
Table 76: Debtors per service.....	263
Table 77: Local Economic Development	265
Table 78:Municipal Transformation and Organizational Development.....	266
Table 79: Good Governance and Public Participation.....	267
Table 80: Basic Service Delivery and Infrastructure	267
Table 81:Municipal Transformation and Viability	268
Table 82: Cross cutting Issues	269
Table 83:Sector Departmental Projects.....	291
Table 84: OPMS Framework.....	303

LIST OF MAPS

Map 1: Locality Map.....	2
Map 2: Traditional Authority	4
Map 3:PGDS Nodes.....	37
Map 4: District Boundary.....	51
Map 5: Population Density	56
Map 6: Industrial Development Zones	76
Map 7: Schools within the municipality	90
Map 8: Sports complex and sports fields	100
Map 9:Population density	104
Map 10: Land categories.....	109
Map 11:Commercial Agriculture	111
Map 12: Land Ownership	112
Map 13: Land Reform.....	113
Map 14:Nodes and Corridors.....	116
Map 15: Umuziwabantu SDF.....	123
Map 16: Umzumbe SDF.....	124
Map 17: Mbizana Local SDF.....	125
Map 18: Areas likely to be affected by Sea level rise	133
Map 19:% of households with no access to sanitation.....	181
Map 20: Waste disposal backlog.....	184
Map 21: Access to refuse removal	186
Map 22: Road network	188
Map 23: Settlement typology	197
Map 24: Current and planned housing projects	204



MESSAGE FROM

THE MAYOR OF RAY NKONYENI LOCAL MUNICIPALITY

“As the first Mayor of Ray Nkonyeni Municipality it is a source of inspiration that we are charting these new waters as a committed collective of government, business, and civil society. For it is in the true spirit of Batho Pele that we will together find solutions to our challenges”

The formation of Ray Nkonyeni municipality has come about as a result of a successful amalgamation of former Hibiscus Coast and Ezinqoleni municipalities. It is a process which has seen not only an upward adjustment in the geographic space that is the biggest municipality in the District, but has also had a significant impact on the size of the needs which must be serviced by the same municipality.

The success of the merger is reflected in the positive audit outcomes of both the former entities, a factor which largely reflects the character and caliber of deployed leadership coming from these former organisations. It is this strength of character which we believe will shoulder the responsibility of taking our citizens forward by providing quality services in an equitable manner.

Needless to say, the services we seek to provide cannot be delivered unless we have a credible and reliable Integrated Development Plan as required by the law. We are pleased that in the past couple of months we have been able to integrate the planning documents of the former municipalities and we are confident that working together with all stakeholders, we will be able to deliver priority needs compiled in our plan as efficiently as is possible.

As the first mayor of Ray Nkonyeni municipality it is a source of inspiration that we are charting these new waters as a committed collective of government, business and civil society. For it is in the true spirit of Batho Pele that we will together find solutions to our challenges.

CIlr NCP Mqwebu
Mayor of Ray Nkonyeni Municipality

MESSAGE FROM

THE MUNICIPAL MANAGER OF RAY NKONYENI LOCAL
MUNICIPALITY




It has been ten months since Ray Nkonyeni Municipality was formed after the amalgamation of Former Hibiscus Coast Municipality and Ezingoleni Municipality. This merger resulted in a huge population which impacted on socio-economic needs. Rise in jobs scarcity, housing shortages, backlogs in service delivery, etc, was the end result. Our IDP has been formulated with the basis of taking into account the changing circumstances and needs of communities, changing economic conditions, improved National/Provincial policy and progress with service delivery and governance.

Furthermore to this, the IDP will ensure flexibility and responsiveness to changes, without losing sight of the long term vision and strategic objectives of the municipality. As a result of this formulation, resources available within the municipality have been prioritized and directed at the delivery of projects as well as programmes that meet the development priorities. It further ensures continuous improvement in the standards and desired quality, development impact, especially on livelihoods integration element of development.

The municipality is determined to ensure that it complies with all prescribed legal requirements as per both National and Provincial Governments. Accordingly, we have to respect and implement the participatory approach that we are mandated to follow. In line with that, a number of public engagements was held including the Mayoral Izimbizo in November and April, public notices in the local media and IDP Representative Forums. The participatory approach always proves useful for the municipality in ensuring that there is transparency and accountability to its communities at large. It therefore becomes an important platform where the municipality has an open engagement with its communities and stakeholders at a grass root level.

To achieve goals and targets set, the municipality has Heads of Departments and line managers according to areas of specialization to interrogate content and make their inputs to shape this municipality's business plan as specialist. Ray Nkonyeni Municipality will be guided by its vision to ensure smart, efficient and sustainable services are achieved through its accountable leadership, shared vision and collaboration with all Stakeholders.

"The municipality is determined to ensure that it complies with all prescribed legal requirements as per both National and Provincial Governments. Accordingly, we have to respect and implement the participatory approach that we are mandated to follow. In line with that, a number of public engagements were held including the Mayoral Izimbizo in November and April, public notices in the local media and IDP Representative Forums"



In that light, I would therefore express my sincere gratitude for the immense dedication of officials, private sector and other stake holders at large for the sterling job done thus far in our new municipality in ensuring that service delivery is carried out efficiently and will still be. We will continue on this positive trend and take our municipality to greater heights.

Thank You

**MR M.S
MBILI**

SECTION A: EXECUTIVE SUMMARY



1. LOCALITY

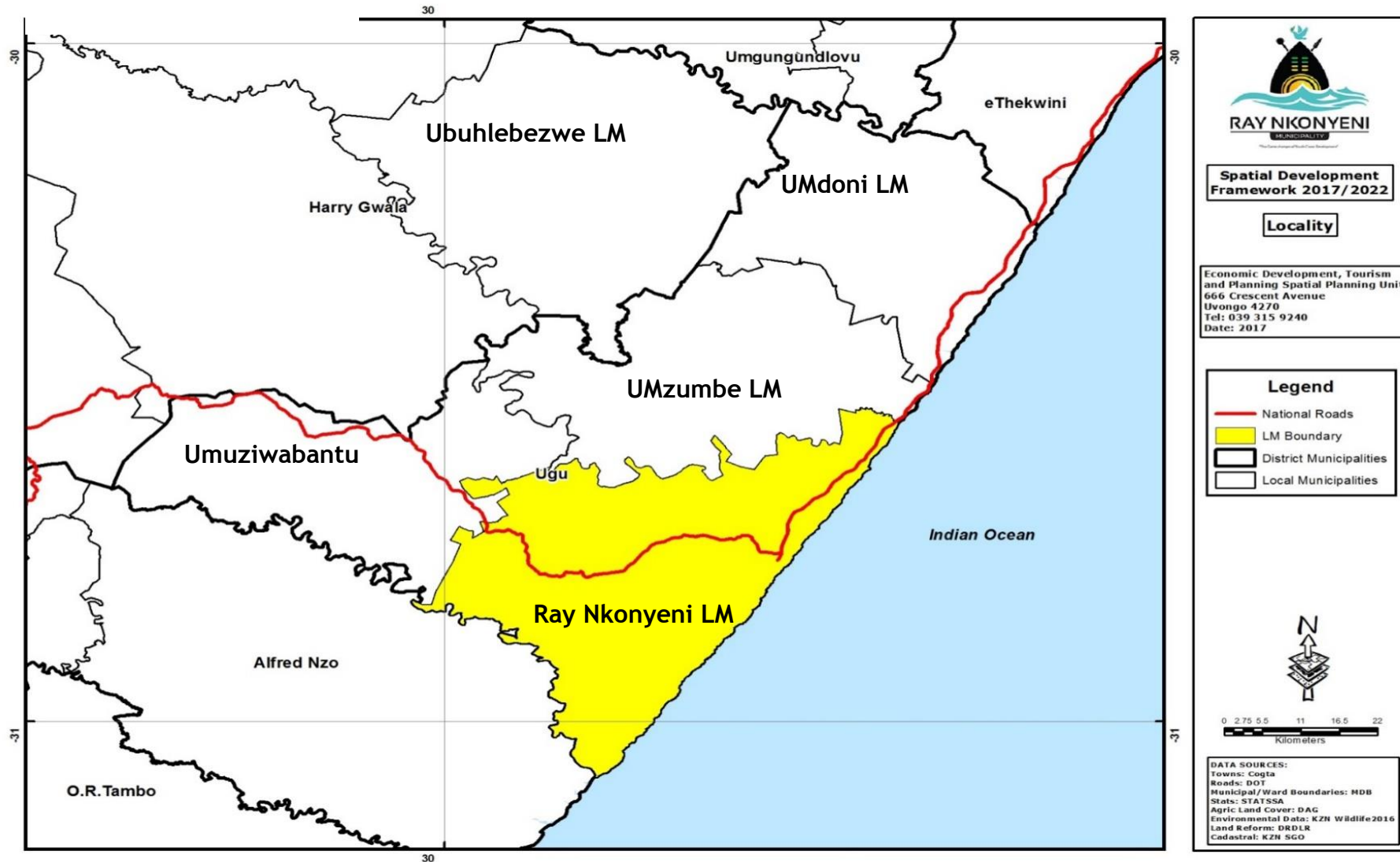
Ray Nkonyeni Municipality is a category B municipality and falls within Ugu District (DC21) found on the southern part of KwaZulu-Natal (KZN). Its administrative seat is in Port Shepstone. The municipality borders the Indian Ocean on its eastern part while the far southern part of the municipality runs Umtamvuna River which is the boundary between Kwa-Zulu Natal (KZN) and the Eastern Cape. The north-western part is bordered by Umuziwabantu Municipality while Umzumbe municipality borders the northern part and Umdoni Municipality is on its north-eastern boundary. Its boundary extends further to the hinterland which is basically rural and is administered under traditional authority. The coastal belt stretches from Hibberdene to Port Edward and covers approximately 72 km.

The coastal belt is characterised by urban formal development and is more developed while the interior has sparsely populated housing typologies with less development. The hinterland is further characterized by steep topography which is one reason probably of less development and this has further affected the settlement patterns. The furthest northern part of the municipality is largely characterized by protected and conservation worthy areas. There are no economic nodes in the hinterland except for one small town, Izingolweni, with a few retail shops. Also in the hinterland is the breathtaking Oribi Gorge which serves. The gorge also serves as a tourist attraction as well as home to a number of rare species and indigenous forests. On the contrary, the coastal belt is completely dotted by economic nodes of different hierarchies. There are also conservation areas dotted along the coastal belt.

The municipal area covers approximately 1 594 km² in geographic area. Privately owned land constitutes approximately 26 500 hectares. The spatial location of the municipality is an advantage as the National Road (N2) runs through it providing accessibility and linkage with both Ethekwini metropolitan area and beyond as well as the Eastern Cape. The distance from the City of Durban (Ethekwini Municipality head office) to Port Shepstone (RNM head office) is 120 km. It must be noted that Durban is the main commercial center of KZN and one of the seven metropolitan cities of the Republic of South Africa. Our municipality's close proximity to this sole metropolitan city of the province is a locational advantage.

Below is a locality map of the municipality

Map 1: Locality Map



1.1 SETTLEMENTS

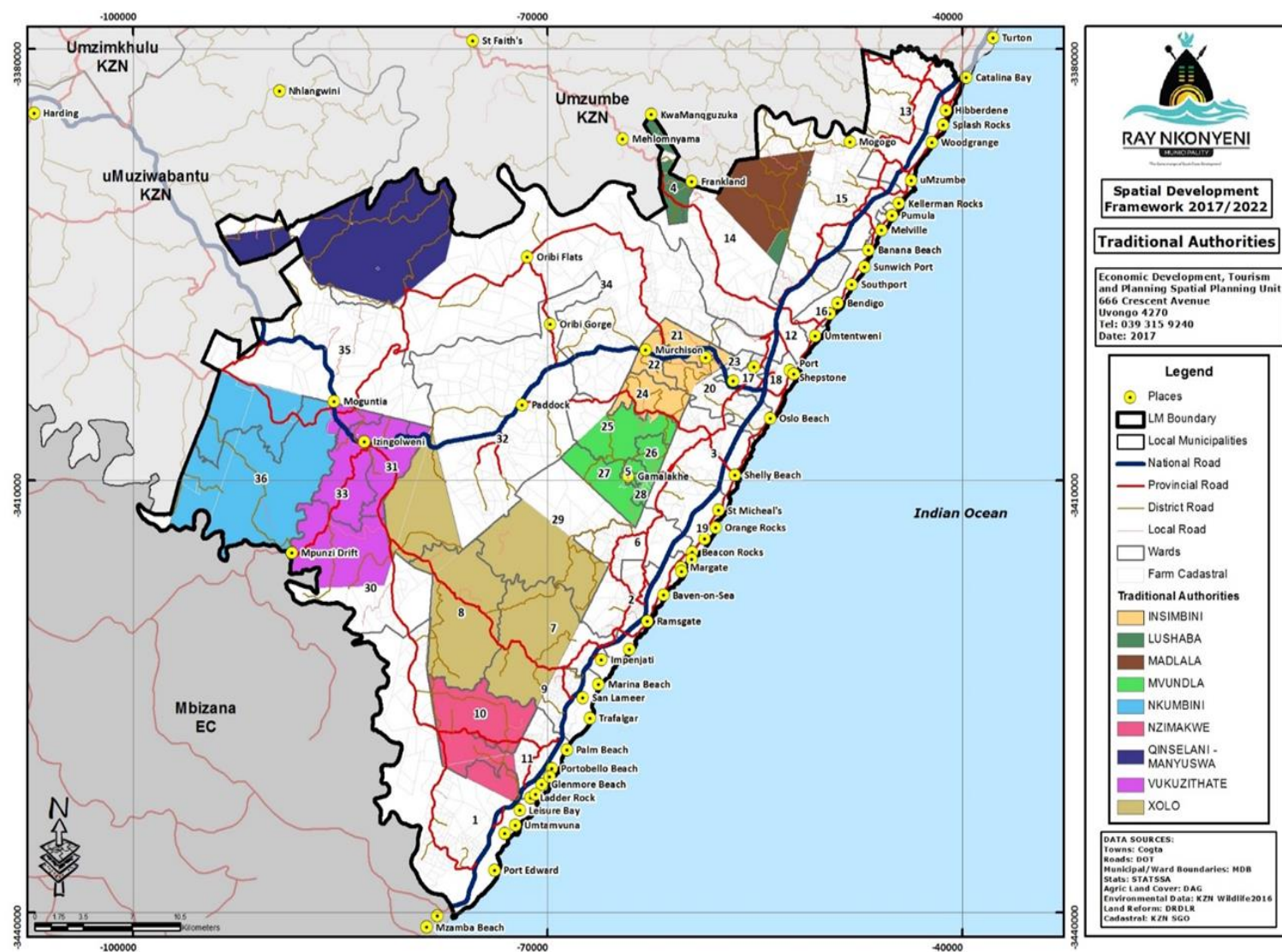
The main urban centres are found along the coast. The inland region of the municipality as indicated earlier on has more land under the leadership of tribal authorities. Following is a table indicating towns and traditional settlements of the municipality.

Table 1: Town Centers and Traditional Settlements

Town Centers	Traditional Settlements
Hibberdene	KwaXolo
Port Shepstone	KwaNzimakwe
Shelly Beach	KwaNdwalane
Uvongo	KwaMadlala
Margate	KwaMavundla
Ramsgate	Oshabeni
South Broom	Kwa Nyuswa
Port Edward	KwaMthimude
Ezingoleni	KwaVukuzithathe

On the following page is a map indicating the Traditional Authority boundaries. It can be noted also that these traditional authority lands vary in size. For an example, traditional areas near urban areas seem to have dense population as compared to those in furthest hinterland. This is due to the proximity of towns where people are either employed or seek job opportunities on daily basis.

Map 2: Traditional Authority



Source: RNM GIS Unit 2017

1.2 HOUSING/ SETTLEMENTS TYPOLOGY

Ugu has an urban development bias. Ray Nkonyeni Municipality land area is characterised by developed urban coastal strip, commercial farming immediately stretching in land and dispersed rural settlements where there is little subsistence farming taking place. Most land furthest inland has commercial agriculture. Naturally, most of the developed human settlements is along the coastal belt as this is where main economic activities take place and land competition has intensified in these areas which is contrary to urban formal settlement. Settlements in rural areas are not yet controlled through land use management scheme and as a result is largely disorderly. However, rural land use management scheme is underway and soon controls will be introduced. Building in rural areas is not controlled using building regulations standards, posing challenges on safety of structure.

1.3 POPULATION

Ray Nkonyeni Municipality has a population of approximately 348 553. The population within the municipality has been growing rapidly throughout the years. There has been a constant racial pattern as well, with Africans being dominant by a huge margin (82%) and followed by Whites (11%). The African population is distributed throughout the municipal 36 wards. Wards along the coastal belt are densely populated due to economic reasons. Compared to the other three sister local municipalities within the district, RNM has the highest population. Since 1996 to date, there has been a steady increase in the population mainly due to immigration given the better socio-economic opportunities in RNM compared to other place in the district and neighboring northern part of Eastern Cape Province. Although there was overall increases across races, Indians fluctuated.

The highest population category of the municipality is young people between the ages of 14 and 35. The entire district youth population is 434 080, with RNM alone accounting for just over 50% of this figure.

Consistent with the national trend, the municipality has less males than females. This is attributed to socio-economic factors. In as much as RNM has a thriving economy, due to the steady influx of people from other neighboring municipalities and other areas over the years, there has been a steady rise of unemployment. This has resulted in many people migrating to in search of greener pastures. Another contributing factor of why the number of males is lower is the social factor. According to the district's Department of Health, statistical information, many men succumb to diseases early in life compared to women.

1.4 ECONOMIC DEVELOPMENT

Ray Nkonyeni is the ultimate economy booster of the entire district due to its location. Commercial agriculture and other numerous companies successfully export products to some of the exclusive areas around the country. The improvement of its infrastructure, education, health and recreational facilities contribute immensely to its appeal. Ray Nkonyeni is the most developed as compared to the other three local municipalities within the District and thus functioning as a regional center. It is also the most densely populated municipality. The Provincial Growth and Development

Strategy and the National Spatial Development Frameworks how that one of the primary development corridors has extended from Durban into Ugu District, RNM specifically. The corridor recognizes existing economic activities and aims to enhance them. Further, it should be noted that most business activities take place along the coastal belt.

The main features of the local economy are tourism, services, agriculture and some limited manufacturing. To grow the economy and broaden ownership, there is some concerted effort to support Small, Medium, Micro Enterprises (SMME's) and have recently supported establishment of their association. Through its Extended Public Works Programme (EPWP), the municipality provides gap job opportunities to many unskilled especially young people and this is implemented mainly through its infrastructure development and services programme. The Previously Disadvantaged Individuals, the youth and disabled members of the municipality are given first preference in job opportunities as a way of redress and equity. The EPWP has projects has been focusing on street cleaning, verge cutting and refuse removal.

1.5 OPPORTUNITIES AND DEVELOPMENT STRENGTHS

Ray Nkonyeni Municipality provides an attractive destination with wide range of amenities facilities of good quality as well as public infrastructure making it attractive and conducive for its residents and tourists alike. However, like many areas in the country, the municipality is faced with a challenge of two-worlds in one community divided along rural/urban split. The urban part is where most good quality amenities, facilities, infrastructure and services is enjoyed with the rural portion still having at least facilities and infrastructure and only to a limited extent. As a result, yearly, the municipality strives to innovatively find a balance between keeping the existing urban infrastructure, facilities, amenities and services being of good quality and also expanding such to rural side. Great efforts are being made to reduce backlogs by prioritizing basic needs to improve the quality of life of the citizens as per the principles set out in the NDP.

Ray Nkonyeni Municipality's success lies in its current economic activities. Further economic opportunities and development can be explored through for example, economic development corridors, Izotsha economic corridor is one such example. There is a potential for eco-tourism in both rural and urban areas due to the natural assets and beautiful scenery. For instance also, there is the Red Dessert in Port Edward, Petrified Forest in Trafalgar, the ancient rock art is found at KwaXolo area which is an indication that this area was once inhabited by the Khoi-Sans, Impenjathi Resort, as well the rocks at Shelly Beach which are said to be from the volcanic eruption, brought to the beach from Antarctica. The Oribi Gorge on the North Eastern part of the municipality is another tourist attraction and serves as an eco-tourism corridor. Tourism is expanding on a large scale in the lower Oribi Flats area, specifically from D251 and this is here the only 5 star hotel in the region is located.

On mainstream economy, there is a growing potential for the growth of the economy judging by recent performance of Margate Airport which was reopened in November

2013. According to the airline operator, over the last years almost 5000 passengers have used the airline flying between OR Tambo International Airport in Johannesburg and Margate. While this was initiated as a one return flight scheduled for selected dates per week, this has grown tremendously. It started as one flight about three times a week to now having at least a flight daily and in fact two flights on Sunday, Monday and Fridays. Further, during peak periods, there are more flights. The redevelopment of the airport and related infrastructure therefore will give the area breath of fresh air.

1.6 TOURISM

Ray Nkonyeni Municipality is a strong tourist attraction place, boasting of well-developed products. Added to that is the climate which is humid and subtropical all year-round, thus a leading tourist destination in KZN. Margate and Port Shepstone are two main centres with public infrastructure, beautiful coastline with blue flag beaches and her tourism the latter mainly playing administrative role while the former is more of tourism attraction point with most tourism products developed in and around this town.

Margate is the main holiday resort throughout the year. The town is also the economic center for the strip of coastline almost completely made up of accommodation, holiday homes and tourist-related establishments. The regional airport is also located in Margate. The coastline of the municipality is also dotted with small towns, many of which serve as seasonal recreational hubs, such as Hibberdene, Shelly Beach, Uvongo, Ramsgate, Southbroom and PortEdward. These towns feature a wide range of tourist-oriented businesses, including restaurants, bars, clubs, movie houses, golf courses, clothing shops, museums and hotels, lodges and Bed and Breakfast.

Further inland of the municipality, an agri-tourism corridor has been identified and further investigated to include the entire P262 as it traverses the landscape. It is believed that this extended tourism corridor is vital for development in the northern portions of the municipality.

The municipality boasts of beaches with international standards accreditation called the blue flag beaches managed in South Africa by WESSA. This international recognition uses stringent criteria focusing on critical aspects such as excellence in terms of safety, amenities, cleanliness and environmental standards. The following beaches have been identified with Blue Flag Status along the Hibiscus Coastline:

- Hibberdene Beach
- Lucien Beach
- Marina Beach
- Southport Beach
- Trafalgar Beach
- Umzumbe Beach
- Ramsgate Beach

1.7 AGRICULTURE

The municipality is generally characterized by good potential agricultural land that needs to be preserved for food production. There is mixed agricultural practice. Commercial farming is dominated by sugar cane farms and banana plantations along the coastal strip. Sugarcane and bananas are grown at a large scale while cattle rearing, macadamia nuts and vegetable grow in small holdings. Subsistence farming (maize growing, amadumbe, beans and sweet potatoes) is practiced mainly in the hinterland whereby families grow for consumption. There is a small scale growth of sugarcane farming in the interior, practiced mainly by emerging Black farmers. Seasonal rains, steep topography, poor infrastructure and lack of new scientific methods of ploughing are some of the shortfalls these farmers experience.

The status quo depicts that much land in the interior is dedicated to sugar cane production within the service area of the Umzimkhulu Sugar Mill. The two mills that service the Municipality are Umzimkhulu Mill near Port Shepstone, and Sezela Mill situated next to the coast between Pennington and Bazely Beach.

The Umzimkhulu Sugar Mill receives deliveries and processes cane from a large area. Due to the closeness to the sea, and commercialization and urbanisation of the coastal belt, the growing area is now mainly inland from the mill, stretching as far as Harding and with some areas in the former Transkei (cane deliveries have dramatically reduced from this region). Cane deliveries now occur mostly from areas situated more or less within a 30-35 km radius from the Mill.

1.8 URBANIZATION, DEVELOPMENT AND UPGRADES


Ray Nkonyeni Municipality has experienced enormous pressure in development over the past year. This is in line with the municipality's urban renewal policy. It is notably that the municipality experiences, in line with international trends, the highest level of urbanisation. There is rapid and growing urbanization within the municipality. There is also a lot of development activities in a form of residential as well as beaches upgrade. A number of catalytic projects are also taking place which many people have found employment. This is in line with the Ugu District Growth Strategy.

The municipality is a business licensing authority and policies have been developed to encourage more businesses into the municipality, more especially the private sector. The CBD in Port Shepstone is quickly reviving its appearance as more establishments are being developed.

1.9 INVESTMENT OPPORTUNITIES (CATALYTIC PROJECTS)

To achieve its long term vision, the municipality is aligned to the National Development Plan 2030 and Local Government policy outcome 9 which states that there should be locally driven public employment programmes. The municipality has catalytic projects which have potential to significantly alter the unemployment challenge faced by the area and grow the economy of the municipality.

These are projects seen as having potential irrespective of powers and functions and affordability of Council and only use need and desirability/impact as the criteria.



Furthermore, these projects are defined by their ability of to have high impact in the economy in terms of the Gross Domestic Product (GDP) of the municipality and will have ability to create permanent and sustainable jobs. Listed below are projects that are regarded as catalytic projects, being and are in different stages of implementation.

Catalytic Projects

NAME OF PROJECT	INITIATOR	PROJECT LOCATION AND TYPE	STATUS
JusticePark in Port Shepstone	RNM/	Port Shepstone. It is an essentially a development of a high court and more magistrate courts and office block to accommodate the Department of Justice needs.	RNM made land available for the project and the Department of Public Works is currently packaging the entire project which is to complete in due course. Total project value is estimated at R360m.
Intermodal Public Transport Facility	RNM/KZN DoT	Port Shepstone. To be developed at the current Port Shepstone taxi rank. This project will be a public transport ranking, facility with high order commercial mix. The facility in essence will be a bus and taxi rank and a mall	Final planning phase
Regional Technology Hub	RNM/KZN TREASURY	Izotsha. This initiative is funded by the Premiers office. The main attributes of the Technology hub include, specialised business park with tenants focused on technology and scientific research, closed alignment to tertiary institutions and their academic staff and partly linked to a wider research system.	Phase one is under construction currently.
Port Shepstone Library Port Shepstone Museum Small Craft Harbor	RNM RNM/DAC RNM/NDPW	Port Shepstone Port Shepstone Hibberdene	Under construction Currently under construction Conceptualization stage

Margate Beach front redevelopment	RNM	Margate Beach.	It is underway and funded by Cogta to give a new look to the beach. First southern phase development of promenade has been completed. Plans are underway for main beach area and Northern portion. The approved budget was R30M
Margate Airport	RNM	Margate	The Department of Co-Operative Governance and Traditional Affairs,(COGTA) financed this operation to the tune of R10m for the upgrade of the Margate Airport and the project bore fruit in November 2013 when the first airline landed. It is a commercial air liner and is operating between OR Tambo and Margate respectively until more lines are opened.
Tourism and Ecotourism development	SCDA	Ugu District.	Tourism Development Strategy for Ugu South Coast Tourism Region completed recently introduces a sector specific vision and the associated long-term goals. The projected budget value is R158.5m per annum.
Marine Drive corridor and craft market:		Port Shepstone to Margate. Village tourism should not be developed as a separate route, but an integral part of the products available to the tourists visiting the area	<p>Currently active. The municipality has identified as etof activities such as arts and craftmarket taking place in some areas and have package them into a unique product that appeals to the tourists, particularly international tourists.</p> <p>These are showcased in arts and crafts markets as well as flea markets. Marine Drive corridor is where this potential growth is taking place. A range of businesses are found along this drive, starting at Port Shepstone to Ramsgate. it is a stretch that is approximately 20km.</p>

Parking block in Dick King's Parking	RNM	Port Shepstone. The Port Shepstone CBD does not have enough parking and no parking block open for public ever built. Businesses are negatively affected in terms of getting more clients and optimal profit. Port Shepstone is experiencing massive development as a result of Justice Park; Department of Education Offices; extension of Port Shepstone Library and building of Maritime Museum. While these developments are adding value to the town, it will put more strain on businesses as the demand for the parking will be increasing exponentially. The idea is to then avail a municipal property strategically located for this purpose to a private developer and developed property without losing ownership.	Conceptualizing Phase
Municipal Office Precinct	RNM	Port Shepstone	A Council Resolution has been obtained and currently finalizing the Municipal Financial Management Act/Supply Chain Management issues
Ocean Upmarket Restaurant	RNM	N/A	Conceptualizing stage
Uvongo Hotel and Conference	RNM	Uvongo	Conceptualizing stage
Rural Tourism	RNM/SCDA/Co GTA RNM/TSC	Kwaxolo Nyandezulu	Phase one has been completed and the SCDA is taking over the project Conceptualizing stage (Spatial Planning)

LOT 19 &20 Light Industrial Development	RNM	Marburg	Lay out has been completed as well as the zoning, however, layout and marketing still needs to be done and infrastructure funding application has been lodged with DTI
Marburg Industrial Park	RNM/SCDA	Marburg. This project has been delegated to the South Coast Development Agency.	Platform and design have been built and completed.
R61 upgrade R102	SANRAL DoT	South Broom to Umtamvuna	The design from South Broom to Umthamvuna has been completed and expropriation of land has started. To widen the road and sidewalks from the Oribi Plaza to the far bottom side of the Provincial hospital
Formalization of Ezinqoleni Town	KZN CoGTA	Ezinqoleni	Public consultation has started. Lay out plan has been done. CoGTA is starting with subdivision and initiating controls.
Light house sub-precinct (New pier Restaurants and picnics facilities Upgrade the feeder road to the sub precinct Upgrade the lighthouse Outdoor gym)	RNM/Transnet /Private Sector	Port Shepstone.	Conceptualizing stage
Port Shepstone Beach redevelopment. (Proposed hotel Active edge	RNM/PUBLIC WORKS/PRIVATE SECTOR	Port Shepstone	Conceptualizing stage

Improved access to the beach Periodic markets Water world facility)			
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1.10 INFRASTRUCTURE

The municipality is fairly covered with roads and physical infrastructure and as a result most services are easily accessible to all residents albeit at varying scales with rural residents struggling to some extent. The point is that, compared to other rural areas in the region and the other sister municipalities of Ugu, accessibility of RNM rural population is fair. However, the maintenance of such infrastructure is what is posing most challenges. There is quite good telecommunication network coverage although more still needs to be done to reach world standards. However, it must be noted that in the furthest rural northern part of the municipality, telecommunication network coverage is poor. There is also a serious problem of aging infrastructure especially on roads manifests itself in too many potholes. However, effective programmes to ensure all roads are in safe driving conditions are underway. The railway infrastructure linking RNM to Umdoni is non-functional. Also the Banana Express rail linking the southern part along the coastal belt to Ezingolweni town is dysfunctional considering that this used to be a big tourist attraction more especially over the festive season, but proved very expensive to maintain.

1.11 MUNICIPAL GOVERNANCE

Council consists of seventy one (71) Councillors and is led by Her Worship, Madam Mayor, Cllr NCP Mqwebu and Cllr D.H. Njoko as the Speaker. In addition, there is a Deputy Mayor, Chief Whip, MPAC chairperson and further 08 Executive Committee members as indicated below

Executive Committee (EXCO) members



Cllr NCP Mqwebu

Cllr Y Nair

Cllr DH Njoko

Cllr ZG Maphumulo



Cllr D Rawlins

Cllr AM Mpisi

Cllr AS Dlamalala

Cllr H Craig



Cllr JS Ndovela

Cllr MT Lubanayana





Cllr L Ntanzu




Cllr S WNdwalane

1.12 MUNICIPAL ADMINISTRATION

The municipality's administration is headed by the municipal manager, Mr SM Mbili assisted by seven Heads of Departments who administer the seven departments. The municipality comprises of seven portfolio committees providing oversight for each of the seven departments. The table on the following page lists the departments and their portfolio committees as well as their respective Heads of Departments.

Table 2: Portfolio Committee and their Department Heads

Portfolio Committee	Department	Head of Department
Community Services Portfolio Committee	Department of Community Services (DCOMMS)	 Mr MB Ndwane
Corporate Services Portfolio Committee	Department of Corporate Services (DCS)	 Ms NB Thabatha
Governance and Special Programmes Portfolio Committee	Department of Strategic Planning (DSPG)	 Mr KJ Zulu
Technical Services Portfolio Committee	Department of Technical Services (DTS)	 Mr RS Dlamini

Development Planning Portfolio Committee	Department Development Planning Services (DDPS)	 <p>Mr SC Zama</p>
Public Safety Portfolio Committee	Department of Public Safety (DPS)	 <p>Mr SA Nzimande</p>
Finance and Budget Portfolio Committee	Department of Treasury	 <p>MS ND Gqola</p>

1.13 VISION AND MISSION STATEMENT

1.13.1 Vision

By 2036 Ray Nkonyeni will be a prime tourist-friendly; economically diversified and smart Municipality with equitable access to opportunities and services in a safe and healthy environment

1.13.2 Mission

The Municipality is committed to create an enabling environment for the establishment of agricultural; maritime; leading tourism and industrial hubs to create business and employment opportunities for sustainable development and improved quality of lives through shared vision; smart service delivery solutions and collaboration with stakeholders

1.14 GOALS AND OBJECTIVES

Goals set improve the functioning of municipalities to better serve communities by getting the basics right, as per the NDP and through the Back to Back Strategy. Ray Nkonyeni Municipality is in line with this programme as well as strategy. The municipality has ensured that goals set are meant to take the municipality's communities to greater heights in terms of sustainable livelihoods. This will be achieved through best service delivery.

Below are the eight goals the municipality has set.

Table 3: Goals, Relevant KPAs and Strategic Objectives

GOAL	RELEVANT KEY PERFORMANCE AREAS	STRATEGIC OBJECTIVES
1.Eradicating Poverty and Hunger	Local Economic Development and Social Development	<ul style="list-style-type: none"> • To accelerate the fight against poverty and prioritise support to vulnerable groups such as children, females and the elderly • To promote sustainable livelihoods by assisting communities through various government led job creation programmes and social programmes • To promote pro-poor economic growth and lessen social and income inequalities
2.Creating a Conducive Environment for Inclusive and Diverse Economic Growth and Development	Local Economic Development and Social Development	<ul style="list-style-type: none"> • To grow the economy of RNM by attracting investments and fostering partnerships with private and public sector • To create a conducive environment for businesses and cooperatives to thrive and ensure the creation of jobs for the local community • To promote township and rural development through nodal developments • To promote RNM as a prime tourism and investment destination • To promote local economic development and the support of emerging enterprises and SMMEs • To promote • To promote strategic and transformative release of land to foster inclusive economic development
3.Promoting Healthy Lives and Equitable Access To Education and Learning Opportunities	Local Economic Development and Social Development	<ul style="list-style-type: none"> • To create a skilled and capable citizenry, that contributes to the growth of the local economy • To create a learning municipality • To create a healthy citizenry, that is capable of participating in growing local economy • To improve access to social infrastructure

GOAL	RELEVANT KEY PERFORMANCE AREAS	STRATEGIC OBJECTIVES
5.Ensuring Infrastructure Development and Universal Access to Reliable Basic Services	Service Delivery and Infrastructure	<ul style="list-style-type: none"> • To ensure existing infrastructure is maintained and revitalised • To address infrastructure backlogs and extend access to basic services • To ensure the delivery of economic infrastructure as part of creating a conducive environment for economic growth • To improve the delivery of capital projects through investment in infrastructure development • To improve access to adequate shelter in the form of sustainable human settlements
6.Promoting a safe and secure society	Local Economic Development and Social Development	<ul style="list-style-type: none"> • To ensure a safe and crime free municipality by reducing crime through law and by-law enforcement. • To galvanise and mobilise all sectors and role-players to participate in ensuring public safety •
7.Combating climate change and ensuring sustainable development and resilient communities	Cross Cutting Issues	<ul style="list-style-type: none"> • To promote the sustainable utilisation of natural resources and compliance with environmental legislation • To promote a healthy and hygienically safe environment and create an environmentally educated society • To promote the green economy • To implement climate change mitigation and adaptation strategies • To strengthen disaster management and mitigate disaster impacts through resilience planning
8.Facilitating Spatial Integration and Development of Sustainable Human Settlements	Cross Cutting Issues	<ul style="list-style-type: none"> • To support access to land and land tenure upgrading • To promote and enhance development planning, spatial planning and land use management • To provide strategic guidance for the spatial development trajectory and desired spatial picture of the municipality

GOAL	RELEVANT KEY PERFORMANCE AREAS	STRATEGIC OBJECTIVES
		<ul style="list-style-type: none"> To ensure the creation of sustainable human settlements

1.15 CORE VALUES

The municipality will strive to deliver its best to its communities based on the following core values;

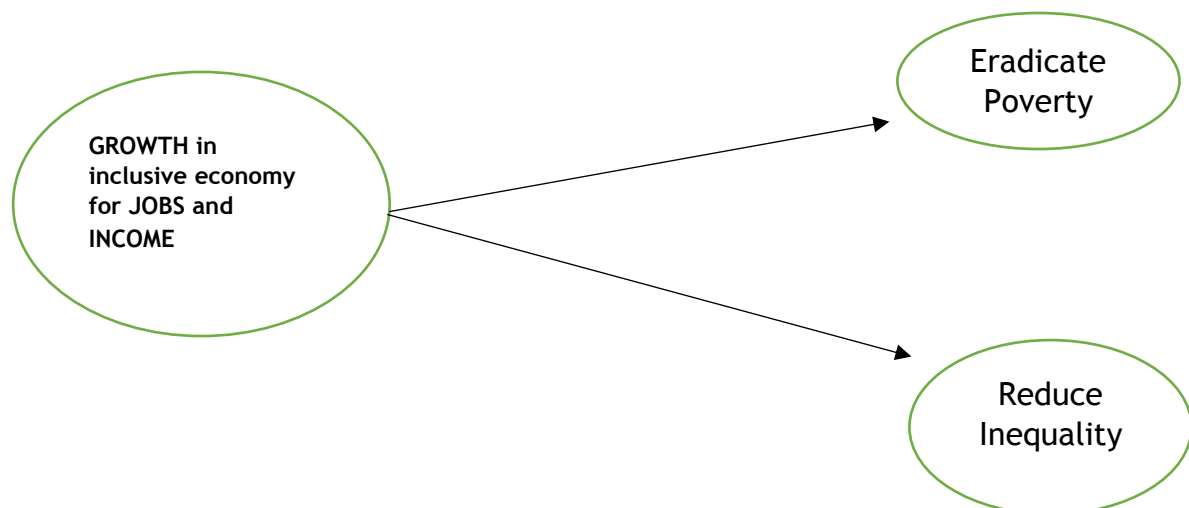
Accountability

- Transparency and openness
- Responsiveness
- Ethical
- Integrity, honesty and pride
- Excellence
- Efficiency and effectiveness
- Professionalism

1.16 KEY CHALLENGES

One of the National Development Plan 2030 outcomes and mechanisms is on eradicating poverty and reducing inequality. This requires increasing growth in a more inclusive economy, which creates jobs and incomes. RNM'S long term vision formulated ensured that it aligns to this outcome to ensure that all its citizens are sustainable in terms of eradicating poverty by having an economy that is growing and job opportunities. This will be carried out by ensuring that its economy is inclusive and all programmes to enhance poverty alleviation are carried out effectively. Following is a diagram illustrating the NDP 2030 outcomes and mechanism.

Illustration 1:2030 outcomes and mechanism



In as much as RNM is the leading local municipality under Ugu District in terms of its striving economy, it must be noted that there are high levels of poverty.

Below is a list of other the key challenges faced by the municipality.

- High unemployment rate amongst the youth
- Poverty
- Inequality
- Access to clean water, housing backlog and electricity
- Informal settlements
- Emerging small commercial farmers with no capital and expertise
- Urban biased development

These key challenges are unpacked below per KPA summarily and how each will be addressed. These will be further discussed in detail in the document under each Key Performance Area on the municipality's intervention.

Table 4: Challenges and Interventions

NATIONAL KEY PERFORMANCE AREA	KEY DEVELOPMENT CHALLENGE	STRATEGY TO UNLOCK CHALLENGES
Basic Service Delivery	1.Strategic infrastructure Bulk water Electricity to unlock investment potential Poor maintenance of infrastructure	Using of MIG grants The maintenance of municipality assets Developing business plans, to attract potential funds or investors
Local Economic Development And Social Development	2. Unemployment, poverty and inequality 3. Unsustainable LED projects in the hinterland 4.Lack of monitoring and evaluation for cooperatives 5. Very limited or no municipal land for urban expansion 6. Informal settlements 7.Emerging small commercial farmers with no capital and expertise	Promoting economic development through trainings Monitoring and evaluation of LED projects Attracting investors Establishment of local LED forum

Good Governance and Public Participation	8. Equal representation between the races and all stakeholders within the municipality 9. Poor participation of makhosi	Conducted through mediums such as Mayoral Izimbizo, Operation Sukuma Sakhe and public meetings Liaise with KZN COGTA-traditional affairs unit to assist
Municipal Financial Viability And Management	10. Debt collection	Effective revenue enhancement strategy
Municipal Transformation And Institutional Development	11. Lack of office space	Budget for office space Increase capacity
Cross Cutting	12. Rural schemes and Environmental unresolved issues 13. Urban biased development	Unlocking of land for development Developing policies Establish agreement with Amakhosi/Ingoyama Trust

1.17 HOW THE IDP WAS FORMULATED

Section 28 of the Municipal Systems Act of 2000 (MSA) stipulates that the Municipal Council must adopt a process to guide the planning, drafting, adoption and review of its IDP. RNM adhered to this Act as its 2016/2017 IDP Process Plan was adopted in August 2016 by Council and submitted to Cogta and this process has informed the current draft IDP.

The IDP has an action plan that has timeframes. Each phase has a budget allocated to it as well as deliverables. Responsibilities are assigned per phase to relevant officials, Representative Forum and Council.

Invitations via the media for members of the public to register their interest to participate as different interest groups as well as give direction in terms of Institutional Arrangements, Mechanisms and Procedures for Participation and Alignment, IDP Review Action Programme and break down the Roles and

Responsibilities are practiced. The approach adopted in the preparation of the Draft IDP 2017/2018 is strongly guided by the guidelines prepared by KZN COGTA as set out in the IDP guide packs and the IDP simplified format. The IDP is in line with the Department of Co-operative Government and Traditional Affairs Guideline for IDP's 2007 / 2008 and beyond.

1.18 ORGANIZATIONAL PERFORMANCE MANAGEMENT FRAMEWORK

The municipality has developed its SDBIP to fulfill both the requirements of the Municipal Systems Act and the Municipal Finance Management Act. The Framework provides indicators, under each focus area that an IDP must respond to. Importantly, this analysis to strategic programmes and project development, also presents a discussion about the importance of linking planning, budgeting, and implementation, monitoring and reporting. It also outlines a process to be followed to ensure proper linkage of these processes to ensure effective implementation.

1.19 HOW WILL PERFORMANCE BE MEASURED

The Municipal Planning and Performance Management Regulations stipulate that a municipality's Organizational Performance Management System (OPMS) must entail a framework that sets out how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role players.

In line with the said legal requirement, this framework should be seen as a policy document that sets out:

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

Additionally, the municipality will ensure that all section 57 employees sign performance contracts aligned to the municipal IDP and objectives. The municipality will also ensure that employees reporting directly to Heads of Departments have performance plan to enable a focused performance of the municipality.

1.20 SWOT ANALYSIS

Central to key challenges mentioned earlier on is the realization by the municipality and all stakeholders involved that although these have had negative effects on development within the municipality in the hinterland, a number of opportunities still exist though. Following is a table with summary key strengths, weaknesses, opportunities and threats:

Table 5: SWOT ANALYSIS

	SWOT ANALYSIS	
INTERNAL	STRENGTHS	WEAKNESSES
	Municipal insights into rural dynamics and livelihood strategies	Small business catchments due to dispersed settlements in the hinterland
	Upcoming Retail Development to create job opportunities and access to market for agricultural products produced locally	Low disposable incomes
	The N2 which traverses the municipal area provides opportunities for development in the form of passing thresholds	Under-representation of big business in the area
	Local FET(Ezingqoleni) College which can be used to enhance skills development for the youth (e.g. film making)	Low skills base
	Labour force readily available across the rural areas	Steep topography making service provision costly
	Oribi Gorge tourism attraction and other natural attractions	Lack of bulk infrastructure e.g. electricity
	Strong IGR - cordial relations between stakeholders	Limited funding to implement LED projects in deep rural
	Abundant wildlife (e.g. warthogs [bush pigs]) that could be harnessed to establish businesses such warthog abattoir & processing	Grant dependency
		Low debt recovery rate
	Abundant natural resources (e.g. catchments & water bodies) that could be utilized for the following: <ul style="list-style-type: none"> •Sand mining •Brick making •Glass factory • Fish farming 	Lack or limited revenue generation
	Abundant under-utilized land	Lack of land for the expansion of Ezingqoleni CBD
	Cordial relations between the municipality and South Coast Tourism	Difficulty to attract investors
	Untapped agricultural potential	Brain drain (emigration of skills)
	LED officer post now filled	Lack of IT infrastructure
	Sound financial management as witnessed by the clean audit	Inadequate office space for the municipality

	100% expenditure of Grants in the previous financial year	Municipal officials working in silos
	Effective public participation programme	Limited employment opportunities within the municipal area
	Functional statutory and ad hoc committees	Privately owned land not available for development in some wards
	Skills Development Plan which meets LGSETA standards	Slow delivery rate of "approved" housing projects
	Adopted and implemented municipal policies	Limited community facilities and public social & recreational amenities
	Enhanced institutional capacity to spend grants	Lack of maintenance for the aforementioned facilities
	Almost 100% provision of VIP toilets	Lack of funding to provide all-weather local access roads e.g. tarred & gravel roads
	80% water provision	Lack of monitoring and evaluation for cooperatives
	Provision of free basic services to indigent households	Lack of skills development for cooperatives
	Disaster Management Plan in place & implemented e.g. Fire truck & ambulance on stand-by full time	Unsustainable LED projects
	Enhanced Institutional Capacity:	Lack of support infrastructure for informal businesses
	Decreased new HIV/AIDS infections	Poor workmanship ("project snags") in infrastructure project outputs
	Political tolerance	Lack of Agriculture Sector Plan
	Improved Job Creation through EPWP	
	Readiness of existing trained cooperatives to function efficiently	
EXTERNAL	<div> <div>OPPORTUNITIES</div> <div>THREATS</div> </div>	
	National Government resolves to grow rural economies	Natural disasters e.g. floods, veldfires
	Growing buying power of the African population in general	Hostile legislative framework to business
	Expansion of the social security net for vulnerable groups across the country	Crime and substance abuse
	Resilience of the informal markets, vibrant & complicated rural livelihoods which cannot be measured in traditional economic terms	Volatile economic conditions in the financial markets and the associated unpredictable inflation
	BEE legislation provides an opportunity of using government procurement spend to uplift SMMEs	

2. SECTION B: PLANNING AND DEVELOPMENT PRINCIPLES AND GOVERNMENT POLICIES IMPERATIVES



2. ASPECTS INFORMING THE PLANNING DEVELOPMENT PRINCIPLES

2.1 ASPECTS INFORMING THE 2017/2022 INTEGRATED DEVELOPMENT PLAN

The preparation and review of the IDP is a continuous process providing a framework for development planning activities in the district. The development and preparation of the IDP is to allow for a changed and renewed development outlook to be taken into account particularly new priorities and where development backlog has been closed or narrowed to reflect accordingly. As such, the IDP is not only annually assessed in terms of delivery and the prevailing conditions in the municipality, but also improved upon each and every year. The MEC for Cogta after all municipalities submit their respective IDPS, assesses them and provides feedback. This is then taken into account during an annual review by each municipality.

The following aspects informed the 2017/2022 IDP:

- Responding on the Outcome Delivery Agreement (Outcome: 09) and its seven (7) outputs, as signed by the Minister (COGTA);
- Responding to issues raised during the provincial and own assessments (SWOT);
- Responding to the comments and issues raised by the MEC for COGTA (KZN) on the 2016/2017 IDP;
- Responding to issues identified as part of the Back to Basics;
- Formulating the current Vision, Mission, s, strategic objective, programmes and projects;
- Alignment of IDP, Budget and PMS activities
- Updating baseline information to ensure sound decision-making in addressing service delivery gaps;
- Strengthening focused community and stakeholder participation in the IDP processes; and
- Aligning Sector Departments' strategic plans to the district-wide priorities and service delivery programmes.

2.2 GOVERNMENT POLICIES IMPERATIVES INFORMING THE 2017/2022 INTEGRATED DEVELOPMENT PLAN

The 2017/2022 IDP document has also been informed and is aligned to the following strategic documents and National and Provincial strategic objectives:

- Sustainable Development Goals
- National Development Plan 2030
- Back to Basics
- State of the Nation Address 2017
- State of the Province 2017
- Provincial Growth and Development Strategy
- District Development Growth Strategy

- Strategic Development
- Alignment Matrix
- SPLUMA Principles
- 14 National Delivery Outcome Agreements (**especially outcome nine (9) in relation to Local government**)
- Provincial Growth Development Strategy: AND
- MTSF

Below is a detailed analysis of how each of these policies are addressed and applied within the municipality.

2.2.1 SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs), officially known as Transforming Our World: the 2030 Agenda for Sustainable Development is a set of seventeen goals with 169 targets between them. SDGs are replacing the Millennium Development Goals (MDGs). The Millennium Development Goals (MDGs) were the world's time-bound and quantified targets for addressing extreme poverty in its many dimensions-income poverty, hunger, disease, lack of adequate shelter, and exclusion-while promoting gender equality, education, and environmental sustainability. They were adopted at the United Nation's Millennium Summit in September 2000 by world leaders, committing their nations to a new global partnership to reduce extreme poverty and setting out a series of time-bound targets, with a deadline of 2015. The SDGs are therefore acting as the Post 2015 Development Agenda (successor to the Millennium Development Goals). They are to guide the global action on sustainable development until 2030. The 17 SDGs are listed in the table below with a column showing how this IDP is aligned to them.

Table 6: Sustainable Development Goals Alignment

GOAL	SDG	RNM's RESPONSE
1	No poverty	Develop LED strategies to create jobs and incomes Increase access to women and other valuable groups to economics opportunities Increase participation in War Rooms and Sukuma Sakhe , to identify poverty ridden households Develop networks of collaboration with NGOs and other stakeholders
2	Less hunger	Develop food security programs One home, one garden project Increase participation with merging farmers
3	Good health and wellbeing	Increase health awareness campaigns
4	Quality education	Mobile libraries that will provides access to learning to all University registration funding and bursary for scarce skills.

		Create an enabling environment to attract educational SETA programs and learner ships
5	Gender equality	Formulation of gender forum Create an enable environment for disadvantaged groups Gender forum to include the previously disadvantage LGBT
6	Clean water and sanitation	Populate all new households , so that sanitation facilities can be in place
7	Affordable and clean energy	Create awareness campaigns
8	Decent work and economic growth	Create jobs Unlock land for development Form partnership with the informal sector Attract foreign and local investors
9	Industry, innovation and infrastructure	Create an environment for investment Attract potential industries Zoning and unlocking of land for development Create business incentives , in attracting industries
10	Reduce inequalities	Support through the indigent support program SMME support and information sharing days
11	Sustainable cities and communities	Development of the land use management scheme Decrease service back logs
12	Responsible consumption and production	Shorten the supply chain system by employing companies in a close radius Create awareness for sustainable development
13	Climate action	Develop mitigation and adaption strategies Develop disaster awareness and prevention campaigns
14	Life below water	Create sustainable awareness campaigns in regards to rivers and streams, as rubbish thrown in pollutes the water endangering sea species
15	Life on land	Effective solid waste management system Conduct a Spatial Environmental Assessment
16	Peace, justice and strong institutions	Involve stakeholders such as Amakhosi, South African Police and the community in Operation Sukuma Sakhe
17	Partnerships for goals set	Strengthen IGRs

2.2.2 NATIONAL DEVELOPMENT PLAN: 2030

President Jacob Zuma appointed the National Planning Commission in May 2010 to draft a vision and national development plan. The Commission's Diagnostic Report, released in June 2011, set out South Africa's achievements and shortcomings since 1994. It identified a failure to implement policies and an absence of broad

partnerships as the main reasons for slow progress, and set out nine primary challenges:

- Too few people work;
- The quality of school education is poor;
- Infrastructure is poorly located, inadequate and under-maintained;
- Spatial divides and hobble inclusive development;
- The economy is unsustainably resource intensive;
- The public health system cannot meet demand or sustain quality;
- Public services are uneven and often of poor quality;
- Corruption levels are high; and,
- South Africa remains a divided society.

South Africans from all walks of life welcomed the diagnostic report as a frank, constructive assessment. Building on the diagnostic, the plan added four thematic areas: rural economy, social protection, regional and world affairs, and community safety. The National Development Plan aims to eliminate poverty and reduce inequality by 2030. The plan comes from the belief that South Africa has the potential and capacity to eliminate poverty and reduce inequality over the next two decades. The municipality fully aligns with the NDP and has ensured that strategies in place do address the key issues raised in the Plan. These will be unpacked in detailed under the LED KPA.

2.2.3 BACK TO BASICS

Our National Development Plan makes it clear that meeting our transformation agenda requires functional municipalities and a capable machinery at a local level that can create safe and healthy and economically sustainable areas where citizens and people can work, live and socialise. The Goal is to improve the functioning of municipalities to better serve communities by getting the basics right, as per the NDP and through the B2B Programme. It is therefore important to understand where we are, where we could be and what needs to be done to improve performance. Back to Basics Programme recognizes that the core services that local government provides is about our Constitution and Bill of Rights. The country's vision of developmental local government was that it would be the building block on which the reconstruction and development of our country and society was built, a place in which the citizens of our country could engage in a meaningful and direct way with the institutions of the state.

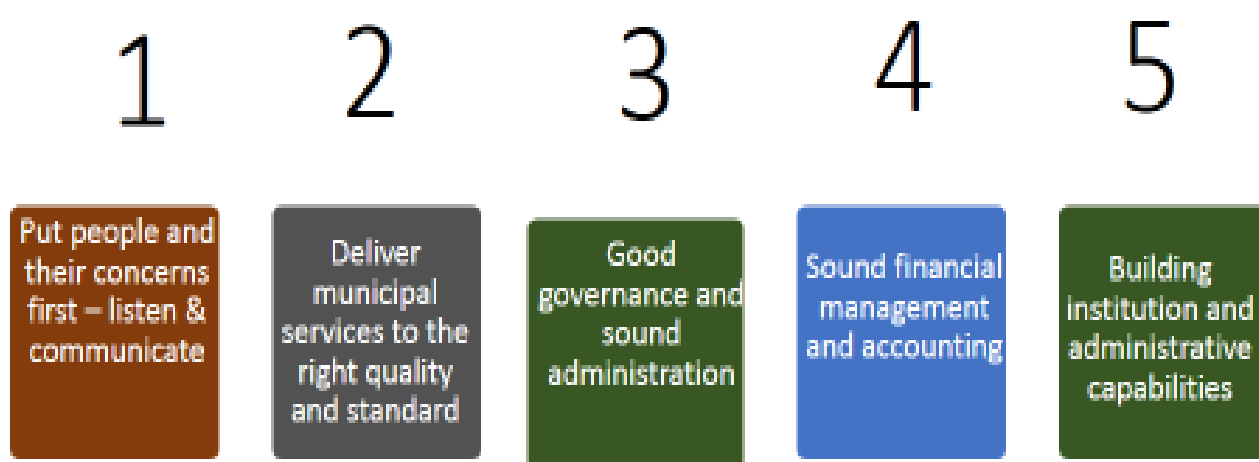
The transformation of the local government sector remains a priority for the current administration. The goal of the Back to Basics Programme is to improve the functioning of municipalities to better serve communities by getting the basics right. It aims to achieve the developmental state of local government and ensure that each sphere of government commits itself to address the challenges faced by local government.

The programme recognizes that we need to do things differently if we want different solutions. It argues that we must change our paradigm to focus on serving the people

rather than the extractive elites. To be noted is that the programme draws from the National Development Plan.

5 pillars of the Back to Basics approach which are principles for action are depicted below:

Illustration 2: Back to Basics Pillars



Ray Nkonyeni Municipality aims at fulfilling the Back to Basics program and pillars by:

- Training and awareness of Ward committee members, about the program
- Holding of public feedback session with Councillors or Mayor , report back to the public
- Training of staff and councilors
- Continuing of sound financial management and strengthen it, within the municipality
- Continuing with the efficient structure of War rooms and Operation Sukuma Sakhe
- Continuing with the roll out of essential government services

2.2.4 STATE OF THE NATION ADDRESS

During the 2017 State of the Nation Address, the President stated that the government aims at continuing with the government's nine point plan and it must be noted that our municipality is completely upholding itself for adhering to these points and will continue doing so. It should be noted that the municipality fully adheres to the strategic points raised by the President. The programmes and projects in place within the municipality aim at growing the economy at the same time curbing unemployment thus providing sustainable livelihoods.

Following are the points the President mentioned and they are unpacked in each KPA on how the municipality will respond to each.

- Operation Phakisa aimed at growing the ocean economy;
- Further curtailing irregular and wasteful expenditure in all government spheres;
- Drought relief;
- Intensively implement the Back to Basics programme
- Encouraging investment
- Implementation of Industrial Policy Action Plan
- Revitalization of agriculture, agro processing and agri parks

2.2.5 STATE OF THE PROVINCE ADDRESS

The 2017 State of the Province Address' main points by the Premier are;

- Equality
- Grow the job market
- Reduce unemployment rate
- Step up poverty relief programmes
- Improve the learner teacher ratio
- Facilitate teacher development support
- Improve the standard and quality of learning experience
- Wide spread of social ills and increased criminality
- Issue of tittle deeds to beneficiaries
- Embarking on a process of radical economic transformation
- Health care efforts to shift increasingly to preventative measures
- Ray Nkonyeni Municipality together with Sector Departments are working together in ensuring that the above listed key points raised by the Premier are fully adhered to. This is mostly visible in the milestone the municipality has covered in terms of addressing them. For an example, amongst many, the issue of social ills is fully embarked upon whereby the municipality has programmes in place throughout the year whereby awareness campaigns are conducted.

2.2.6 PGDS NODES AND CORRIDORS HIERARCHY

The provincial government has developed its own Growth and Development Strategy which is closely aligned to both the Millennium Development Goals and national development goals. The PGDS is essentially a tool through which the provincial government can address the legacies of the apartheid space economy, promote sustainable development and ensure poverty eradication and employment creation' (PSEDs;2007). A number of primary, secondary and existing corridors have been established along the KwaZulu-Natal southern coast, a combination of which merge within Ray Nkonyeni Municipality. The corridors are complimented by a series of nodes identified as Primary, Secondary, Tertiary, Quaternary and 5th level nodes. The KwaZulu-Natal south coast contains a combination of these nodes. A single primary node is located within the Durban CBD, a secondary node is located within RNM at Port Shepstone, four tertiary nodes identified in Ixopo, Umzinto, Hibberdene and Margate,

and seven quaternary nodes scattered throughout the south coast within one falling within the study area at Port Edward.

2.2.6.1 Recreational Node

In support of tourism development within the municipality and promoting it to be highly celebrated through efficient and sustainable infrastructural development, it is recommended that the Gamalakhe node, particularly the area surrounding the uGu Sports and Leisure Centre at the close vicinity of the intersection of road P200 and St Michaels road be promoted as a recreational node. This node is envisaged to provide multifunctional recreational and network of public open spaces that could provide in all the needs of the local community. This node is currently vacant however this area has the potential location of mixed development such as promotion of network of public open spaces supported by residential, commercial, offices and conference facilities.

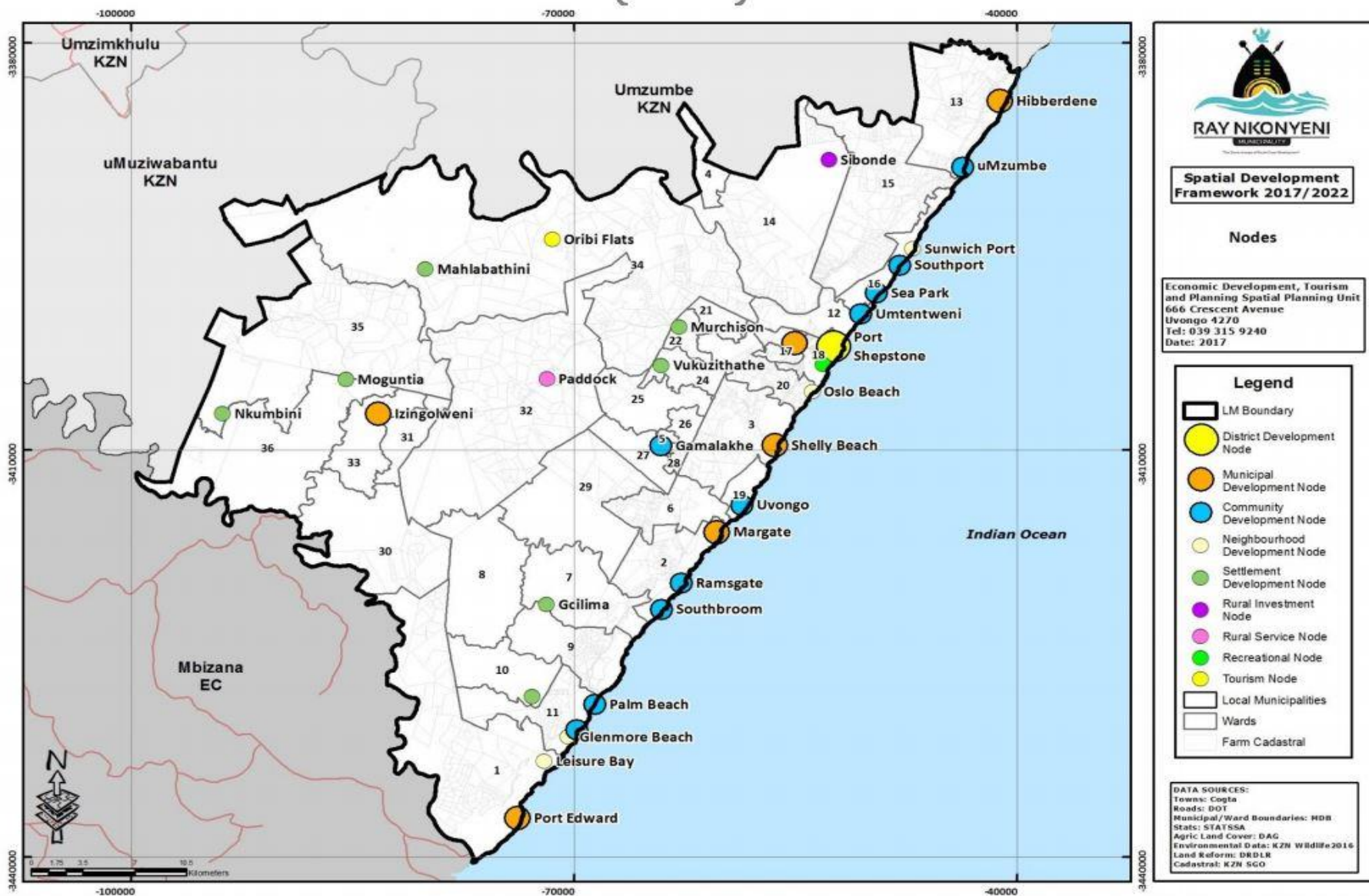
2.2.6.2 Tourism Node

Oribi Flats are situated to the north of the Oribi Gorge, and represents the centre point of an agri-tourism, eco-tourism and adventure areas demarcated on the Spatial

Development Framework. Any development within this area that may have adverse effects on the tourism industry needs to be discouraged. The area is situated centrally to the north-eastern parts of the Municipality, and represents the access point from the southern parts to the Northern tourism area. This area is envisioned to provide limited social amenities such as a postal collection point/post boxes but more specifically for the marketing of, and direction to tourism attractions in the Tourism Area. As such no large scale development would be encouraged here.

Below is a map showing these corridors and nodes.

Map 1:PGDS Nodes



Source: RNM SDF 2017-2021

The 2011 KwaZulu-Natal Provincial Growth and Development Strategy (KZN PGDS) bolsters the Province's commitment to achieving the vision of KwaZulu-Natal (KZN) as a **"Prosperous Province with a healthy, secure and skilled population, acting as a gateway to Africa and the world"**. The PGDS aims to build this gateway by growing the economy for the development and the improvement of the quality of life of all people living in the Province. Below is a table highlighting alignment of PGDS goals and that of RNM IDP interventions.

Table 7: PGDS and RNM Alignment

PGDS Strategic Goal	Applicability to RNM
Job Creation	A substantial % of the total population currently lives in poverty.
Human Resource Development	Skills development identified as one of the key interventions
Human and Community Development	Skills development identified as one of the key interventions
Strategic Infrastructure	Provision of infrastructure to unlock investment potential identified
Responses to Climate Change	Environmental management
Governance and Policy	Skills development identified as one of the key interventions
Spatial Equity	More focus of land management issues

2.2.7 UGU DISTRICT GROWTH AND DEVELOPMENT PLAN

The Ugu Growth and Development Strategy (GDS) commits all stakeholders (public, private and civil society) to achieving a shared vision that by 2030 the Ugu district will be a leading tourism destination and manufacturing and agricultural hub where jobs are created and everyone benefits equally from socio-economic opportunities and services. This intent is based on a shared understanding of the inter-relationships amongst communities and the challenges facing the district economy as a whole. It is based on a commitment to working collaboratively to achieve the most beneficial outcomes for all.

The vision of the Ugu's GDS is that "By 2030 the District will be a leading tourism destination and manufacturing and agricultural hub where jobs are created and everyone benefits equally from socio-economic opportunities and services". It has six economic drivers which are:

- Strategic infrastructure investment
- Education & skills development

- Institutional development
- Strategic sector engagements
- Environmental Sustainability
- Safety Nets & Civic empowerment
- Ray Nkonyeni aligns itself to the District's vision as it sees itself as the Game changer of South Coast Development.

2.2.8 STRATEGIC DEVELOPMENT ALIGNMENT MATRIX

Below is a tabular form the document provides summarised analysis of the strategic development alignment matrix. It addresses how the municipality's IDP is aligned to the National Vision 2030 (National Development Plan), the Provincial Growth and Development Plan and District Growth and Development Plan.

Table 8: Strategic Development Alignment Matrix

NDP PRIORITIES	PDGDP GOALS	UGU DGDP	RNM STRATEGIC GOALS
Job Creation	Job Creation	Sectoral Development and Support	Creating Employment Opportunities
			Establish a conducive environment to attract and grow businesses and cooperatives and ensure creation of jobs for local community
			Grow the economy of RNM by attracting investments and fostering partnerships with private and public sector
Expanding Infrastructure	Strategic Infrastructure	Strategic Infrastructure Development	Improve delivery of capital projects through investment in infrastructure development
Provision of Quality Health Care	Human and Community Development	Safety and Empowerment of Communities	Alleviate Poverty and Promote Socio Economic Development
			Promote and enhance the fight against poverty and ensuring support to child/female/elderly headed households

2.2.9 SPLUMA PRINCIPLES

2.2.9.1 Preparation of SDF

I. The nation and provincial spheres of government and each municipality must prepare Spatial Development Frameworks that-

A) Interpret and represent the spatial development vision of the responsible sphere of government and competent authority)

b) Are informed by a long term spatial development vision statement and plan;

c) Represent the integration and trade-off of all relevant sector policies and plans

d) Guide planning and development decisions across all sectors of government;

e) Guide a provincial department or municipality in taking any decisions or exercising any discretion in terms of this Act or any other law relating to spatial planning and land use management systems;

f) Contribute to a coherent, planned approach to spatial development in the national, provincial and municipal spheres;

g) Provide clear and accessible information to the public and private and provide direction for investment purposes;

h) Include previously disadvantaged areas, areas under traditional leadership, rural areas, informal settlements, slums and landholdings of state-owned enterprises and government agencies and address the inclusion and integration into the spatial, economic, social and environmental objectives of the relevant sphere;

i) Address historical spatial imbalances in development;

j) Identify the long term risks of particular spatial patterns of growth and development and the policies and strategies necessary to mitigate those risks;

k) Provide direction for strategic developments, infrastructure investment, promote efficient, sustainable and planned investments by all sectors and indicate priority areas for investment in land development;

l) Promote a rational and predictable and development environment to create trust and stimulate investment;

m) Take cognisance of any environmental management instrument adopted by the relevant environmental management authority;

N) Give effect to national legislation and policies on mineral resources and sustainable utilization and protection of agricultural resources; and

o) Consider and, where necessary, incorporate the outcomes of substantial public engagements, including direct participation in the process through public meetings, public exhibition, public debate and discourses in the media and any other forum or mechanisms that promote such direct involvement

II. The national government, a provincial government and the municipality must participate in the spatial planning and land use management processes that impact on

each other to ensure that the plans and programmes are coordinated, consistent and in harmony with each other.

III. Spatial Development Framework adopted in terms of this Act must guide and inform the exercise of any discretion or of any decision taken in terms of this Act or any other law relating to land use and development of land by that sphere of government.

IV. The National Spatial Development Framework must contribute to and give spatial expression to national development policy and plans emanating from the various sectors of national government and may include any regional spatial development framework

V. A provincial spatial development framework must contribute to and express provincial development policy as well as integrate and spatially express policies and plans emanating from the various sectors of the provincial and national spheres of government as they apply at the geographic scale of the province

VI. A municipal's SDF must assist in integrating, coordination, aligning and expressing development policies emanating from the various sectors of the spheres of government as they apply within the municipal area

VII. SDFs must outline specific arrangements for prioritizing, mobilizing, sequencing and implementing public and private infrastructural and land developments investment in the priority spatial structuring areas identified in the SDFs

The current SDF of the municipality fully adheres to the SPLUMA Principles.

2.2.10 THE 14 NATIONAL OUTCOMES

Outcome 9 talks specifically to Local Government, and below it has been broken down into seven (7) outputs:

Output 1: Implement a differentiated approach to municipal financing, planning and support

Output 2: Improving access to basic services.

Output 3: Implementation of the Community Work Programme

Output 4: Actions supportive of the human settlement outcome

Output 5: Deepen democracy through a refined Ward Committee model

Output 6: Administrative and financial capability

Output 7: Single window of coordination

Our Municipality is proud to announce that the above seven outputs fully implements through its service delivery targets set out in the SDBIP.

2.2.11 PROVINCIAL GROWTH DEVELOPMENT PLAN

The Plan aims to ensure that all South Africans attain a decent standard of living through the elimination of poverty and reduction of inequality. The core elements of a decent standard of living identified in the Plan are:

- Housing, water, electricity and sanitation
- Safe and reliable public transport
- Quality education and skills development
- Safety and security
- Quality health care
- Social protection
- Employment
- Recreation and leisure
- Clean environment
- Adequate nutrition

Through its LED, the municipality is striving to ensure that poverty is eliminated and inequality addressed. This is done through the programmes and projects in place. Clean and safe environment is another milestone the municipality has covered and is working towards attaining quality health care.

2.2.12 MEDIUM STRATEGIC FRAMEWORK 2014-2019

The MTSF highlights Government's support for a competitive economy, creation of decent work opportunities of investments. The aim is to ensure policy coherence, alignment and coordination across Government plans as well as alignment with budgeting processes. It further aims at achieving the radical socio-economic agenda and further identifies decent work, education and the capacity of the state as particularly important priorities. Ray Nkonyeni Municipality through its strategies mentioned earlier on in the document, has fully addressed what is highlighted above.

3. Section C: Strategic Framework



3. Strategic Framework

RNM held its Strategic Planning Session in November 2016 whereby the vision, mission statement as well as Strategic objectives were drafted. The strategic objectives are aimed at helping to provide guidance on how an organization can fulfil or move towards its aimed goals. This chapter there for seeks to address how key problems mentioned in the situational analysis are being addressed using strategies identified during the Strategic Planning and how the IDP has been informed and aligned to the Strategies as well as National and Provincial Strategic objectives ;

- Provincial Growth and Development Strategy
- Municipal Turnaround Strategy
- National Delivery Outcome Agreements(especially outcome 9 in relation to local government and municipalities
- Millennium Development Goals

3.1 ORGANISATIONAL GOALS, VISION AND MISSION STATEMENT

The realisation of the municipality's vision and mission requires the setting of goals that need to be achieved. These give further to the vision. It must be noted that the municipality's goals are relevant to those of the Sustainable Development Goals (SDG) and those of the Provincial Growth and Development Strategy Goals (PDGS). In this regard, the municipality has fully aligned with the SDG as well the PGDS. Below are the eight preliminary goals identified by the municipality.

Table 9: Goals and Strategic objectives

GOALS	Strategic Objectives
1.Eradicating poverty and hunger	<ul style="list-style-type: none">• To accelerate the fight against poverty and prioritise support to vulnerable groups such as children, females and the elderly• To promote sustainable livelihoods by assisting communities through various government led job creation programmes and social programmes• To promote pro-poor economic growth and lessen social and income inequalities
2.Creating a conducive environment for inclusive and diverse economic growth and development	<ul style="list-style-type: none">• To grow the economy of RNM by attracting investments and fostering partnerships with private and public sector• To create a conducive environment for businesses and cooperatives to thrive and ensure the creation of jobs for the local community• To promote township and rural development through nodal developments• To promote RNM as a prime tourism and investment destination

3.Promoting healthy lives and equitable access to educational and learning opportunities

- To promote local economic development and the support of emerging enterprises and SMMEs
- To promote strategic and transformative release of land to foster inclusive economic development
- To create a skilled and capable citizenry, that contributes to the growth of the local economy
- To create a learning municipality
- To create a healthy citizenry, that is capable of participating in growing local economy
- To improve access to social infrastructure

4.Developing a capable, equitable and financially viable institution

- To foster effective and efficient Inter-Governmental Relations (IGR)
- To create a skilled and capable municipal workforce, that provides quality services to the citizens of the municipality
- To improve the organisation's performance through enhanced productivity and achievement of service delivery
- To enhance organizational development in line with community needs
- To promote a culture of participatory planning and participatory democracy
- To have updated organisational policies and modernised information and communication technologies for good governance
- To develop an ethical organisation which is fraud, corruption and maladministration free
- To promote and uphold principles of transparency, accountability, good governance and legal compliance
- To ensure confidence of all stakeholders in municipal financial management
- To ensure sound and effective financial management and compliance with policy and legislative requirements
- To improve debt management, debt collection, ensure value for money and implement cost reduction measures
- To grow and diversify revenue streams and implement revenue enhancement projects
- To ensure expenditure on long-term capital infrastructure project plans
- To ensure effective and efficient management and utilisation of council owned properties and assets.

5.Ensuring universal access to reliable basic services

- To ensure existing infrastructure is maintained and revitalised
- To address infrastructure backlogs and extend access to basic services

	<ul style="list-style-type: none"> • To ensure the delivery of economic infrastructure as part of creating a conducive environment for economic growth • To improve the delivery of capital projects through investment in infrastructure development • To improve access to adequate shelter in the form of sustainable human settlements
6.Promoting peaceful, tolerant, safe and inclusive society	<ul style="list-style-type: none"> • To ensure a safe and crime free municipality by reducing crime through law and by-law enforcement. • To galvanise and mobilise all sectors and role-players to participate in ensuring public safety
7.Combating climate change and ensuring sustainable development and resilient communities	<ul style="list-style-type: none"> • To promote the sustainable utilisation of natural resources and compliance with environmental legislation • To promote a healthy and hygienically safe environment and create an environmentally educated society • To promote the green economy • To implement climate change mitigation and adaptation strategies • To strengthen disaster management and mitigate disaster impacts through resilience planning
8.Facilitating spatial integration and development of sustainable and resilient settlement resilient	<ul style="list-style-type: none"> • To support access to land and land tenure upgrading • To promote and enhance development planning, spatial planning and land use management • To provide strategic guidance for the spatial development trajectory and desired spatial picture of the municipality • To ensure the creation of sustainable human settlements

The municipality has set the above listed strategic goals in the table to guide the process of moving progressively towards the attainment of the long-term vision stated above. The focus primarily is on tourism as the leading sector serving as the engine for our economic growth and development. On the provision of infrastructure and services, the municipality believes that it should ensure that the existing infrastructure is maintained properly and improved and that basic services are accessed by all.

Strategies have been developed to promote economic and social development aiming to provide job opportunities and reduce poverty levels. Generally, RNM is the most concentrated economic hub within Ugu District Municipality with the main economic sectors being tourism and agriculture with some manufacturing occurring in Port Shepstone. As an economic hub, RNM has advantage of influencing the Ugu Regions economic potential, policies and development programmes.

3.1.1 Vision

“By 2036 Ray Nkonyeni Municipality will be a prime tourist-friendly; economically diversified and smart Municipality with equitable access to opportunities and services in a safe and healthy environment”

3.1.2 Mission

“The Municipality is committed to create an enabling environment for the establishment of agricultural; maritime; leading tourism and industrial hubs to create business and employment opportunities for sustainable development and improved quality of lives through shared vision; smart service delivery solutions and collaboration with stakeholders”

3.2 STRATEGIC OBJECTIVES

1. Municipal Transformation and Organisational Development

- i. To foster effective and efficient Inter-Governmental Relations (IGR)
- ii. To ensure on-going human resource development
- iii. To attract and retain skilled employees
- iv. To be an innovative organisation with improved performance

2. Basic Service Delivery and Infrastructure

- i. To ensure existing infrastructure is maintained and improved.
- ii. To provide access to basic services
- iii. To extend the provision of basic services and infrastructure to rural areas.
- iv. To improve delivery of capital projects through investment in infrastructure development
- v. To facilitate the provision of housing

3. Local Economic Development

- i. To grow the economy of the municipality through investment attraction and tourism development

-
- ii. To create an enabling environment to grow businesses, cooperatives and SMMEs
 - iii. To drive job creation initiatives
 - iv. To promote township and rural development through nodal developments especially for commerce and industries
 - v. To promote sustainable livelihoods and enhance the fight against poverty
 - vi. To facilitate participation of youth and previously disadvantaged individuals in the economy.

4. Good Governance and Public Participation

- i. To promote a culture of participatory democracy
- ii. To develop and review organisational policies to be in line with current national and provincial agenda
- iii. To develop an ethical organisation which is fraud and corruption free
- iv. To promote and uphold principles of good governance and legal compliance
- v. To ensure a safe and crime free municipality.
- vi. To promote human rights and social upliftment of vulnerable groups and address moral regeneration need
- vii. To promote and safeguard the municipal brand

5. Municipal Financial Viability and Management

- i. To ensure efficient and effective management of council assets and properties.
- ii. To improve revenue, cost reduction and management of debt
- iii. To ensure expenditure on long-term capital infrastructure project plans

6. Cross Cutting Issues

- i. To create sustainable and resilient settlements
- ii. To promote and enhance planned development and land administration
- iii. To promote green economy

4. SECTION D: DEMOGRAPHIC CHARACTERISTICS



4. DEMOGRAPHICS

4.1 Population Profile

The combined population of Ugu District is 753 336. Out of this total, Ray Nkonyeni Municipality's population is 348 533. With this population, RNM is the highest populated municipality in the District, making 45% of the entire district's population. Africans are still dominant within the municipality by a huge margin, which is more than 82% followed by Whites at 11%. Indians make a lower percentage than those for whites followed by Coloreds.

With this kind of population, there are bound to be socio-economic issues that the municipality will encounter, like in any society with similar issues. In that regard, the municipality has put responsive programmes and policies which will ensure that such issues are addressed and further enhance livelihoods for its entire communities. These programmes and policies will be unpacked in detail in the document under each Key Performance Areas (KPAs).

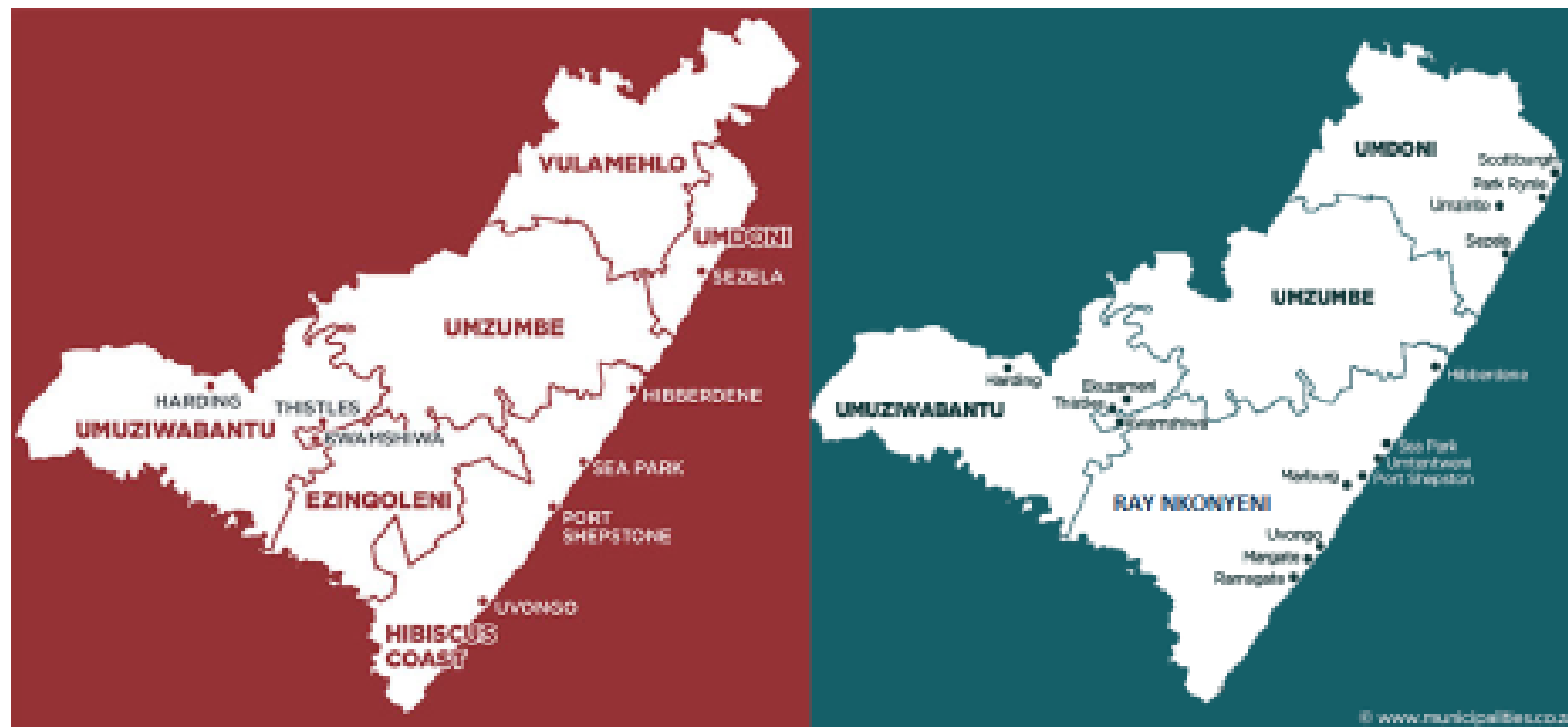
Most of Ugu's Local Municipalities' boundaries were affected after the demarcation, except for Umuziwabantu. After the disestablishment and incorporation of Vulamehlo, incorporated into Umdoni Municipality, the boundary of the latter changed.

The newly established Ray Nkonyeni Municipality had a new boundary, there after boasting the largest local municipality in square kilometers in the entire District. Umzumbe municipality's boundary was affected as well since a small portion in its northern part was demarcated to Harry Gwala District. Umuziwabantu's boundary was not affected.

Below are two maps showing boundaries before and after the demarcation of the Ugu District Municipality and its local municipalities.

Map 2: District Boundary

District Municipality: Looking back and now....



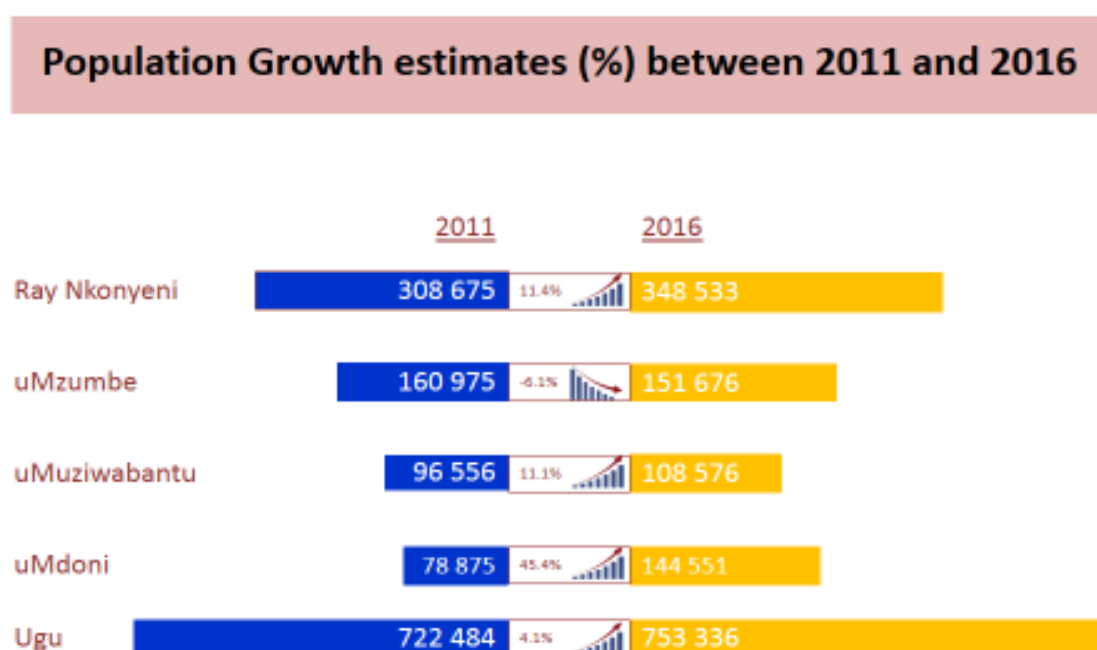
2011 Geo hierarchy: 789 953 persons
8.5 growth rate

Source: Statistics South Africa 2016 Community Survey

2016 Geo boundaries: 753 336 persons
4.1 growth rate

Below is a graph showing the Ugu Local Municipalities' population estimates in 2011 and 2016 respectively. It must be noted that some local municipalities experienced a population growth in 2016 while some experienced a decline. Those with a population increase are Ray Nkonyeni, Umdoni and Umuziwabantu Local Municipalities while Umzumbe local municipality's population declined. The population growth was due to the amalgamation while the decline factor was due to the fact that a portion of Umzumbe was demarcated to Harry Gwala District Municipality.

Graph 1: Population Growth estimates %



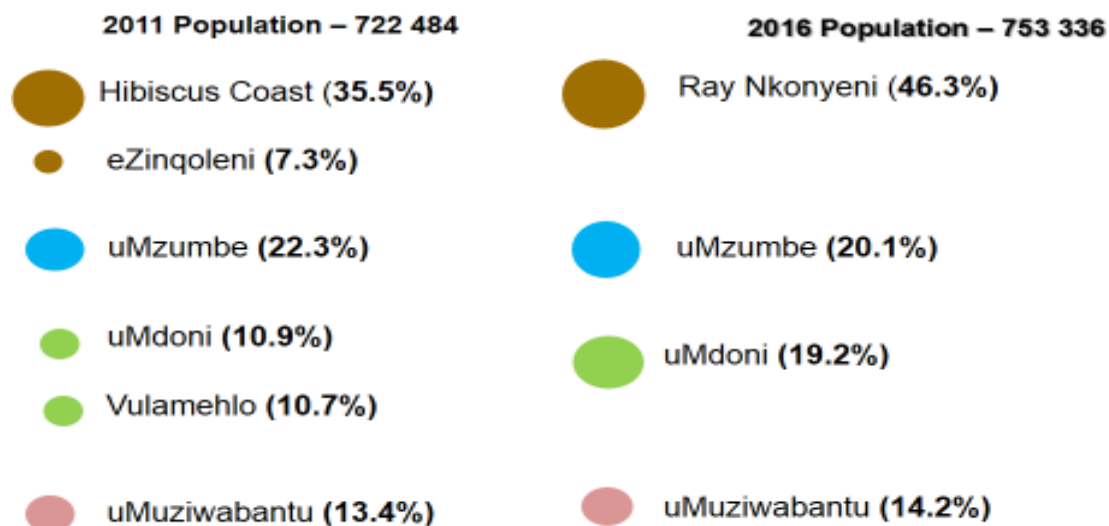
Source: Statistics South Africa 2016 Community Survey

There was a population growth of (11%) 39 881 in 2016 for Ray Nkonyeni Municipality, while Umuziwabantu's population increased by (11.1%) 12 020 and Umdoni experienced the highest increase of (45.4%) 65 676. On the other hand Umzumbe municipality (4.1%) declined by 9 299. According to Provincial standards, these are quite huge growths and normally, when there is a population growth, there is bound to be socio-economic issues arising. It is therefore crucial for any municipality to have proper planning to ensure service delivery sustainable.

In as much as Ray Nkonyeni Municipality did not experience a highest population percentage growth amongst the other Ugu local municipalities, it has however, the highest population percentage in the entire Ugu District, followed by Umzumbe, Umdoni and lastly Umuziwabantu. This is due to the fact that prior to the amalgamation of former HCM and Ezinqoleni Municipality, HCM had the highest population percentage in the entire district, so it makes sense to have such a high percentage even though former Ezinqoleni had the lowest population percentage.

Below is a graph showing each Ugu Local Municipality population percentage.

Graph 2: Population Percentage per Local Municipality



Source: Statistics South Africa 2016 Community Survey

4.1.1 RNM COMPARED TO THE KZN LOCAL MUNICIPALITIES

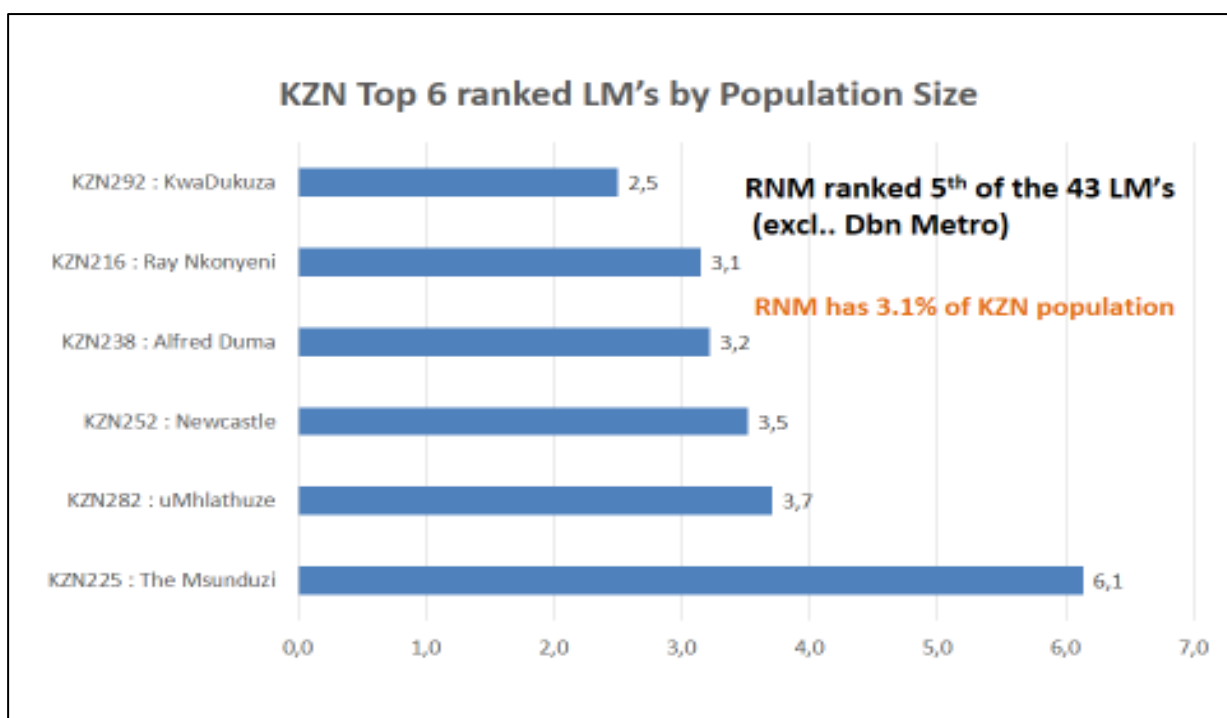
In terms of population, RNM is ranked number five out of the 43 local municipalities in KZN. The highest populated local municipality is Umsunduzi with a total population of 679 039, followed by Umhlathuze Local Municipality with a population of 410 465. There is a slight population difference between Alfred Nzo Municipality and Ray Nkonyeni Municipality. Alfred Nzo Municipality has a population of 3.2% of the KZN population and is ranked number four while Ray Nkonyeni Municipality has a population of 3.1% of KZN population. On the other hand, Impendle Local Municipality has the lowest, with a population of 29 526.

The other Ugu District Municipality locals are ranked as follows:

- Umzumbe Local Municipality is ranked number 18 with 151 676 total population
- Umdoni Local Municipality is ranked number 19 with 144 551 total population
- Umuziwabantu is ranked number 32 with 108 576 total population.

Below are statistics of the top six KZN local municipalities in terms of population size.

Graph 3: Top 6 KZN LMs



Source: Statistics South Africa 2016 Community Survey

4.1.2 POPULATION GROWTH

In terms of population percentage growth amongst Local Municipalities within Ugu District Municipality, Umdoni municipality experienced the highest, which is 45.4%, followed by RNM with 11.4%, Umuziwabantu with 11.1% and lastly by Umzumbe with -1%.

Former Hibiscus Coast Municipality has always had a high population as compared to the rest of the Ugu locals and further seen as the economic hub for all its neighboring municipalities. It must be noted, however, that other than the amalgamation of former Hibiscus Coast Municipality and Ezingqoleni Municipalities, the increase is also due to more child births and steady influx of people from outside the municipality. Throughout the years to date, this influx has had both negative and positive repercussions economically and socially. The negative part being that, due to housing shortages, a number of informal settlements have sprang up on the main towns' peripheries resulting in overcrowding, high crime and more health issues. The positive side is that due to the population growing, the economy of the municipality has been growing steadily as well. Businesses are growing and booming.

According to the State of the Nation Address, 2016, the President voiced out that a high population is a threat to growth and development and results in extreme poverty. In this light then, when a population grows, there is bound to be problems in terms of socio-economic factors are concerned. More people in one area mean less job opportunities resulting in extreme poverty. It there for lies within the municipality to ensure that its vision and strategies addresses this aspect.

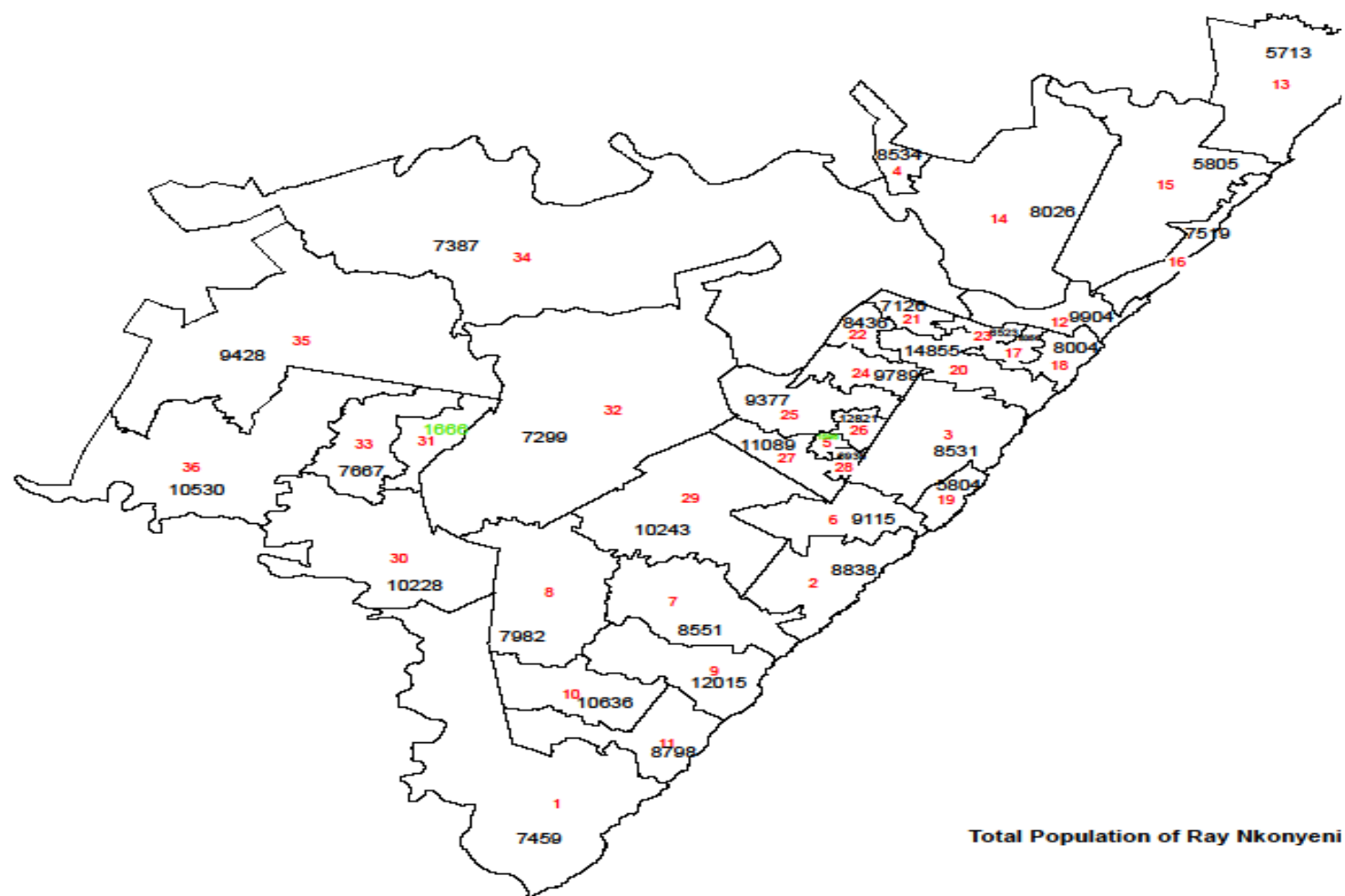
4.1.3 POPULATION DENSITY

Most rural areas in many parts of KZN areas are sparsely populated, and this is no exception to RNM. According to the recent community survey, the population is distributed unevenly across the 36 municipal wards. For an example, Ward 20 has a total of approximately 14 855 which makes it the most populated electoral ward within the municipality. Ward 19 accounts for the lowest population of about 5 805. Electoral wards located within the urban component of the municipality and along the main access roads have larger population numbers compared to rural and remote wards. This could also be attributed to a relatively high concentration of economic activities in these wards. This reflects differences in settlement density and typology and may require different approaches in terms of Human Settlements Planning and Development and other basic services. It must be noted that there is a new ward altogether which was formed after the amalgamation of both municipalities, and that is ward 5. The municipality has adopted a cluster approach and thus grouped electoral wards into seven clusters

It must be further noted that in rural wards inland, the population is denser on flat plains as public infrastructure including roads, health centres, schools, etc tend to be. Therefore, the contributing factor to a fairly distributed population is mainly good topography as this tends to be associated with better access to public infrastructure.

The Population Density Map on the following page shows the population distribution throughout the municipality per square kilometer in each ward.

Map 3: Population Density



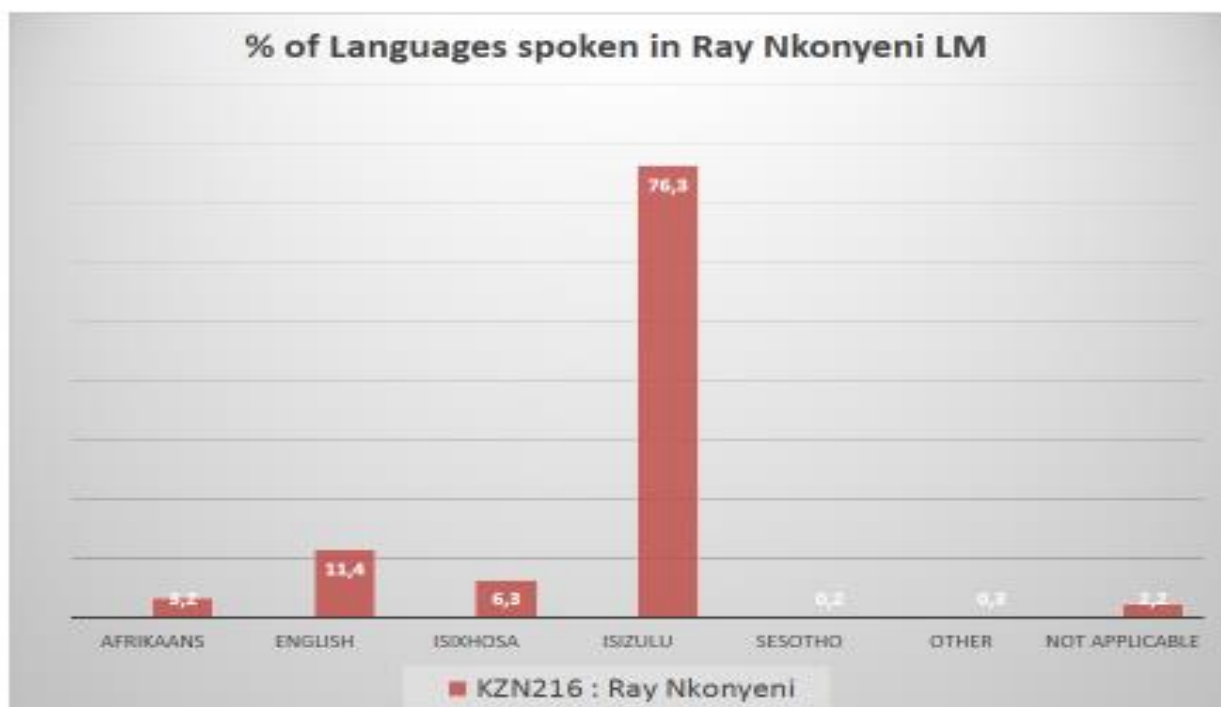
4.1.4 POPULATION BY HOME LANGUAGE

According to the KZN Provincial Language Policy, IsiZulu, English, Afrikaans and isiXhosa are already regarded as official languages in the province. Looking at the top five of the mostly spoken languages in the province, the findings are, in the eleven District Municipalities, isiZulu language is mostly spoken, hence in RNM isiZulu is the most spoken language (76%)

English is the second most popular spoken language, at 11.4% while IsiXhosa follows at 6.3%. Afrikaans is 3.2%. There are also other languages spoken by a very small minority.

The graph below details this information.

Graph 4; Home Language Percentage



Source: Statistics South Africa 2016 Community Survey

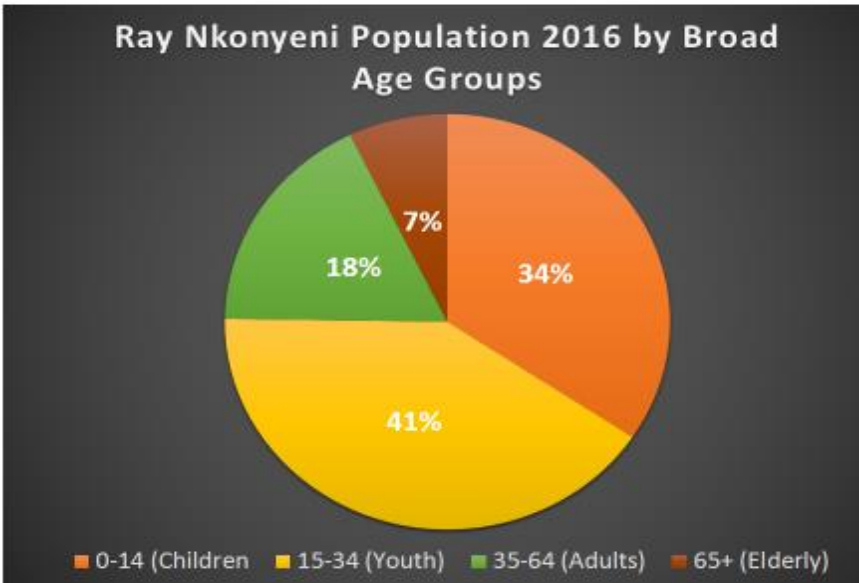
4.1.5 POPULATION BY AGE GROUPS

The youth population within the municipality is 41%. This population is between the ages of 15-34. This means that the municipality consists of more youth population than any age group. Following at 34% is the children population between the ages of 0-14. This is quite a large percentage considering the health issues that normally affect most children resulting in high number of deaths. The Department of Health has made big strides in terms of improving and addressing health issues to curb the high mortality rate that has been an issue over the years within the municipality. In as much as the PGDS Human Development and Social Capital Analysis points out that

there is still high mortality rate within the Province, RNM has made a substantial improvement in reducing it. From the graph below, it is noticeable that the youth percentage is higher than the children's percentage. This is because the municipality has more educational facilities and more job opportunities which attract young people from areas outside its jurisdiction. The third in population size (18%) is the adults. This category is between the ages of 35-64 years. What is noticeable also is that as the population grows older, the number gets lesser. Contributing factors may be due to socio- economic conditions. As people grow older, so are their needs which normally result in out migration in search of greener pastures. Another possible factor may be the result of the pandemic diseases. According to the PGDS, high level strategic analysis, these are still areas to improve on and so RNM is improving on that. The last population in size is the elderly who make 7%, between the ages of 65+. One can conclude by that the municipality's life expectancy is extremely low.

When comparing the municipality to the rest of the KZN province, a summary that can be concluded is that, considering that the municipality is ranked amongst the top five in the province in terms of population, it has the lowest life expectancy and this is a huge concern. Social ills can be listed as a contributing factor. The youth within the municipality as compared to the rest of the other KZN local municipalities is the highest.

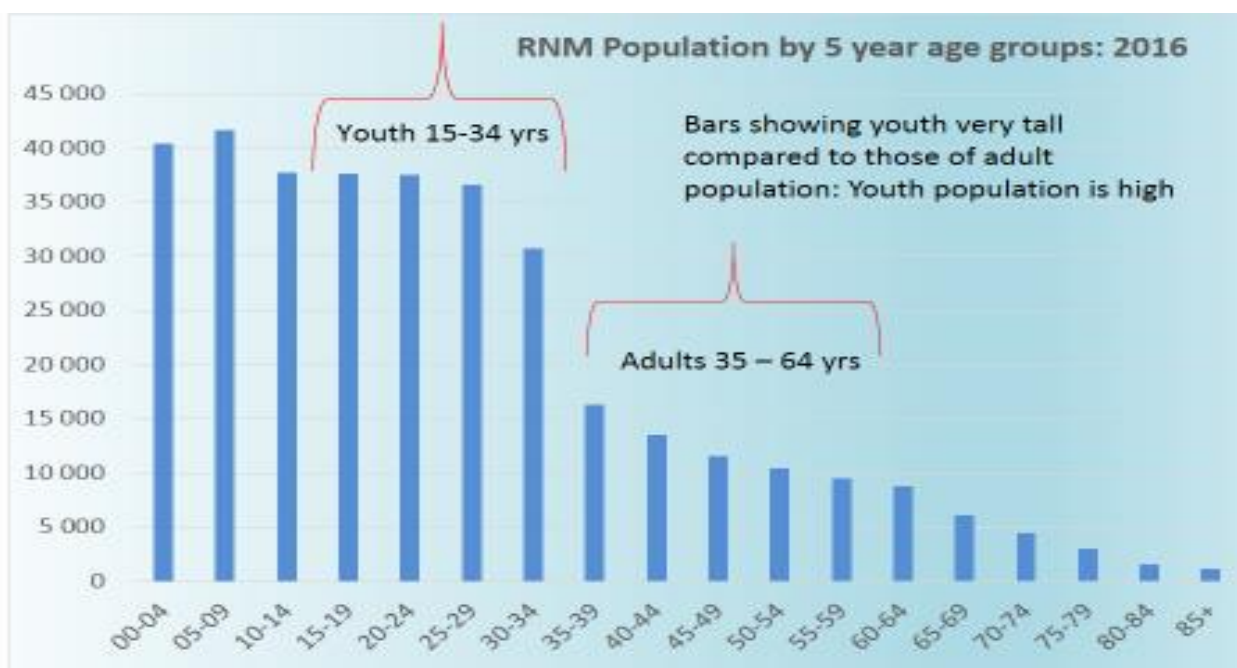
Graph 5: Population by Broad Age Groups



Source: Statistics South Africa 2016 Community Survey

Trends for the past decade indicate that former Hibiscus Coast Municipality constantly experienced a youth bulge. When both municipalities amalgamated, the number increased. This is proven by the information from the population by age groups and the information from the community survey census graph below. From these statistics, a concern that can be raised is, are programmes and policies in terms of job creation and education facilities responsive to this issue?

Graph 6: Population by 5 Year Age Groups



Source: Statistics South Africa 2016 Community Survey

In terms of youth percentage, Ray Nkonyeni Municipality has the highest (41%) followed by Umdoni Municipality with 39% while Umuziwabantu Municipality has the lowest (35.6%). Below is a graph showing the Ugu District's local municipalities youth population percentages.

Table 10: Youth Percentage per municipality

	Census 2011 Proportion	CS 2016 Proportion
Ray Nkonyeni	37.3%	40.9
uMdoni	≈ 35.5%	38.9
uMzombe	33.7%	35.8
uMuziwabantu	34.2%	35.6
Ugu	35.7	38.7

Source: Statistics South Africa 2016 Community Survey

4.1.2 POPULATION DISTRIBUTION

4.1.2.1 Population Pyramid (Age) by Gender

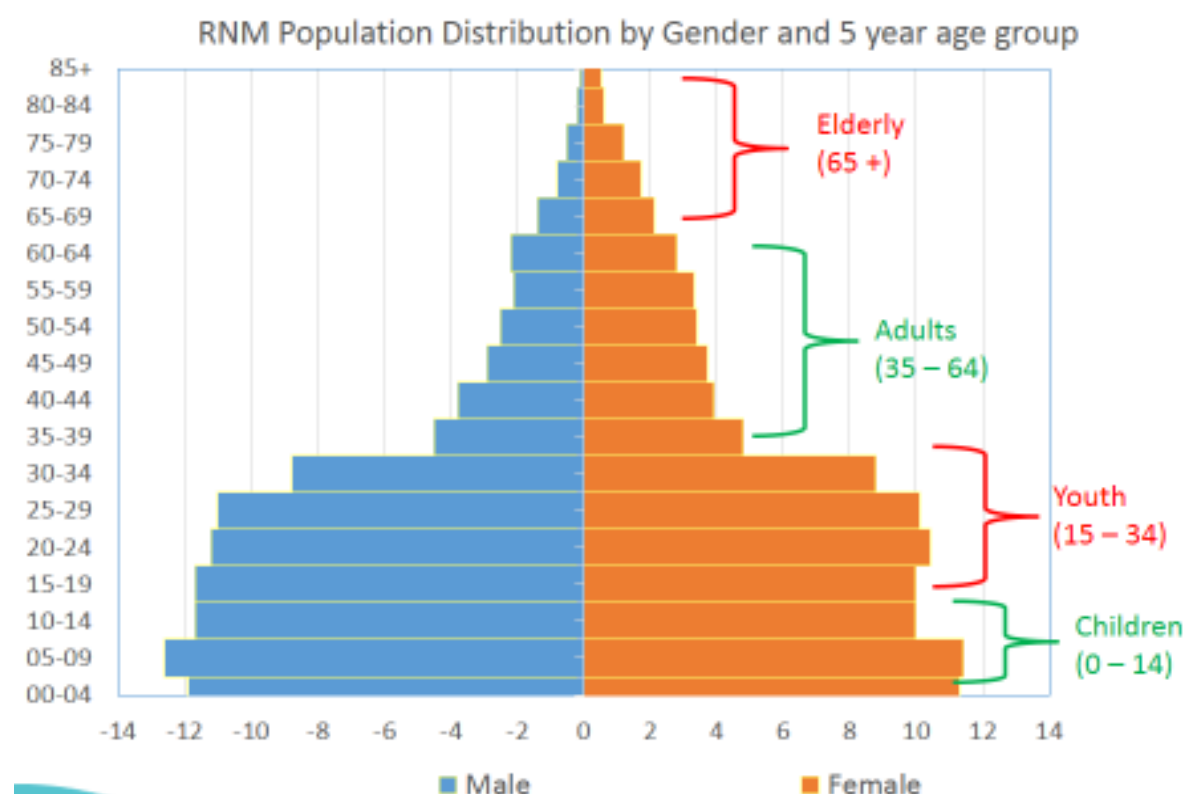
The population pyramid below shows a trend of more baby boys (12%) born than baby girls. Between the ages of 0-14 years, the number of boys as compared to that of girls is high. As the male generation grows older, between the ages of 14-29 years, the number is still higher as compared to that of girls. However, there is a drop in the

male generation between the ages of 30-39 years, with a significant further drop further between the ages of 40-85+

The dropping rate is quite high. On the other hand, the female population at birth is lower (11.8%). Between the ages of 14-19 years, the female population decreases, however, between the ages of 20-29 years, the number increases. Statistics further show that by the time the female generation is between the ages of 30-65+, they are more than males

A conclusion that can be drawn from these statistics is that the male population decrease between the ages of 35-65+ while the female population increases in this age category. This may be due to social ills and the fact that generally males tend to take longer to attend to illnesses and by the time they do, it is late and succumb to death. Another factor may be that of employment. They leave for distant cities in other provinces for job opportunities. Below is a population pyramid of the municipality.

Graph 7: RNM Population Pyramid (Population by gender)

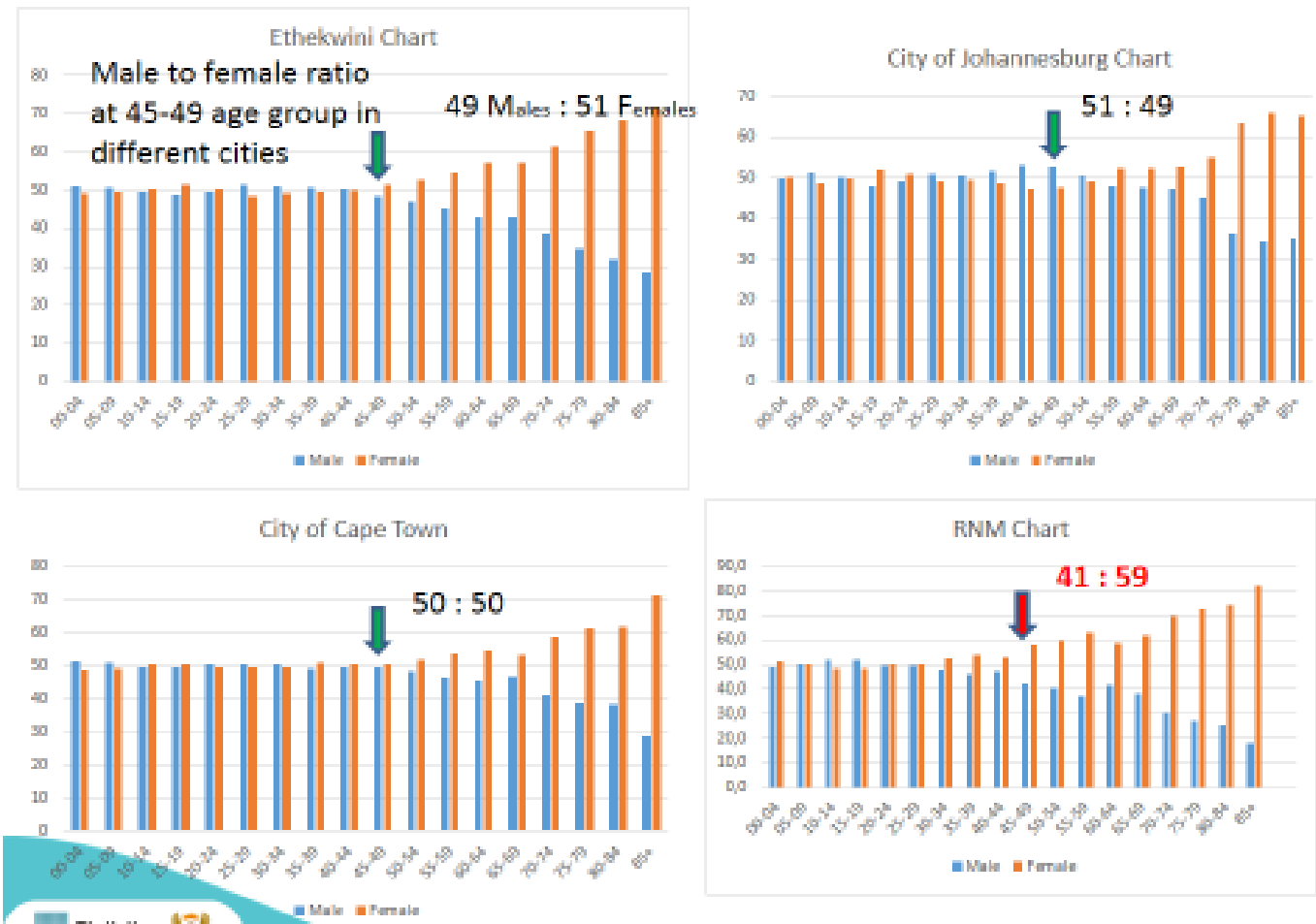


Source: Statistics South Africa 2016 Community Survey

The following graphs compare the male population versus the female population in five year categories between RNM and some metros within the country. As a biggest populated municipality as well as economic hub of Ugu, RNM's male population between the ages of 45-49 shows a decline while in these metros is the opposite. This comparison will assist in comparing our health and economic programmes against

those of these metros. The rationale behind this comparison is to ensure that our economic programmes and health programmes are enough to uphold the number of males deteriorating. The significance of this age group is that at this age, most people are economic active with most holding stable jobs with families and other major responsibilities they attend to as compared to the other age groups. So as a municipality, it is vital to compare this category with that of Metros considering that the municipality is ranked amongst the top five local municipalities in the Province in terms of population.

Graph 8: Male vs Females in 5 year age categories



Source: Statistics South Africa 2016 Community Survey

When looking at the male versus female population age group between the ages of 40-60 years from the above areas, one can conclude that there is not much of a difference in population between the two genders as compare to our municipality. It must be noted that these are large metros with plenty of job opportunities, and so Ray Nkonyeni as Ugu’s leading economic hub must ensure that it retains its male population by uplifting its economy to ensure plenty of job opportunities.

4.1.2.2 Race Population Distribution per ward

The African population is evenly distributed in almost all the wards. However, in the wards along the coastal belt, which are urban, ward 2, 16 and 19, have a high concentration of white population as compared to the Black population. Ward 17 in Port Shepstone area consists of more Indian population than any of the other races within the municipality.

4.1.3 HOUSEHOLD CHARACTERISTICS

4.1.3.1 Household Size

In terms of density, Ray Nkonyeni Municipality has approximately 90 409 households (hh) which makes it the leading municipality amongst the other Ugu local municipalities. The municipality has, however, a lesser number of hh size as compared to the other locals under Ugu. The average household size is 04 (four) persons per household.

The graph below is summarising this information.

Table 11: Household Size

Municipality	2011 Households	2011 HH size	2016 Households	2016 HH size
Ugu	179 435	4.2	175 146	4.3
Umzumbe	35 171	4.6	28 132	5.4
Umuziwabantu	21 619	4.5	21 172	5.1
Ezingoleni	11 472	4.6	Ray Nkonyeni	
Hibiscus Coast	72 172	3.5		
Vulamehlo	16 135	4.8	Umdoni	
Umdoni	22 867	3.4		

Between 2011 and 2016, count of households has dropped by 2.4%. However, the Household size has slightly increased from 4.2 in 2011 to 4.3 in 2016

Source: Statistics South Africa 2016 Community Survey

4.1.3.2 Household Head by Age

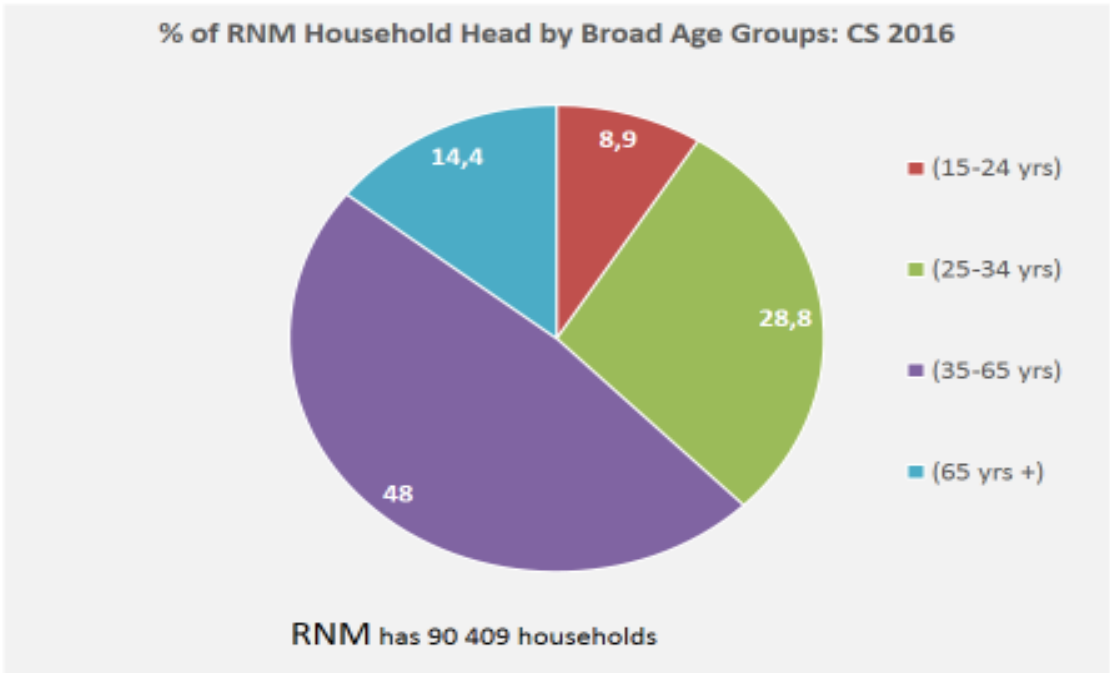
Ray Nkonyeni Municipality's household heads can be summarized as follows:

- 48% is the middle aged group between the ages of 35-65
- 28.8% is the youth between the ages of 25-35
- 14.4% is the elderly between the ages of 65+
- 8.9% are children between the ages of 14-25

The above summary draws attention to child headed households, female headed households and the elderly headed households. The elderly headed households are those households headed by elderly people living either alone or with young school going children with no other means of support other than their social grants. The percentages may seem small, but one child/elderly headed household is one too many, and these are special cases which will need to be dealt with in a very household specific.

Through the recent community survey, statistics show that these households heads in most instances are females with no male figures due to a number of issues discussed earlier on in the document. The child headed households in many instances are vulnerable to socio-economic ills. The young children being looked after by other minors are prone to a number of health risks, morals diminish, etc. On the issue of female vulnerability and female headed households, the Human Development Report (solutions and Targets) states that the Government should intensify the implementation of policies, strategies and programmes aimed at combating these issues. Below is a graph showing this information.

Graph 9: RNM Households y Broad Age Groups

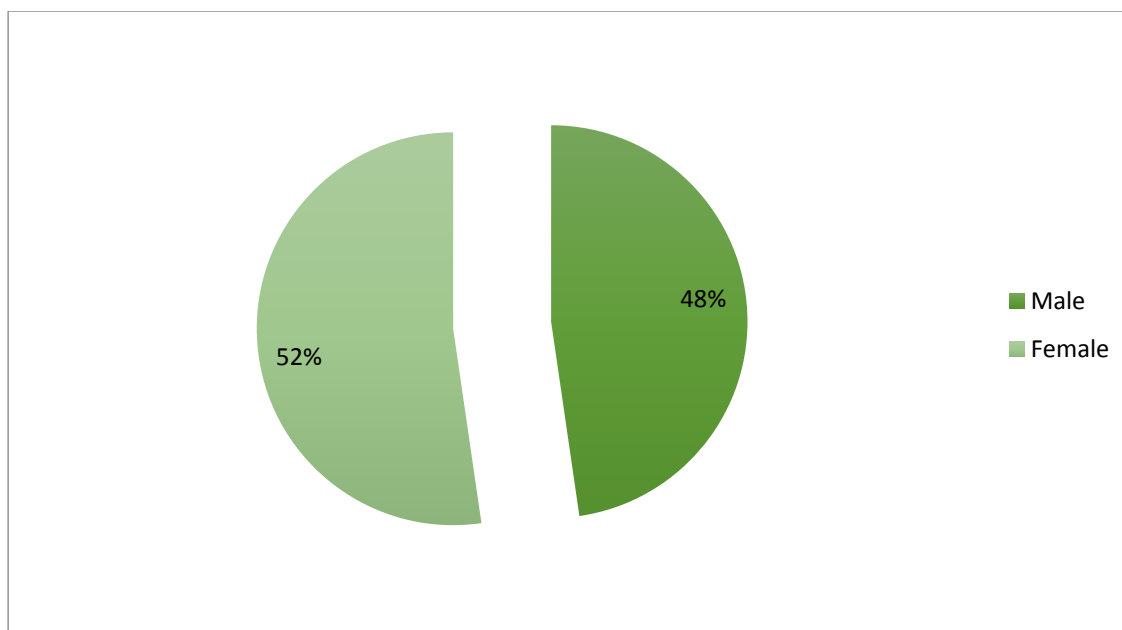


Source: Statistics South Africa 2016 Community Survey

4.1.3.3 Household by gender

The municipality has more females than males (refer to the graph below). This has also resulted in more female headed households thanmale headed households. This is attributed by a number of socio-economic factors. Outmigration by males in search of job opportunities from outside the municipality is one reason. Below is a graph showing this information.

Graph 10: Household Heads by Age and Gender



Source: Statistics South Africa 2016 Community Survey

4.1.7.4 Household by dwelling types

According to StatsSA, there are four types of dwellings within the municipality. They are defined as formal, traditional, informal and other type of dwelling.

i. Informal type of dwelling

The informal type of dwelling shows an increase in 2016 as compared to 2011. Amongst and migration from rural areas into urban areas. The Municipality is doing its best in terms of rolling out housing provision as per its programme to meet the demand. Plans are in place to build more houses and eradicate slums. This is in line with the State of the Province Address 2016, whereby the former Premier stated that there needs to be a comprehensive human settlement that needs to be created as well as eradication of slums. Further to this, everyone has to have access to decent housing and live in areas where there are accessible social amenities.

ii. Formal type of dwelling

2011 shows a high majority of formal dwelling types, (74%) as compared to 2016, which was (22.4%).

iii. Traditional type of dwelling

In 2011 there was a 22.4% of traditional dwelling type and a slight decline in 2016 to 20.2%.

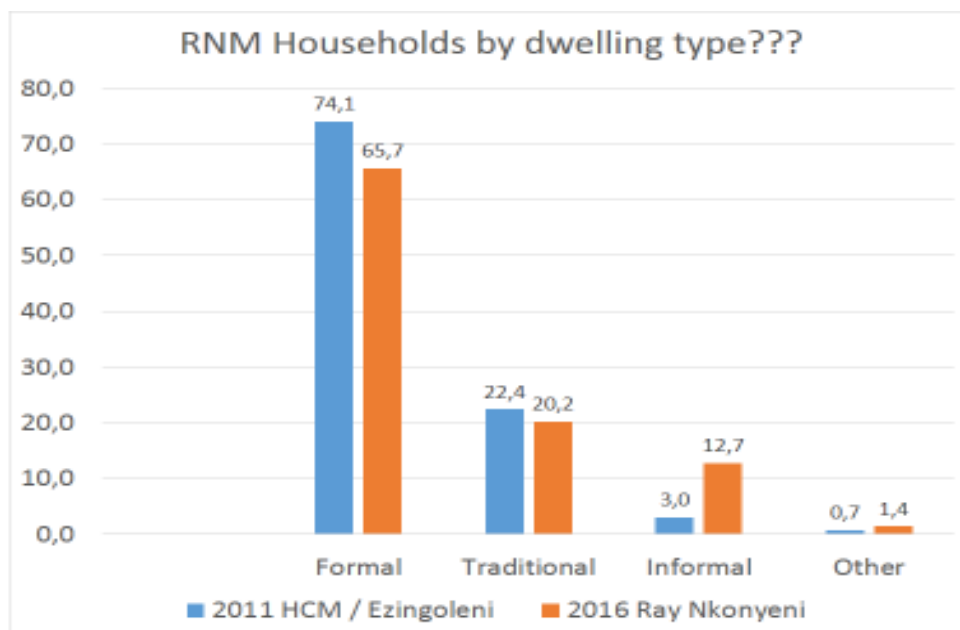
iv. Other type of dwelling

This type of dwelling consists of caravan parks. This has the smallest percentage as compared to the other type of dwelling type. It must be noted also that this type of

dwelling is found along town edged of Margate and Port Shepstone. It shows an increase between 2011 and 2016.

The graph below shows the above information.

Graph 11:RNM Households by dwelling



Source: Statistics South Africa 2016 Community Survey

4.1.4 EMPLOYMENT

4.1.4.1 Working Age

It must be noted that within RNM, a large percentage of the working age consists of more males than women. This is due to the fact that in most instances more especially amongst the rural African communities, it is still a norm that females must stay at home tending to domestic issues while men leave their homes for employment purposes.

4.1.4.2 Unemployment

According to the PGDS, unemployment remains chronic and rising and concentrated amongst Africans in rural areas, women and the youth. This is no exception at RNM. This further leads to a significant contribution to poverty. The municipality is faced with a high number of unemployment more especially the youth. Policies and programmes to curb poverty and create job opportunities are in place. The municipality has also ensured that it partners with stakeholders in and the private sector in applying mechanisms with an effort to create employment opportunities, skills enhancement, effective and efficient governance etc. The KZN Small Business Development Agency and Ministry of Small Business Development are amongst many programmes the Province has implemented as a vehicle to refocus on small businesses. The municipality has also ensured that through its employment policies, small and

medium businesses are created as they are the largest contributors to new employment opportunities.

Informal sector also plays a large part in the creation of jobs within the municipality. Ray Nkonyeni Municipality, through its Local economic Development, has ensured that bylaws have been formulated and are being implemented to enhance its growth as it shows that quite a large part of the population depend on it.

4.1.5 DEPENDENCY RATIO

Ugu District Growth and Development Strategy (UDGDS) highlights that the dependency ratio within the district is quite high and there for clustering of social and economic services within rural nodes and corridors must take place to consolidate development and offer job opportunities to curb the high dependency ratio. Ray Nkonyeni Municipality is experiencing quite a lesser percentage of dependency ratio statistics in comparison to the other Ugu District local municipalities. This has been achieved partially by the initiatives the municipality has embarked on such as the development of nodes and corridors as well as the economic activities which have job opportunities. The municipality has also started developing its rural areas in terms of rural nodes. This is in line with the PGDS initiative to develop rural nodes. For example, the Gamalakhe shopping complex is one semi- rural node that the municipality has developed. Ezingoleni is a small rural town in the hinterland of the municipality, and this also is one of the catalytic projects the municipality aims at developing to be in line with the PGDS rural development initiative. There are also Precinct Development Plans within the current SDF to develop other rural areas such as KwaMadlala and Gcilima.

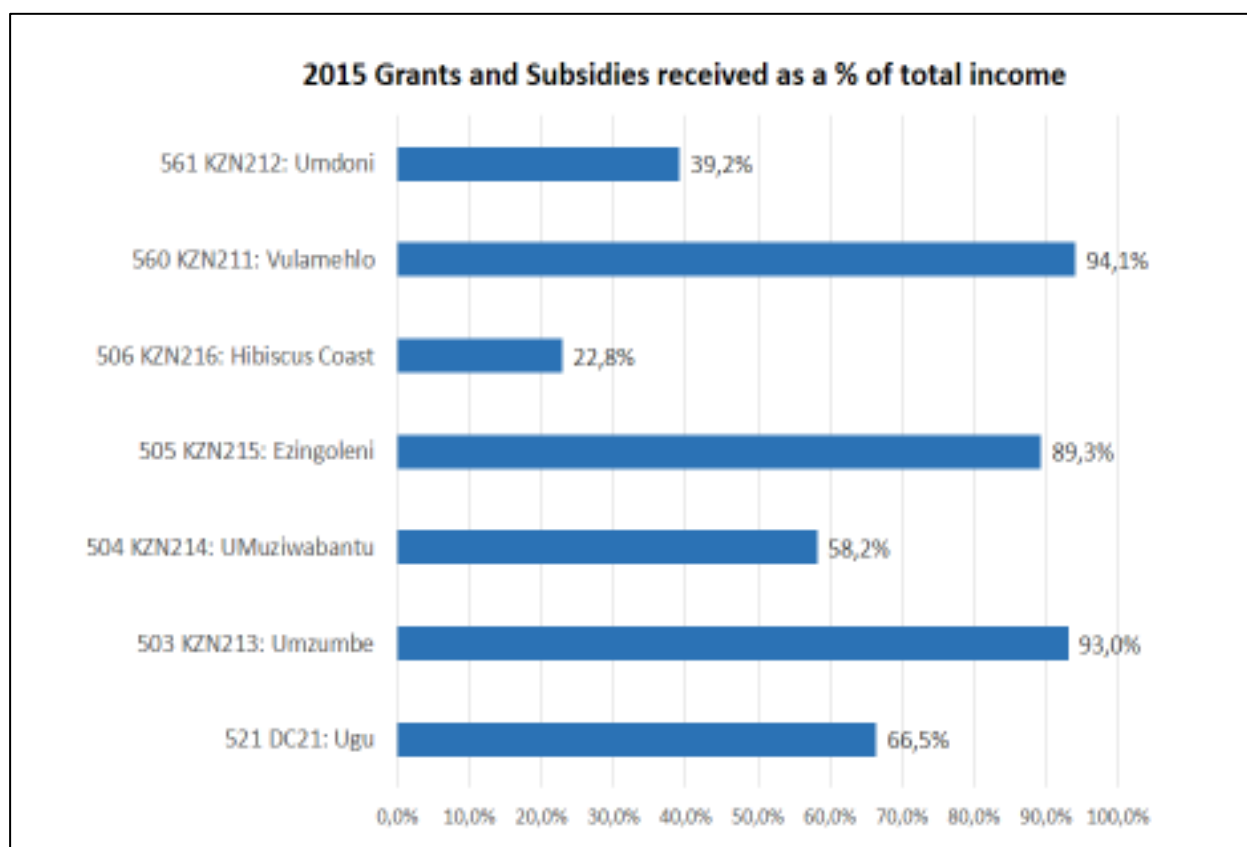
Studying the graph that follows, one notices that former Vulamehlo and Ezingoleni, Municipalities within the Ugu District experienced high dependency ratios, while current municipalities that is Umzumbe and Umuziwabantu experience the same. On the other hand, former HCM and Umdoni experienced lower dependency ratios. This was attributed to the job opportunities found in both municipalities.

Below is current information showing the dependency ratio in percentages within Ugu District Local Municipalities.

- Umuziwabantu Local Municipality : 58.2%
- Ray Nkonyeni Municipality : 54%
- Umdoni Local Municipality : 65.2%
- Umzumbe Local Municipality : 90%

A summary that can be drawn from the above information is that the dependency ratio amongst each Ugu Local Municipality is quite high. Many people depend on Government grants and subsidies while few hold formal jobs. It must be noted that the strategies formulated by Ray Nkonyeni Municipality will address issues of job opportunities and other means of sustainability, thereby curbing the high dependency ratio. The graph below shows a breakdown of subsidies received as a percentage of total income per each Ugu District Local Municipality before amalgamation.

Graph 12: Grants and subsidies



Source: Statistics South Africa 2016 Community Survey

4.1.6 POVERTY

Poverty remains a leading social concern in South Africa, and KwaZulu-Natal and the Province bears substantial part of the national burden of poverty. As RNM is part of KZN, it means it too has not escaped the clutches of poverty. Poverty can be measured in various means, but for the municipality, poverty has been measured in terms of salary gaps, type of employment, job opportunities as well as human settlement typologies, and health issues. The gap between the rich and the poor is too wide. This is evident amongst the Black majority in rural areas. Most families still live below the poverty line, which is below R1500 monthly income. This is evident from the number of people who depend on Government. Many people within the municipality have no other choices but pushed into the informal (second) economy which is notorious for its unpredictable income streams.

4.1.7 KEY FINDINGS

South Africa is an upper-middle-income country (World Bank classification), but despite this relative wealth, the experience of most South African households is of outright poverty. In addition, the distribution of income and wealth in South Africa is

amongst the most unequal in the world and consistently widening. According to the World Bank's Gini Index, with 154 countries measured, South Africa is the most unequal country in terms of economic distribution amongst households and individuals. While great strides have been done since the dawn of democracy in 1994, due to the extent of the backlog, many households still have unsatisfactory access to education, health care, sanitation, energy and clean portable water, basic services for life with dignity. This is no exception to Ray Nkonyeni Municipality and listed below are key findings within the municipality. The municipality has addressed each key finding per each KPA in its strategic objective and goals. (*Refer to the table 9*)

- High rate of income and wealth inequality;
- High poverty levels;
- High crime rate;
- Urbanisation challenge with RNM being urban centre of the district;
- High number of child/female and elderly headed families;
- High Dependency ratio;
- High unemployment rate amongst the youth; and,
- Still high backlog on basic services and infrastructure.

4.1.8 CONCLUSION

Several structural weaknesses must be overcome so that Ray Nkonyeni municipality strives to deliver its best as a government service delivery entity. Achieving full employment, decent work and sustainable livelihoods is the only way to improve living standards and ensure a dignified existence for all communities within the municipality. This will be done by expanding our economy as a municipality to absorb labour and improve the ability of all to respond to opportunities and challenges. The municipality needs better educational outcomes, a healthier population, better located and maintained infrastructure, a sound social safety net and much lower levels of crime.

From the key findings mentioned above, it is evident that the municipality has so much to do in terms of sound policy formulations and implementation. The approach to be adopted by the municipality through its IDP is to reduce amongst many, poverty and inequality based on breaking the elements that have perpetuated and sustained poverty and strengthen those that promote income, wealth and opportunities.

The basis for the interventions should be and understanding that economic growth and human development are linked, and that the former should enhance the quality of life, otherwise it is meaningless. Quality of life and human development, noting the historical context, can only be achieved through advancing the capabilities of disadvantaged communities, households and individuals by improving their access to assets, both physical and social. The collection of social, economic and demographic information to monitor the extent and nature of change is a priority in managing the reduction of poverty and inequality. Strategies and vision for Ray Nkonyeni Municipality have ensured that actions that need to be undertaken will definitely take the municipality onto a higher growth trajectory.

4.2. LOCAL ECONOMIC DEVELOPMENT ANALYSIS

4.2.1 Local Economic Development Analysis

The South African legislative framework envisages South Africa being a developmental state and as a result its local government sector also being positioned to be a critical element of the developmental state. The National Development Plan makes a case for this focus arguing that it is fundamental to ensure social cohesion. In other words, the social stability of the country is a triskunless there is some meaningful transformation and growth of the economy. Ray Nkonyeni Municipality respects this mandate recognizing the nobility of its objectives. The municipality is mandated by law to develop a Local Economic Development Strategy to support the development of sustainable, robust and inclusive local economies through the exploitation of local opportunities, potential and competitive advantages as well as addressing local needs and contributing to Provincial and National development objectives.

The processes of planning and implementation of development programmes to create a platform for economic development throughout the country remains a challenge. Part of the challenge, is the ongoing quest by the three spheres of government to find innovative ways to align strategies and report key planning programmes and project based information in a meaningful manner to one another. Furthermore, the increasing pressure on the economy to create jobs and the seeming failure of government macro-economic policy to address unemployment and inequality further exacerbate the problem for government.

Ray Nkonyeni Municipality is currently developing its LED strategy which will be adopted by Council in due course. The LED strategy will cover the following:

- Tourism development,
- Agricultural development,
- Manufacturing and Industry,
- Community services,
- SMMEs development and support,
- Informal Economy,
- Business support programme
- Cooperatives

In essence, the LED Strategy for Ray Nkonyeni municipality will seek to seize the opportunities the environment and its people presents. It reflects learning from other municipalities as a means to avoid common mistakes, and reposition the area on a sustainable economic development path as per the PGDP and DGDP. This includes removing blockages and obstacles, identifying economic development opportunities, area marketing and promotion, and providing support (technical and otherwise) to local businesses.

The National Framework for LED in South Africa (2006 to 2011) directs that a credible approach to LED in any municipality should include a commitment to invest in the

capacity of a municipality to manage its affairs in a manner that inspires confidence to both its constituents and the private sector. It must also provide signposting for domestic and external investors, indicating on the basis of objective and empirical analysis, where opportunities for growth lie.

RNMs Economic Development Strategy serves as a refinement of the municipal strategic intent outlined in the IDP and a consolidation of local municipalities' economic development vision into a coordinated and integrated regional development plan. RNM, as 'the economic engine room' of the lower south coast has goals that talk to:

- Infrastructure development
- Functional linkages
- Entrepreneurship
- Job Creation
- SMME Support
- Rural Development
- Tourism development
- Innovation and ICT
- Integrated Development

Below are some of the policies the municipality utilises in its LED.

- Informal Economy Policy

There is an Informal Economy Policy in place and will be reviewed in due course. The policy looks at regulating (permits, zoning) for street vendors.

- Investment/Retention Policy

The municipality has the Retention/Investment policy which will also be reviewed in due course. It focuses on registered and about to register SMMEs and Cooperatives.

- Provincial Spatial Economic Development Strategy

The Provincial Spatial Economic Development Strategy (PSEDS) identifies Port Shepstone as a Secondary Node in the provincial context and the eThekweni -Ugu Corridor as a primary corridor. This corridor is at the same level as the extremely strong and growing eThekweni-Umhlathuze and eThekweni-Msunduzi Corridors. PSEDS confirms the tourism potential of the South Coast Region as established in the Provincial Tourism Strategy.

- Local economic Development Plan

The municipality has a local economic development plan that is being developed which will align with the Ugu District Municipality's Growth and Development Strategy.

Local economic development is one of the municipality's priorities in line with the national key priorities. Strategies have been developed to promote economic and

social development aiming to provide job opportunities and reduce the poverty levels. Generally, RNM is the most concentrated economic hub within Ugu District with the main economic sectors being tourism and agriculture with some manufacturing occurring in Port Shepstone. As an economic hub, RNM has an advantage of influencing the Ugu Region's economic potential, policies and development programmes. Port Shepstone is the major economic hub in the south coast and serves as the administrative centre for both RNM and Ugu District.

RNM's LED is intended to maximize the economic potential of the municipality and to enhance the resilience of the macro- economic growth through increased local economic growth, employment creation and development initiatives within the context of sustainable development. As such, the need for an LED Plan in the Municipality goes beyond meeting the constitutional and legal obligations, and encompasses the practical implementation programmes designed to stimulate economic development, economic transformation and social upliftment.

4.2.2 SECTORS WITHIN THE MUNICIPALITY

Addressing fundamental LED issues requires the municipality to adopt a strategic approach focusing mainly on aspects that will yield a higher impact.

Economic Sectors include the following:

- Tourism (Coastal strip) major potential in rural areas)
- Agriculture (vast arable land in rural)
- Manufacturing (Marburg)
- Mining/ quarrying (small scale)

The agricultural sector that was once dominant in the hinterland in terms of both employment and investment has lost its competitiveness. Commercial agriculture is dominated by two agricultural commodities, largely sugarcane and timber. Both these commodities are impacted by international competition. Sugar cane is impacted by the relative unsuitability of the local climate, that is, the distance from the equator in comparison to other international production areas. The restrained and non-formalised support for additional demand drivers in the sector like renewable energy production at the mills and other by-products equates to constraints demand growth for domestic growers. There is also limited tariff protection for local production; the uncertainties around land tenure and the labour input costs are rising faster relative to other international producers and increases risk factors for the sector.

The municipality has three types of sectors, namely, primary, secondary and transport sectors.

(i) Primary sector(Commercial Agriculture)

Agriculture is the second largest followed by financial sector within the municipality. The most significant shift in the economic profile of the municipality has been the decline of the primary sector giving way to the tertiary sector that is now the leading

sector. This is due to recent reports outlining that agriculture has declined to a point where KZN as a whole has become effectively a net importer of agricultural products. This has affected the municipality in terms of its GDP Nationally. This clearly points to the diminishing agricultural production and food security. Commodities that are directly linked to the primary sector commodities, i.e. timber manufacturing are experiencing decline. Food, beverages and tobacco are the biggest contributors of employment in manufacturing in the province.

The range of agricultural products points to the great agricultural potential of this region, attributed to good climate conditions, soil potential and the entrepreneurial spirit of the people. Following are some of the outstanding features of the agricultural sector at RNM and these are practiced at a large scale more especially along the coastal belt:

- A fifth of all bananas eaten in South Africa are produced here;
- Sugar cane growing and milling has taken place in the region since the 1890s;
- A range of niche market products, such as cut flowers, nuts and vegetables are also produced here;
- Livestock farming and poultry farming are extensive together with crocodile breeding; and,
- Timber farming sector produces Pine, Gum and wattle which are processed by some saw mills.

a) Subsistence Agriculture

Subsistence farmers within the municipality grow vegetables, dry beans, sweet potatoes and amadumbe. Most of the produce is for home consumption and is mainly practised in the hinterland of the municipality.

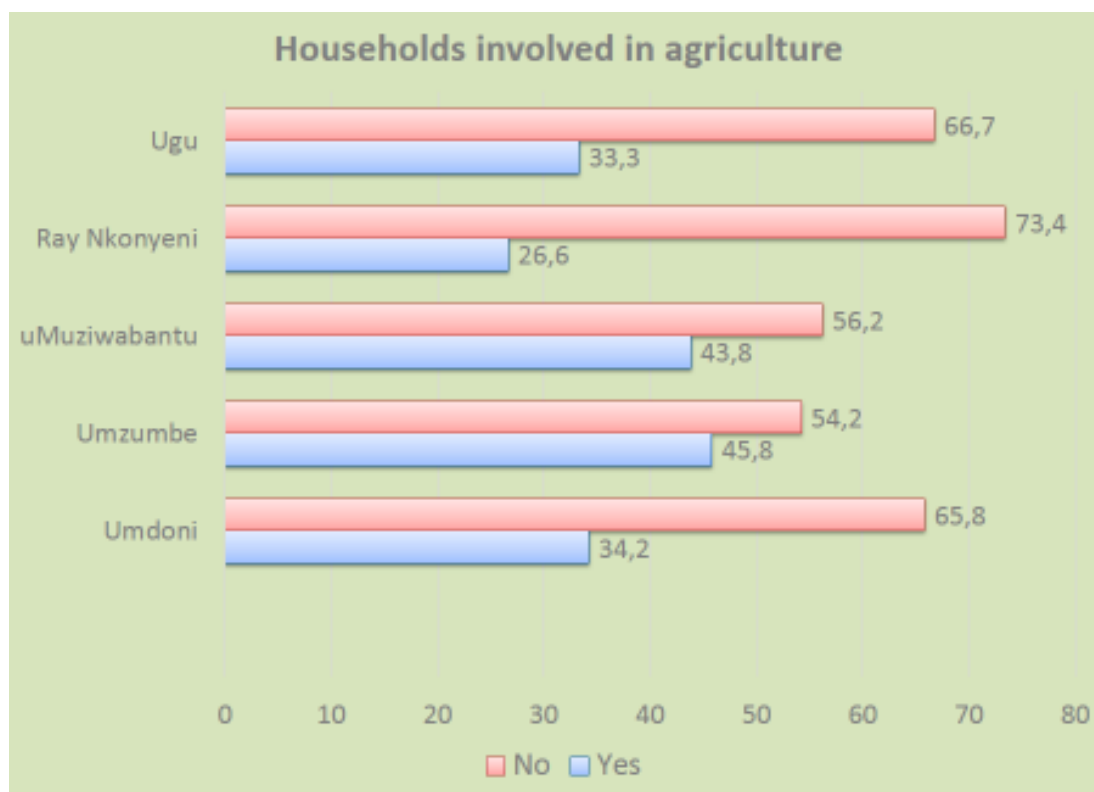
b) Challenges faced by small sugar cane growers

Small sugar cane growers (SSG) farmers in the hinterland face a number of challenges which include among others, steep topography, no irrigation systems, less mechanisation, poor yields and lack of financial backup. Land is also another challenge as well as their small farm holdings are not fenced. RNM soils are shallow, and this limits plantation as most products need deep soil to enable good growth. A majority of Black farmers do not have codes for their yields at the sugar mills and rely on big sugar cane growers and this has proved to be a failure. Some Black farmers have leased their land for sugar cane growing but end up with next to nothing in terms of profit.

With the current political climate regarding land issues, land ownership and land rights commercial farming is negatively affected. If people are uncertain of their rights, they simply stop to invest in land, as they are unsure of the financial returns they will receive. The pending closure of the Umzimkulu Mill will increase the input costs, as delivery distances to the Sezela mill will increase on average fourfold putting more financial pressure on the inland farming community, as well as on welfare grants that will be needed to counter the loss in income when the mill closes down.

The graph below indicates the number of households engaged in agricultural practices. It is noted that a very small number of households (26.6 %) participate in this practice. Females are the most active participants in subsistence farming. The percentage is practically very little and this is due to the reluctance of households who want to plough.

Graph 13: Households involved in agriculture



Source: Statistics South Africa Community Survey 2016

c) Interventions by the Department of Agriculture and Rural Development

Specific approaches to identifying and secure land for agricultural development should receive attention. The Department has taken big strides in assisting and supervising co-operatives within the municipality with a number of projects. Below is a list of small commercial farmers' by co-ops, and it must be noted that these projects have proved a huge success in terms of job creation and poverty alleviation.

Graph 14: Commercial Farmers by Co-ops

NAME OF PROJECT	PROJECT TYPE	EXTENT	INTERVENTION ON THE PROJECT
1.Thuthukani-Cliffview co-op	Maize and dry beans	100ha	3.97 km fencing liming. Production inputs(maize, dry beans and fertilizer)
2.Sizuzimpilo Co-op	Tea tree oil	10h	km fencing tea tree cuttings
3.Wosiyane-Riverside co-op	Dry beans	128ha	7.71 km fencing. Production inputs (dry beans, fertilizer and mechanisation

4.Horse -shoe co-op	Vegetables and tea tree oil	30ha	5.5km fencing. 30ha irrigation 400 000 tea tree cuttings Production inputs (vegetables, chemicals and fertilizer)
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Further to assisting with funds to co-ops by providing implements and funding, the Department also issues bursaries to students pursuing agricultural studies. It also promotes Batho Pele principles. In the 2016/17 National Agricultural competition, Ray Nkonyeni came out number one. The Department has also ensured that other types of farming are practiced such as animal farming, and poultry farming. This is mostly practiced in the hinterland of the municipality.

The Department is also looking at developing a horseshoe farm into an Agripark. Farmers will bring their yields to this point which will be then exported to other parts of the country.

The following projects within the municipality are still awaiting funding;

- Qhubekani Sugar farmers
- Khoshwana Sugar cane growers
- Sinekhono Poultry production (broiler)
- Lavenga Banana farm

ii. Secondary Sector (Manufacturing and retail)

Manufacturing and retail sectors are main industry of employment within the municipality. Mining and quarrying is the lowest industry. Although 60% of manufacturing businesses are located in the Port Shepstone/Marburg industrial area, it is important to note that a third of the manufacturing businesses also relate to Margate suggesting that this area should receive some prominence in terms of future industrial sector planning. The formal manufacturing sector is limited to the coastal strip and primarily the Marburg and Margate areas. It is not envisaged that the formal large scale manufacturing sector will expand into the rural areas (although development at Izotsha would provide easier access to job opportunities to the rural workforce). The secondary sector is fairly stable in both employment and investment terms. Contribution to the municipal economy per sector is as follows:

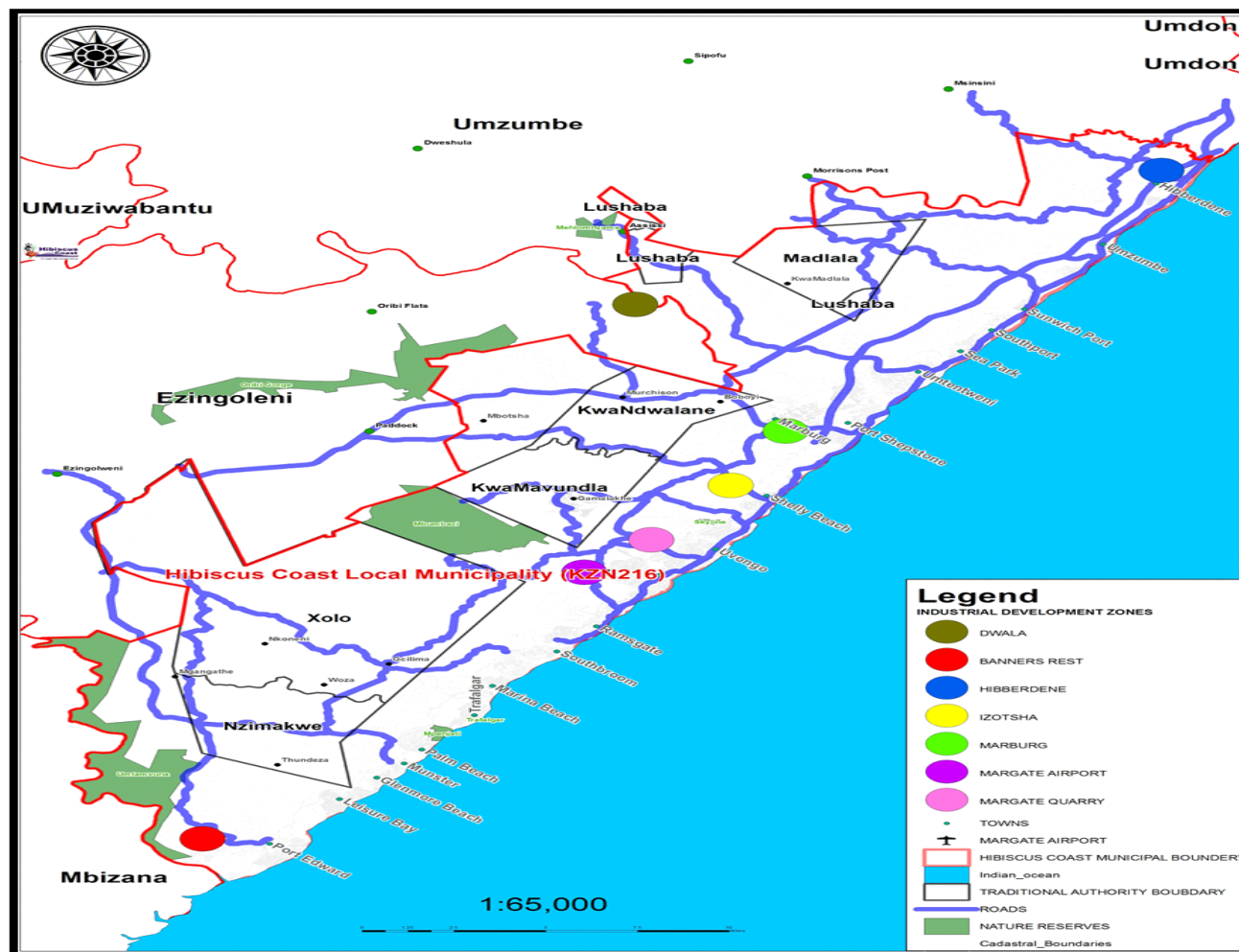
- | | |
|---------------------------------|--------|
| • Whole sale and retail | 18.7 % |
| • Finance and Business Services | 21.5% |
| • Manufacturing | 12,3% |
| • General Government Services | 13.3% |
| • Agriculture and Forestry | 8.9% |
| • Transport and communication | 8,9% |

Table 12: Industrial Areas

Area	Basic Description	Type of industry
Marburg Industrial	This is the only major industrial zone in the District. It has been developed on the N2 to the south-west of the Port Shepstone CBD. The land is not flat, but the topography is reasonable for industrial development. A large variety of manufacturing and service sector businesses are located in the area.	Most industrial sectors are represented in the area. Furniture, textile and clothing and food seem to dominate. Sizes range from small service industries to major plants.
Margate Quarry Industry	The industrial area is located close to the entrance to the NPC Quarry immediately to the west of the N2 as you approach the Margate turnoff from Durban. The area is separated from neighboring developments either by the N2 or vacant land	The number of concrete block, brick and molded concrete block manufacturers benefiting from the location in relation to the Quarry is clearly noticeable. Furniture manufacturers and a church are also housed in industrial buildings.
Margate Airport Industrial	This industrial area is located on the northern end of the runway of the Margate airport. It is located on relatively flat land. The area is home to only a handful of industries	Construction related and furniture manufacturing firms are located in the area.
National Portland and Idwala Carbonates (KULU)	This industrial area is located on the Eastern side of the N2 as you pass Marburg up North.	Mining Industry

The map below shows industrial areas within RNM as indicated in the above table. It must be noted that all industrial areas are within former HCM, hence the map below.

Map 4: Industrial Development Zones



Source: Statistics South Africa Community Survey 2016

iii. Transport Sector

The transport sector fulfils an important role in the development of RNM. This sector has a number of distinct components for consideration in future economic development planning for municipality. The key components are:

- Air transport
- Rail transport
- Road freight transport

The location of the municipality along N2, proximity to City of Durban, operational airport with functional route to OR Tambo International Airport and railway infrastructure (though currently only used for cargo) augers well for accessibility of the municipality.

4.2.3 TOURISM

Consequently, more than 67% of the tourist attractions in the Ugu District are located in Ray Nkonyeni Municipality. Tourism is one of the key economic drivers in the municipality. The entire coast line of the Municipality is a primary attraction and the Tourism KwaZulu-Natal website lists no fewer than 29 beaches for this part of the Province. A series of coastal villages each with its own character and interspersed by beaches, rocky coves, tidal pools and lagoons set amongst indigenous bushes are the main features of the municipality. It is viewed by some as just a popular holiday destination for domestic tourists, but it is also a preferred retirement location for many people.

In terms of job opportunities, tourism within the municipality has provided plenty of job opportunities. There are, for example, hotels that have been recently opened to the public, namely Mthunzi Hotel in Ntontweni outside Port Shepstone and Desroches Hotel in Margate. Other tourism attractions such as tour guides, scuba diving and sea trips have too provided employment as well. Since the South Coast is viewed as a holiday destination attraction, there are many accommodation outlets that have provided plenty of jobs.

i. Events Tourism

Popular events such as the Margate Air Show, the Lions South Coast Show and the Ugu Jazz Festival all now form part of the Sardine Festival. These events take place once a year in different seasons. The sardine Festival comprises of many events such as the Golf Challenges. Golf Tourism is probably the second largest tourism product on offer in the municipality and the South Coast is also branded as the Golf Coast of South Africa. This is due to a comprehensive selection of 11 (nine 18-hole and two nine hole) golf courses situated in the southern part of the municipality, at San Lameer. The event is held annually and the Mayor of RNM graces it. This event includes a women's tournament and attracts international players. Three of these courses are rated amongst the top ten courses in the country. Also, the municipality has added another category where by young school going girls from disadvantaged communities are

invited yearly to participate in a mini golf tournament. This is aimed at both promoting the sport and teaching the girls the sports' skills. Popular annual events that take place during other periods include the:

- Hibberdene Couta Classic Fishing competition
- ThePortEdwardSkiBoatFestival
- SAWomenOpen (European Ladies Tour)
- Ugu Jazz Festival
- RNM Cycling classicas
- RNM Ultra Marathon
- State of Inland Tourism

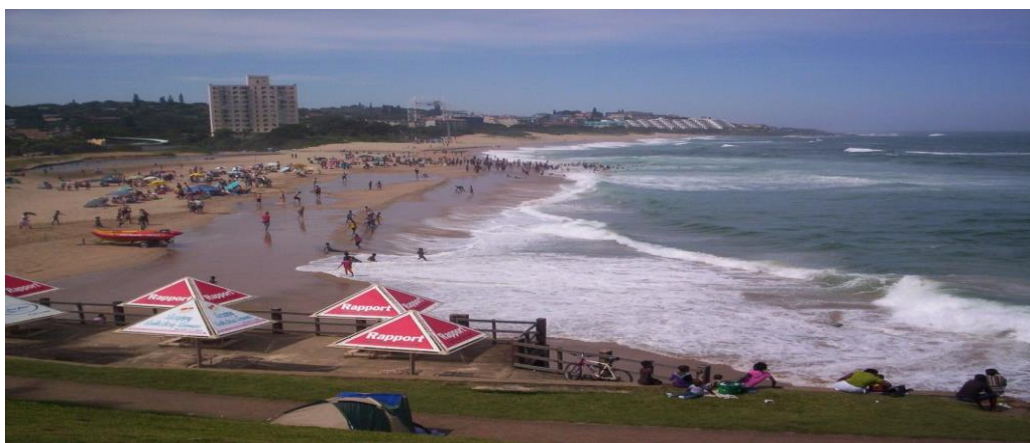
Tourism activities inland is only concentrated along the Oribi Gorge corridor with few product owners taking the lead. Observations from within the sector indicate that there is substantial work to be done if the sector is going to deliver any level of growth beyond the Oribi Gorge corridor. The Oribi Gorge in the eastern part of the municipality provides better organised, marketed and committed products. There is general limited comparative advantage beyond the Oribi Gorge. The Shobashobane Heritage project is yet to be conceptualised to become one of the tourism icons on the south coast. This may improve cultural tourism, eco-tourism and community based tourism for most areas of the municipality.

The following inland rural tourism will respond to the pressures for economic development and job creation and sustainable livelihood. These developments will provide jobs such as tour guides and transport provision.

- Gamalakhe Heritage Park
- Nyandezulu Tourism
- Nyandezulu Water Fall

4.2.4 BEACHES

South Africa currently has 36 accredited Blue Flag Beaches and therefore Ray Nkonyeni municipality claims almost a quarter of all blue flags in the country.



The municipality has a total of 21 beaches which are classified as swimming beaches. Out of the 21, a total of 07 are accredited Blue flag Beaches status.

The following municipal beaches have the world renowned Blue Flag status:

- Hibberdene Beach
- South Port Beach
- Umzumbe Beach
- Lucien Beach
- Ramsgate Beach
- Marina Beach
- Trafalgar Beach

The municipal beaches offer an ultimate beach holiday destination with all year round friendly weather even during winter months. All the beaches offer a safe swimming environment with shark nets, which are serviced regularly by the Natal Sharks Board personnel and in addition life guards are on duty at swimming beaches and in peak holiday periods. In addition to this, surfers can indulge their passion to find that perfect wave while patient fishermen are sure to take home a fine catch. The municipality has partnered with the Natal Sharks Board in ensuring that bylaws are implemented at all its beaches and that the municipality plays an active role in ensuring that the status of the beaches is at its best and security personnel visible.

4.2.5 HISTORICAL / NATURE / MISSION TOURISM

The municipal area has numerous historical, religious and cultural assets that have potential to be further developed as tourism products. There is a proposal for the KwaXolo Caves Project aimed at attracting tourists to the area.

Another important draw card for tourist visiting the area is the natural environment the municipality has. There is a next ensivearray of botanical features and wilderness areas attracting visitors for bird watching, hiking, walking, picnics and other related outdoor activities. There are two existing conservation areas within the municipal area, namely, Umtamvuna Nature Reserve and Trafalgar Marine Reserve. There are however approximately nine declared and protected nature reserves of which the majority falls under management of Ezemvelo KZN Wildlife.

The municipality has various religious assets such as the Albersville Community Church in Port Shepstone that was built in 1959, The Assisi Convert that was built in 1922 and was named in honour of St Francis from Italy; the German Church in Port Shepstone that was built by early German immigrants; The Norwegian Church in Port Shepstone that was built by early Norwegian immigrants, most whom arrived in the area during the 1880's; and the Enxolobeni CP School that is built in the area which used to be the American Board Mission. The mission house and the associated graveyard are still in the area.

4.2.6 ACCOMMODATION AND COMPETITIVE ADVANTAGES

The major concentration of tourism accommodation is in Margate (16%), Ramsgate (10%), Uvongo (9%), Shelley Beach (8%) areas, but areas such as Port Edward, Oribi and Hiberdene make a substantial contribution. All these places are found along the coastal strip except for Oribi which is situated about 45 km into the hinterland.

The implementations of the Port Shepstone Beach Front as well as tourism and eco-tourism development are areas identified as growth potential tourism. Tourism products have been developed over many years and the area is one of the Premier tourism destinations in KwaZulu-Natal. The list of competitive advantages includes:

- Blue Flag Beaches
- Wild life conservation with Ezemvelo reserves
- Major events such as Ugu Jazz Festival, SA Women Open (European Ladies Tour), Margate Air Show; AfricaBike Week, Maidens Ceremony at KwaNyuswa. Beach Festival and Easter Adrenalin;
- Sea and water events
- Operating airport with OR Tambo/Margate route
- Historical, Religious and cultural assets which provide opportunities
- Sports and adventure tourism including golf and other sport codes
- Golf estates
- Competitively priced accommodation

4.2.7Property market

Many people find the coastal belt of the municipality very attractive due to its beautiful scenery and beaches. Properties found along this area are both privately owned as well as a municipality owned. Part of the capital generated by the municipality comes from these rented properties. Most properties are rented out during the peak season, which is November to January where most people take vacations. Due to the active residential and business development of property taking place in the municipality, there are plenty job opportunities as well.

There is a booming residential developments along the coast even though in recent years developers were finding it difficult to sell existing developments. The number of properties on the market, however, is starting to rise. Some developers have voiced concerns in terms of slow sales due to traffic congestion on the Marine drive between Shelly Center and Margate during peak holiday periods and the fact that a number of people see the image of the South Coast as a retirement area and see no point in investing. Attraction of further government services and offices into the municipality has potential to stimulate residential and office markets.

4.2.8FOOD INSECURITY

Food insecurity is one of the major challenges the municipality faces. Communities have been encouraged to have community gardens as well as one house one garden, where they grow food for consumption. The Department of Agriculture is currently making provision of seedlings to communities. The LED unit also assists communities in this regard.

4.2.9ONE HOME ONE GARDEN

The One home One Garden campaign has been successfully implemented in the entire municipality. The campaign is to initiate an integrated approach to food security

demonstrating in practice the principle of coordinated government service delivery with respect to addressing the most vulnerable within the municipality. One home one garden campaign is a key aspect of RNM food security. Health issues cannot be addressed if poverty is not vigorously tackled as it is a major driver of the diseases and it a known fact that the biggest enemy of health in the developing countries is poverty. The objective of the municipality is to reduce the percentage of households that have gone hungry. According to the National Development Plan on human development report, poverty and hunger must be eradicated. This is line with RNM policies on this issue, thus the one home one garden programme was implemented and is very successful judging by the number of households with gardens.

- Any effective food security campaign should:
- Improve agricultural production
- Improve food diversification
- An improved household well being
- Improved food utilization and health status of target group

There is also the Siyavuna Programme which focuses on organic farming. It mainly consists of women. Currently there are more than 200 women participating. This programme is running in almost all the wards within the municipality. This programme is aimed at promoting farming for subsistence purposes and the element of surplus is for enterprise development.



4.2.10 POVERTY ALLEVIATION PROJECTS

There are poverty alleviation projects run by the municipality through the Extended Public Works Programme (EPWP). Most people employed in these projects are from rural areas and positive results have borne fruits. The EPWP programme has addressed the Green job initiatives. For example, the municipality is implementing the Food for Waste Programme.

Currently more than five hundred (500) employed under the food for waste programme, some employed for verge cutting and for street cleaning. These

programmes run for a period of 5 months each, and the municipality receives more grant from National Treasury. With the Justice Park Development in Port Shepstone, currently being developed, all employed were sourced through the municipality.

4.2.11 SMMEs, INFORMAL SECTOR AND ECONOMICALLY ACTIVE POPULATION

Ray Nkonyeni has an SMME development Strategy in place and the Informal Traders Management Plan. This plan deals with matters of informal trading and how to assist traders and issuing of permits.

RNM has been proactive in establishing Small Medium Micro Enterprises SMMEs to enable people to be economic active. Successful businesses (SMMEs) must emerge as they are the largest contributors to new employment opportunities. The SMMEs sector represents an important component of the economy of the municipality and plays a major role in the job creation, economic growth and poverty alleviation. SMME sector is also recognized nationally and world-wide as a major player in economic development and growth especially for the developing world. As such, Ray Nkonyeni Municipality has identified the need to support the development of the SMMEs across the economic sectors through the creation of opportunities for growth and development. The municipality sees its intervention area to improve efficiency of this sector as improved governance, improved public infrastructure development, improved access to information, and ensuring that our regulatory environment is responsive to the sector. SMME development strategy for the municipality acknowledges that SMMEs area to different levels of development, with some still being at a survivalist stage while others have reached an advanced level of development and ready to graduate into formal business entities. The strategy is to deal with these in a differentiated manner taking into account differences in challenges. The strategy specifically targets the following:

- Informal Sector
- Small formal business the majority of whom operate from the development node
- Emerging contractors involved in construction and infrastructure development.
- Artists and crafters (creative industries) spread throughout the area.
- Small scale farmers including cane growers, community gardens, etc.

Although no permanent solution is provided, the following was determined to be the main causes for failure when implementing s address the second economy:

Failure to Disaggregate and quantify: For Example, measures were implemented to empower black farmers, but no distinction was made between subsistence farmers who depend on farming for food, and farmers who farm but have a separate source of income. The same measures can therefore not be implemented.

Neglect of what is there: There is a tendency to focus on activities that are more marketable than what the entrepreneurs/farmers are used to and as such start afresh with no experience.

Failure to understand real constraints: The tendency to implement what is more implementable instead of addressing the real needs. Therefore misidentifying the real issues.

Neglect of lessons from the past: New programmes are implemented to correct failures of previous programmes without understanding the real issues.

The Premier in his February 2016 State of the Province Address, Priority Intervention 6: ‘Unlocking SMMEs and co-operatives potential, mentioned that “shared growth targets can best be achieved by creating an environment for small business to grow. A high participation rate in our economy is much needed and this can be best achieved by getting more business entities that can help create the jobs we need.” RNM commits to create a better supportive environment for this initiative and best improve on what is on the ground currently.

4.2.11.1 MUNICIPAL INTERVENTION

As mentioned before, the municipality seeks to support the development of SMMEs across the economic sectors through the creation of opportunities for growth and development. Currently, there are more than twenty SMMEs that the municipality has assisted in growing enabling job opportunities, but must mention that the number is small and still hopes that in the near future the number will grow.

There is a database set up by the municipality for both active registered SMMEs and cooperatives. The municipality wants to ensure that it will expedite and expand an incubation programme for small businesses, do its best to reduce “red tape” for small business and support access to funding through soft loans and grants. The same will apply to the informal sector. It is detailed in the Strategy how the municipality has set up support access to funding through soft loans and grants. Further, an SMME & Co-operatives Strategy is also in place, which specifies exactly what needs to be done in terms of SMME and Cooperatives development.

The LED unit within the municipality has a database for all active/ registered SMMEs and Cooperatives and is available on request. Further, the municipality is working on a new database in terms of adding new members.

There is a monitoring and evaluation mechanism for implementation of all LED programmes and targets in place that has been developed by the municipality, (See *attached SDBIP*).

4.2.12 INFORMAL SECTOR

The municipality acknowledges the relevance and contribution of the informal economy and social life of its existing economic towns. Informal or street trading has become a feature of contemporary urban environment in most South African cities and towns. It symbolizes the changing nature of both spatial and economic environments, with the small and emerging businesses operating side-by-side with established business entities. Street vendor’s area major source of provisioning for poor urban households, and form a vital part of any emerging economy.

As per the Ugu District Growth and Development Strategy, informal economy contributes 6% of employment and the figure is steadily growing throughout the District. Within RNM, Informal trading is prevalent in urban centres, particularly in the vicinity of taxi ranks and market areas. There is informal trading outside of public facilities such as clinics, schools and pension pay points. However, it must be noted that the municipality is working tirelessly to come up with a strategy to be implemented which will amongst other issues ensure that this sector is well provided for as it provides for a number of employment opportunities. A survey of informal traders undertaken revealed the following:

Provision of suitable facilities is critical. The majority of informal traders are involved in small operations which involve a relatively small number of people. Most traders are not authorized to undertake street trading and do not belong to a formal structure but would like to be part of one. High concentrations of informal traders in places such as taxi ranks create pressure on the available infrastructure and causes chaos. The operators who try to work within the rules are becoming frustrated at the lack of regulation.

There is a general lack of market infrastructure (i.e. safe and secure trading sites) and general infrastructure (i.e. roads, electricity, water, sewerage).



4.2.12.1 MUNICIPAL INTERVENTION ON SMMEs

To regulate street vendors, the municipality has developed an Informal Trading Policy and By-Laws. Further, the municipality is working closely with KZN Department of Economic Development, Tourism & Environmental Affairs in expediting and elevating informal trading. In-house capacity building initiatives are currently being implemented.

4.2.13 WOMEN FOCUSED INITIATIVES

Women in Business

There is a woman in business structure initiated by the RNM Mayor which focuses on women's SMMEs' sustainability. Its sole existence is to nurture women in Business as well as those aspiring to be in business. Below are two of the municipality's initiatives to sustain livelihoods whereby women are highly involved

i. Community garden programme

This programme consists of women. Women are being assisted with agricultural inputs by the municipality. They farm for home consumption and this programme is aimed at alleviating poverty and sustain livelihoods.

ii. Siyazenzenzela Community Project

This projects also aims at empowering women through different skills. It targets mostly rural women.

4.2.14 ECONOMICALLY ACTIVE POPULATION

A large part of the population within RNM is economically active through the Local Economic Development initiatives. Many programmes are currently running aimed at developing skills to equip its local communities. Workshops aimed at enhancing the youth in various sectors of businesses are also in place. The President, in his State of the Nation Address, (February 2017), stated that in order to have an economic active population, the youth must be encouraged to participate in strategic sectors of the economy. The municipality is in line with this initiative.

4.2.15 INVESTMENT OPPORTUNITIES (CATALYTIC PROJECTS)

The municipality has key projects aimed at unlocking job opportunities. These are projects regarded as having significant development impact. It is the projects that go beyond the powers and functions and affordability of Council and only use need and desirability/impact as the criteria. The projects listed below are regarded as catalytic projects being at different stages of implementation. These catalytic projects are:

- **Justice Park:** This project is essentially a development of a high court and more magistrate courts and office block to accommodate the Department of Justice needs. Total project value is estimated at R360m. RNM has made land available for the project and the Department of Public Works is currently packaging the entire project which is in its last stages.
- **Intermodal Public Transport Facility:** It is a public transport ranking, facility with high order commercial mix. The facility in essence will be a bus and taxi rank and a mall to be developed in Port Shepstone at the current bus and taxi rank.
- **Technology Hub:** It is to be developed at Izotsha. The first phase has been completed. This initiative is funded by the Premiers office. The main attributes of the Technology hub includes:
 - Specialised Business Park with tenants focused on technology and scientific research
 - Closed alignment to tertiary institutes and their academic staff.

- Partly linked to a wider research system.

- **Margate Beach front redevelopment:** This is underway funded by Cogta to give a new look to the beach. First southern phase development of promenade has been completed. Plans are underway for main beach area and Northern portion. The approved budget was R30M.
- **Margate Airport:** The upgrade of Margate Airport has made it easier for tourists to access the district once they are in the province, as well as making significantly easier and simpler for the tourists to remain in the province for longer periods, due to the expanded range of tourism product in keeping with the tourists' needs. In addition, the area around Margate airport presents substantial potential for future industrial development. The Department of Co-Operative Governance and Traditional Affairs,

(COGTA)

Financed this operation to the tune of R10m for the upgrade of the Margate Airport and the project borefruit in November 2013 when the first airline landed. It is a commercial airliner and is operating between OR Tambo and Margate respectively until more lines are opened. The Provincial Treasury has a project to revitalize all the regional airports. Flights are between Margate and OR Tambo and there has been demand thus more flights have been added, and then more destinations would be added. Scheduled lights initially were to fly once a in days per week between the two destinations, but due to demand the flights are daily. The Municipality is working towards ensuring that the airport is sustainable and marketing campaigns will be done to improve awareness of it.

- **Public Sector Investment:** This includes a number of projects in different parts of the municipality.
 - Port Shepstone library under construction
 - Port Shepstone Museum currently under construction and about to complete and open to the public. The Municipality signed the Memorandum of Understanding with the National Department of Public Works.
 - Small craft Harbour at Hibberdene, PortShepstone andPort Edward and an MoU has been signed between the municipality and the NDPW and are all at a conceptualization stage
- **Tourism and Ecotourism development:** Tourism Development Strategy for Ugu South Coast Tourism Region in place introduces a sector specific visionandtheassociatedlong-termgoals.Thegoalsaredevelopedinalignmenttothenational responsiblegrowth objectives. Both the tourism and eco-tourism of Ray Nkonyeni seeks to deliver a welcoming world class visitors experience. The projected budget value is R158.5m per annum.

- **Parking block in Dick King's Parking:** The Port Shepstone CBD does not have enough parking and no parking block open for public ever built. Businesses are negatively affected in terms of getting more clients and optimal profit. Port Shepstone is experiencing massive development as a result of Justice Park; Department of Education Offices; extension of Port Shepstone Library and building of Maritime Museum. While these developments are adding value to the town, it will put more strain on businesses as the demand for the parking will be increasing exponentially. The idea is to then avail a municipal property strategically located for this purpose to a private developer and developed property without losing ownership.
- **Municipal Office Precinct:** A Council Resolution has been obtained and currently finalizing the Municipal Financial Management Act/Supply Chain Management issues
- **Rural Tourism:** The municipality has a high concentration of tourism along the coastal belt. It must be known that there is high potential of tourism in the hinterland and the following have been identified.
 - KwaXolo Caves. Phase one has been completed and the SCDA is taking over the project
 - Nyandezulu Water Fall is at a conceptualizing stage (Spatial Planning)

Rural tourism is going to provide permanent jobs to locals and also assist in showcasing the beautiful landscape of the municipality in the interior.

4.2.17 LED PROJECTS

Below are current initiatives for the municipality. They include but are not limited to the following:

Table 13Municipal Initiatives

<ul style="list-style-type: none"> ➤ Co-operatives and SMME development and advancement ➤ Second economy advancement ➤ Poverty alleviation e.g. Siyazenzela food for waste initiative ➤ One house one garden ➤ Rural tourism facilitation (tourism development) 	<ul style="list-style-type: none"> ➤ Job creation ➤ Margate Airport as a macro project ➤ Port Shepstone upgrade ➤ Business licensing ➤ Thusong service centres ➤ Ultra-marathon ➤ Cycling classic ➤ KwaXolo Rock Art caves project 	<ul style="list-style-type: none"> ➤ Establishing Izingolweni Business chamber ➤ Construction of Agri park at horseshoe farm ➤ Developing Conference centre ➤ Developing Nyandezulu water fall ➤ Developing Arts and craft market
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	<ul style="list-style-type: none"> ➤ Training of SMMEs ➤ Business information days ➤ Distribution of seeds 	<ul style="list-style-type: none"> ➤ Developing Ndongeni/Dick King tourism route
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4.2.16 URBANIZATION, DEVELOPMENT AND BEACH UPGRADES

Ray Nkonyeni Municipality has experienced enormous pressure in development over the past year. This is in line with the municipality's urban renewal policy. It is notably that the municipality experiences, in line with international trends, the highest level of urbanisation. There is rapid and growing urbanization within the municipality. There is also a lot of development activities in a form of residential as well as beaches upgrade. A number of catalytic projects are also taking place which many people have found employment. This is line with the Ugu District Growth Strategy.

The upgrade of Margate Airport has made it easier for tourists to access the district once they are in the province, as well as making it significantly easier and simpler for the tourists to remain in the province for longer periods, due to the expanded range of tourism product in keeping with the tourists' needs.

The municipality is a business licensing authority and policies have been developed to encourage more businesses into the municipality, more especially the private sector. The CBD in Port Shepstone is quickly reviving its appearance as more establishments are being developed.

4.2.18 KEY ISSUES

The municipality is faced with a number of issues in terms of implementing some LED programmes effectively, however, through its strategy that is being formulated, these issues will be addressed.

Following are the key issues:

- Economic governance
- Institutional alignment and coordination
- Economic spatial integration
- Land release for economic development
- Youth and gender empowerment
- Sectoral integration
- Sustainability of LED municipal projects
- Seasonality of key economic sectors
- Infrastructure supporting economic development

4.2.19 SOCIO-ECONOMIC PROFILE

4.2.19.1 EMPLOYMENT AND INCOME LEVELS

The youth is highly unemployed and this remains a huge problem that the municipality is facing. A large number of young people are either dropouts, and very few have higher education qualification.

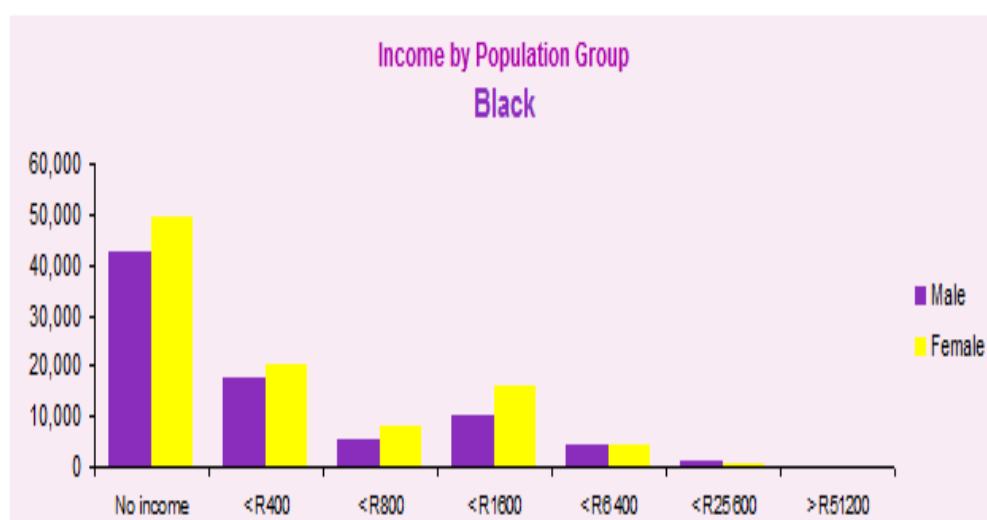
According to the State of the Nation Address, 2016 by the President, unemployment impacts heavily on inequality and poverty and needs to be halved by 2030. It further states that by 2020, 90 000 jobs should have been created through various programmes and projects. There a number of projects currently being implemented in rural areas where unemployment is rife. Also these initiatives are aimed at establishing a conducive environment to attract and grow businesses and cooperatives as per the municipality's Local Economic Development's strategy.

The Municipality further adheres to the State of the Province Address 2017, whereby the issue of youth unemployment was addressed by the President. The municipality has responded to this by increasing an intake of youth in the public and private employment equity programmes and there has been an expansion of learning and skills development opportunities for the youth aimed at equipping them with job skills.

5.2.19.2 Employment by Race Breakdown

According to the employment by race breakdown graph below, it can be said that a larger number of females within the municipality in all races have no income at all as compared to males. Those female employees, very few black females earn above R25 000 per month, as compared to white, Indians and coloured females. The following graph summarizes this information.

Graph 15: Employment by Race breakdown



Source:StatsSA2011

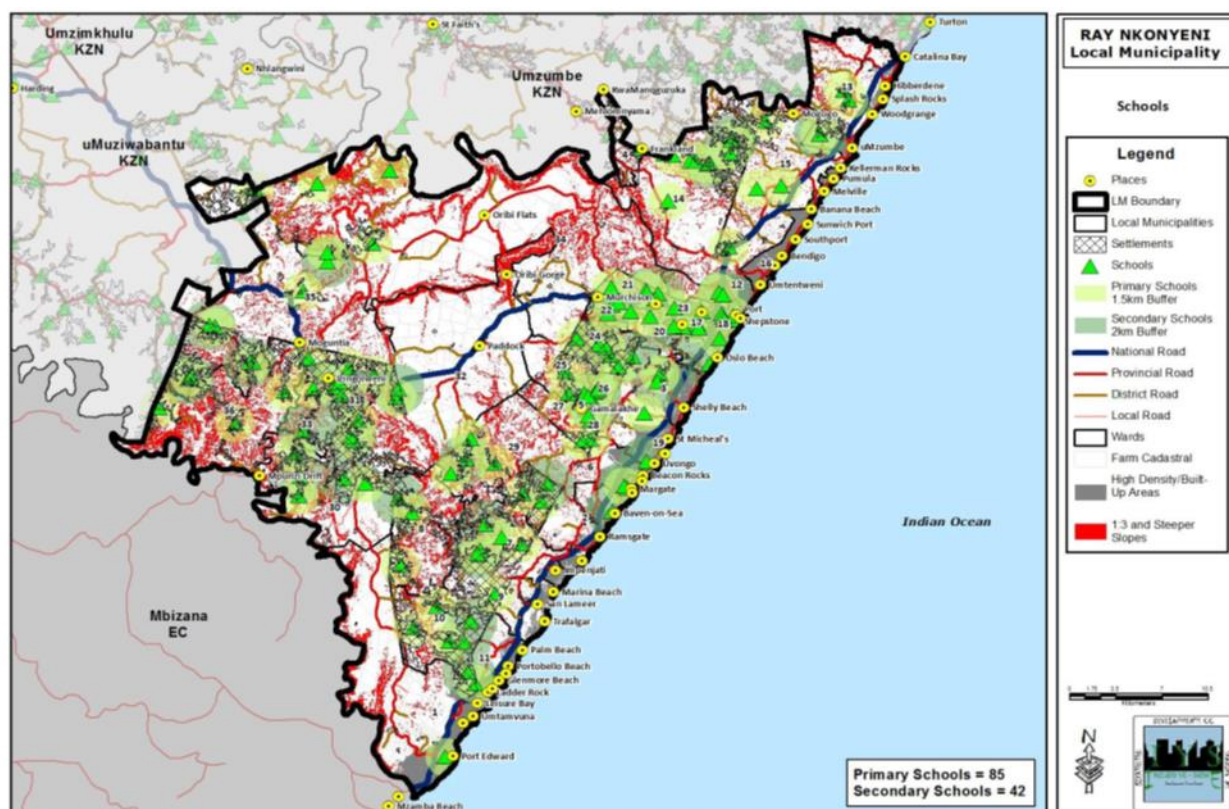
4.2.20 SOCIAL DEVELOPMENT ANALYSIS

4.2.20.1 Education

A number of critical issues relating to poor performance in Education in the Province were raised by the then Premier of KZN during his 2016 State of the Province Address. He mentioned a need to develop human strategy capacity, increase enrolment rate in TVET colleges and that there should be a seamless transition of learners from early childhood development to adult literacy. RNM prides itself by that it has managed to address these issues because more students are now recorded to be registered in the TVET colleges within the municipality. There has also been an increase in the Grade 1 enrolment which also is in line with the Premier's 2020 education goal that there should be an increase and maintaining of enrolment in Primary schools.

Below is a map showing all schools within the municipality.

Map 5: Schools within the municipality



Source: RNM GIS UNIT 2016

The municipality has better equipped schools in urban areas as compared to the deep rural areas. Wards 34, 35 and 36 have a shortage of schools such that learners walk more than 5km. Within the municipality also, it has emerged that a number of rural communities have a shortage of pre-schools as well as primary schools as compared to urban areas. There are no facilities such as libraries in rural schools. Furthermore, most schools in rural areas have no proper teaching facilities such as laboratories. The teacher-learner ratio is too high, resulting in poor matric results. Where there are no bridges, crossing is often dangerous and learners are often forced to wade through flooded rivers during rainy seasons subjecting themselves to being swept away or

being eaten by crocodiles. Survey has showed that there is normally poor performance amongst the affected students because they are often forced to stay at home in fear of their lives. This results in school dropouts or poor matric results.

Structures in some schools are not suitable for learning purposes. Make shifts are too hot in summer and very cold in winter. Some structures are made of mud and when it rains, they collapse. Some schools in rural areas do not have access to clean water and sanitation. Contrary to most schools without clean water, many schools have access to electricity.

The following table shows the education qualification within the municipality.

There is a large exodus of pupils from rural areas enrolling in urban schools. This has had a negative impact in that:

- those schools in rural areas with little enrolment are closed down
- Educators are relocated to schools with higher enrolments, in most instances far from their residential areas, which is a social problem
- schools in urban areas are overcrowded

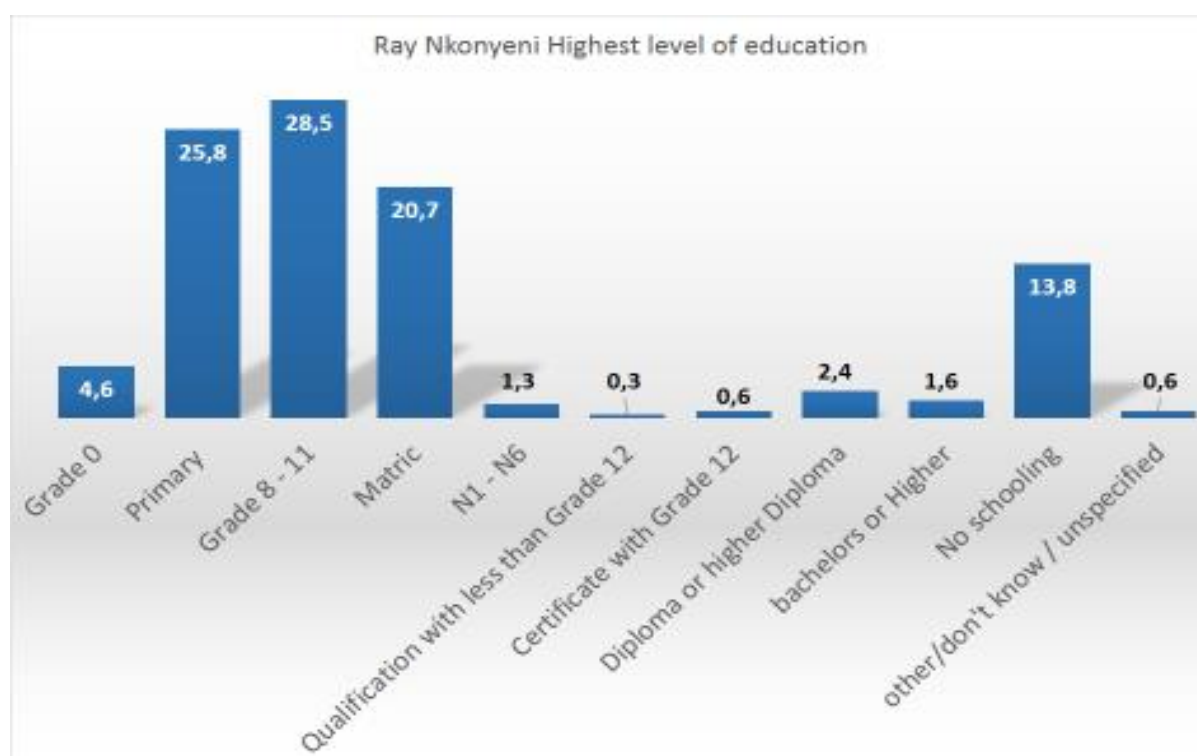
A large proportion of the population of Ugu District has limited skills and low education levels. Ray Nkonyeni Municipality is striving to be a municipality that ensures a seamless transition of learners from early child hood development to adult literacy. According to the Millennium Development Goals Strategy (MDGS), literacy rate in South Africa is improving, so our municipality is in line with this. On the issue of Education, Ugu District Growth and Development Strategy (UDGDS) mentions amongst many findings that there is glaring urban/rural divide and that the state of education is poor. Further to this, the District highlights that programmes for maths and science need to be strengthened and promote public-private partnership and enhance the quality and relevance of TVETs.

Ray Nkonyeni has the highest statistics in terms of pupils in higher education institution (universities) as well as TVET and private colleges as compared to the other Ugu Local Municipalities.

The National Development Plan (NDP) in its 2030 vision states that, in order to achieve that all schools provide all learners with an excellent education, the education system needs to improve constantly by ensuring early childhood development, schooling, skills development as well as higher education. The municipality must partner with the Department of the District's Education to ensure policy implementation so as to be in line with the NDP.

Below is a graph showing Ray Nkonyeni's education's attainment. There is a decline of learners in Matric and further a very small number in higher learning institutes. The enrolment in Grade o is very low. This is not in line with the National Education Policy which aims at ensuring that the number of preparatory schools learners increase. It must be further noted that the municipality is highly concerned about the percentage of non-school going children.

Graph 16: Levels of Education



Source: Statistics South Africa Community Survey 2016

A whopping 90% of schools within the municipality are fee exempted, which is a positive intervention by National government to improve access to basic education, however, such a huge percent age of exempted schools is also an indicator that the level of poverty is high.

i. Literacy Rate

According to the recent community surveys, it was established that more females than males are school. This is opposite the 2011 survey which showed that there were fewer female school going learners as compared to male learners. The perception of girls being groomed to stay at home not attending school seem to be a thing of the past. Such augers well with the government policies to empower women in terms of education is concerned. Statistics also further show that RNM has a lower literacy rate as compared to the other local municipalities of Ugu.

ii. Matric Pass Rate

Out of the four local municipalities under Ugu district, RNM has the highest matric pass rate. The Department of Education has more programmes currently running to enhance better results. Winter classes, for an example, are such programmes being implemented and also student exchange with foreign countries.

iii. Higher Education

The last conducted census revealed that few people within the municipality have higher degree qualifications as compared to those with secondary education.

4.2.20.2 Health

The entire Ugu District has fifteen ambulances, seven of these operate under RNM. Response times are still far below the acceptable norm in both urban and rural areas and remain a serious challenge considering the increased demand for emergency services. The improvement of response times is achievable only if the number of staffed rostered ambulances is operational as well as addressing the gaps in terms of filling vacant posts and replacing the aging fleet of vehicles.

Delivery in facility rate under 18 years is 11.5% and is still above target of 9.2%. Due to school health teams not allowed family planning within schools, the Department of Health plans to improve uptake of clinic services via youth friendly clinic projects.

Teenagers from neighbouring municipalities make use of the two public hospitals within RNM as not all LMs have hospitals so this stats includes teens from all LMs.

Diarrheal disease is the main contributory factor for most deaths of children under the age of five. It is reported that the incidence of diarrheal cases were in fact on the rise in the previous two years. The causes are multi-factorial but the importance of hygienic food practices, rotavirus immunization and early treatment with Oral rehydration solutions right from home will ensure reduction in morbidity and mortality associated with diarrheal diseases. Breastfeeding, proper hygiene and up to date immunization can help reduce the mortality rate as well. Also, there is a programme that the Health Department has embarked on, known as Phila Mntwana. It educates mothers on how to ensure that their babies are hygienically cared for. This initiative has proved a success as the child mortality is decreasing.

Below is a list of the Phila Mntwana Centres:

- Mkhholombe
- Masinenge
- Manzamhlophe
- Oshabeni Traditional Authority court
- Breamer Mobile Library & Community Hall and
- Thembalesizwe Clinic

According to recent statistics, KZN is the worst affected in terms of HIV and AIDS and the Ugu District Municipal has the highest HIV prevalence especially amongst pregnant women. Murchison hospital and Port Shepstone hospitals are the two accredited Anti-Retroviral (ARV) treatment facilities within the Municipality. All clinics initiate clients on ARVs. New UTT campaign (Universal Test and Treat) increases number of clients accessing treatment.

Integration of HIV and TB services has been strengthened by training of HIV counsellors on TB Screening. The municipality has partnered with the Ugu district as well as the provincial departments in implementing the Sukuma Sakhe flagship programme. More focus is placed on the most deprived wards/areas most affected by the pandemic. The

programme was rolled out to all the wards of the municipal area. War rooms have been established in various wards. The World AIDS Day is commemorated on an annual basis at RNM. The department of Health conducts annual HIV/AIDS surveys on women visiting antenatal clinics in the province. RNM's Council is committed in the HIV/AIDS infection reduction programme. The municipality has implemented viable programmes to fight the scourge of the disease. More educational programmes/awareness campaigns are necessary to alert the community members of the HIV/AIDS disease.

The Private Sector plays a vital role in purchasing school uniforms for vulnerable children in schools within the municipality. The Mayor then ensures that all recipients receive the packages and are treated to a special day.

It will be important of actor into planning the impacts associated with this pandemic and provide adequate services to those living and affected by the virus. Furthermore, it is critical to involve the ward committees, Local AIDS Council and people living with HIV/AIDS in the IDP Forum to discuss issues that affect them and planning matters. The epidemic, for example, will affect infrastructure planning by reducing the projected number of people, impacts on households requiring services as well as their ability to pay for these services and increased demand for health care facilities and social services.

Currently, RNM has two public hospitals, namely (Port Shepstone and Murchison) and two private hospitals, namely (Hibiscus and Margate). The municipality has a total of 20 clinics, 7 mobile clinics and one health care center.

All the clinics within the municipality have access to electricity, clean water and sanitation. In as much as the District Health Department states that RNM has enough clinics, it must be noted that most rural communities have a backlog these services. During the Mayoral Izimbizo road shows, most communities list clinics amongst their priority needs. Those communities with these facilities however, raise concerns in terms of staff attitude and the level of services rendered.

Below is a list of clinics within the municipality.

Table 14: Clinics within the municipality

OUT type	Facility
Clinic	Izingolweni Clinic
	Mthimude Clinic
	Thembalesizwe Clinic
	Thonjeni Clinic
	Bhobhoyi Clinic
	Bhomela Clinic
	Braemer Clinic
	Gcilima Clinic
	KwaMbunde Clinic
	Ludimala Clinic

	Madlala Clinic
	Marburg Clinic
	Margate Clinic
	Mvutshini Clinic (HC)
	Ntabeni Clinic
	P Shepstone Clinic
	Port Edward Clinic
	Shelly Beach Clinic
	Southport Clinic
	Umtentweni Clinic
Community Health Centre	Gamalakhe CHC
Mobile Service	P Shepstone Mob 1
	P Shepstone Mob 6
	P Shepstone Mob 3
	P Shepstone Mob 5
	P Shepstone Mob 7
	P Shepstone Mob 8
	P Shepstone Mob 9

Some of the primary health prevention and care initiatives implemented by the department include;

- NIP sites in partnership with the Department of Social Development; Partnership with TDSA;
- Health promotion in schools with partnership with the Department of Education;
- Partnering with a few NGOs such as ECAP and Dram Aide (226MMC, school health teams, 30MMCmobilisers);
- Happy hour in clinics to prioritise service to school going teenagers; and,
- Distribution of female and male condoms.

In terms of dealing with back logs on health facilities, the Department plans how the following new clinics Plans:

- Marburg Clinic
- Hibberdene clinic
- eNtabeni clinic

It must be noted that due to limited funding, all projects are on hold across the Province.

Proposed new clinics within RNM are going to be developed in the following areas.

- Hibberdene
- Mphelwa

- Bhokodisa
- Qinabout
- Nkothaneni
- Mdlazi
- Thorndale
- Mhlabathini
- KwaNikwe

4.2.21 YOUTH DEVELOPMENT

Population figures show that RNM is a youthful municipality. The municipality aims to impact on the youth through the following objectives:

- To ensure that the youth are given an opportunity to participate in the mainstream economy and to entrench the need for stakeholders to prioritize and support youth economic empowerment;
- To address challenges of youth unemployment and poverty by, among other things developing mechanisms to create markets for young entrepreneurs in RNM including development in sports and arts;
- To develop mechanisms to address the economic needs of the youth in terms of their geographic demographics i.e. urban or rural;
- To encourage young people to actively participate in development issues; and,
- To address moral regeneration needs.

A number of programmes are currently being implemented and for these, refer to SDBIP attachment. It must be noted that these programmes are conducted annually and budgeted for. Following are some of these programmes:

- Life skills and leadership training. Six sessions are held each year with sixty people per session;
- Career Guidance targeting High Schools;
- Local Arts Festival targeting local young artists;
- Fashion shows targeting local designers;
- Youth Forums are fully functional per ward;
- Sports Programmes; and,
- Mayoral Bursaries targeting 150 students for registration each year and 4 students for full bursaries.

The main youth concerns can be summarised as follows:

- High unemployment rate;
- Lack of skills;
- Lack of information/ communication measures at rural areas;
- High levels of crime; and,
- Exposure to alcohol and drug abuse.
- Vulnerable to HIV/AIDS

4.2.22 OUTREACH

There is an outreach programme currently under the Special programme unit within the municipality. The programme is aimed at ensuring that the needs of the elderly, vulnerable children, the disabled as well as other social programmes are implemented. The unit further seeks to ensure that senior citizens, people living with disabilities are able to cope in their communities. Vulnerable children, farmworkers, and those people affected and infected by HIV/Aids receive the necessary support.

Under the outreach programme is a project that focuses on women and men empowerment. It basically assists in providing life skills training that ensure that these people are able to sustain themselves by being self-employed. There are also initiatives targeting awareness around women and child abuse which ensures that communities are well informed and empowered regarding their rights and how to act in such instances of abuse. It must be noted that these programmes are an ongoing process and are annually budgeted for. Refer to the municipality's SDBIP.

Examples of the programme includes:

- Child care
- Hand over equipment to crèches
- Dress a school child campaign; school children benefit from the programme.
- Sanitary dignity campaign
- Senior Citizens programme
- Local Golden Games (250 senior citizens participate from all wards)
- Provincial Golden Games (100 senior citizens participate from all wards)
- Workshop in farming
- Launch of senior citizens' forum
- Senior Citizens' thanks giving
- Inter-generational dialogue
- Disabled care
- Disability parliament
- Life Skills Workshop
- Caine weaving workshop
- Jewellery making workshop
- HIV/AIDS programmes
- Men empowerment workshops
- 16 Days of activism
- Workshop on Gender Based Violence
- Commemoration of World AIDS Day
- Women capacity building and skills training
- Skills training for people living with possibilities

4.2.2 3 Safety and Security

Ray Nkonyeni Municipality has a developed Public Safety Plan in place. This Plan will be reviewed every three years to ensure that it fully addresses the National safety objectives and further aligns to the Provincial Department of Community Safety and Liaison's Safety Strategy. The Constitution of the Republic of South Africa under section 152 (1)(d) states that municipalities should promote safe and healthy environment.

The municipality does experience challenges on serious crime issues. This requires community specific-safety and crime prevention strategies. These strategies are developed in partnership with SAPS and Department of Community Safety and Liaison. In addition, there are Community Safety forums that have the participation of various stakeholders, including civil society representatives. Numerous police clusters based in Margate and Port Shepstone are highly proactive in curbing crime in the rural and urban areas of the municipality.

The municipality prioritizes the safety of its residents. Crime is a complex phenomenon and varies from community to community therefore requiring different strategies and solution to suit each situation and crime level. It is upon this light that the municipality has developed safety strategies. It has also partnered with the SAPS. RNM crime prevention strategies are aligned to the National and Provincial crime and prevention strategies which emphasizes the importance of fighting crime as a threat to our democratic order and development.

The municipality has nine (9) police stations which are located at the following areas;

- Port Shepstone
- Port Edward
- Ramsgate
- Gamalakhe
- Melloville
- Hibberdene
- Ezingolweni
- Paddock and Margate

The 1998 White Paper on Safety and Security encouraged municipalities to play a vital role in crime prevention in partnership with different stakeholders and key-role players, taking into cognizance that crimes happen at local level and the local municipalities are closest to people. The White Paper sees objectives of local government with regards to safety and security as:

- To create an efficient and visible policing in all the areas particularly in residential areas and CBD areas;
- To improve on service delivery and rendering efficient service to members of the public;

- To improve service for effective crime monitoring; and,
- To provide a safe and secure environment (routine vehicle checks and routine patrols)

The municipality has a Feasible Crime Reduction Strategy and the department responsible for safety consistently reports on it and its achievements and challenges, quarterly in the SDBIP which is linked to the municipal IDP and budget. During the IDP Representative Forums, the SAPS clusters report on crime levels and trends. They further report on their strategies as well as their achievements.

It is important to align municipal planning with provincial and SAPS plans, share resources and information and find a common ground to deal with challenges and to encourage and assist each role player to meet its mandate. The Department of Community Safety and Liaison has played a major role in crime awareness and providing trainings. Ray Nkonyeni Municipality continues to seek partnership with other social partners in fighting crime to provide a livable environment.

RNM is proud to pronounce that it seeks to continue strengthening this partnership for the wellbeing of its citizens.

4.2.24 CEMETERIES

The Municipality has five public cemeteries, namely

- Oslo Beach Cemetery
- Port Shepstone Cemetery
- Kwa Nositha Cemetery and
- Margate Cemetery

All the cemeteries have either been closed as they have reached capacity or close to reaching capacity. Only KwaNositha is still having ample space. There is one private Cemetery within the municipality at Izotsha. There are no formal cemeteries in the rural areas hence the prevalence of on-site burials. There is a need to identify cemetery sites in the rural areas in line with the principle of environmental sustainability.

4.2.25 ACCESS TO LIBRARIES

There are twelve (12) operational libraries in the urban areas including Gamalakhe Township, one (1) library at Kwa-Ndwalane Traditional Authority and five in land of the municipality are five mobile libraries with one fully fledged library at KwaNdwalane Tribal Authority and one at Izingolweni and Vukuzithathe Tribal Authority. There are three cyber cadets in three of these libraries who train patrons on the use of computers. Tertiary books as well as school projects books are some of the facilities the libraries have.

On the other hand, a majority of communities within the municipality do not have libraries. Ward Based Planning sessions conducted recently in the municipal communities revealed. That in order for people to access information from libraries, they travel to urban areas where these facilities are found. The municipality together

with the Department of Education in the District have future plans on addressing this issue.

4.2.26 Access to recreational facilities

4.2.26.1 Recreational Facilities

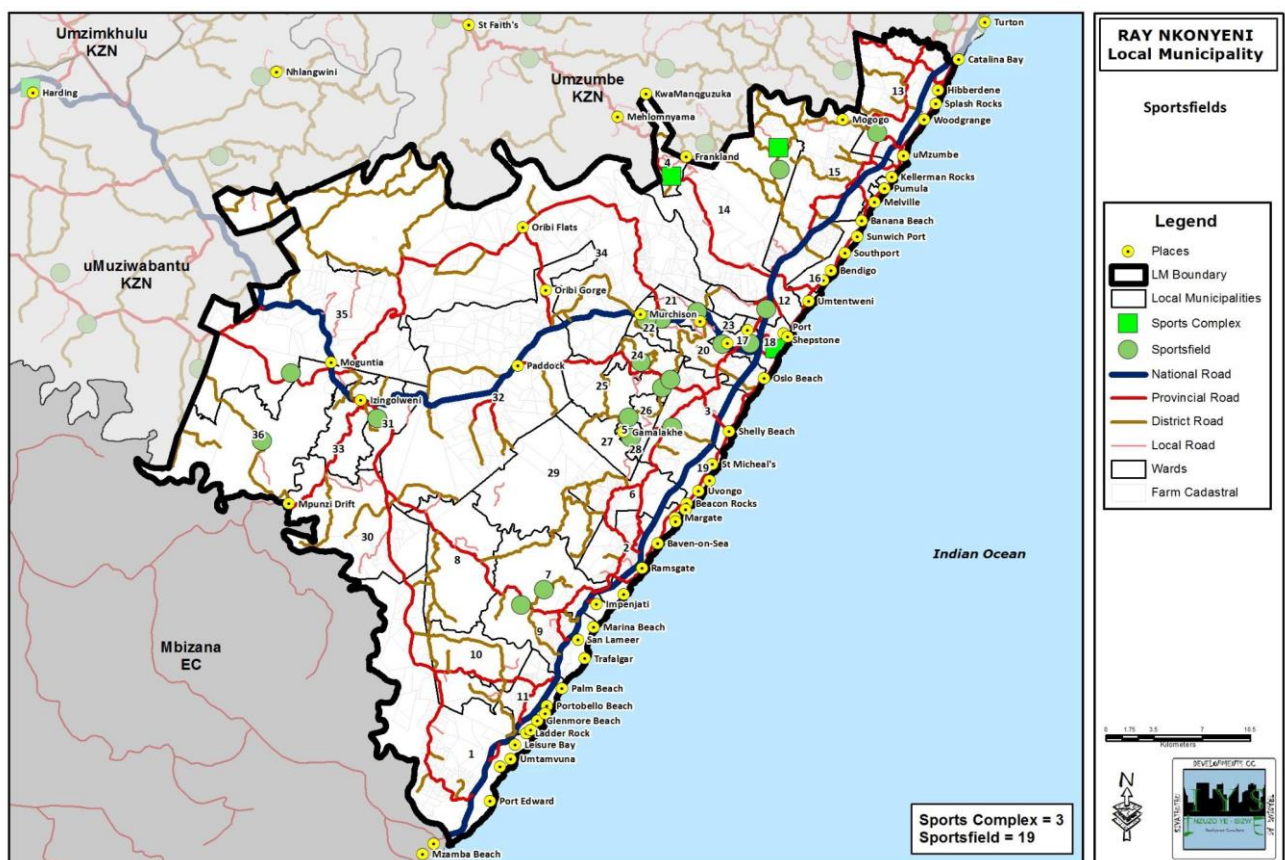
There are currently three depots within the municipality, situated at Hibberdene, Port Shepstone and Port Edward. These depots are under the Department of Public Safety (DPS). Each depot is run by a manager ensuring day to day maintenance of the municipality. Other than ensuring the cleanliness of the municipality in terms of verge cutting, site clearances, street cleaning, waste removals etc. there are recreational parks within these depots. There are seventeen (17) parks in total.

4.2.26.2 Sports Complex and sports fields

There are approximately thirty five (35) sports fields, four (4) sports complexes that the municipality has developed throughout its wards. The municipality has ensured that these sportsfields have facilities, (changing rooms) and are fenced.

Below is a map showing these facilities within the municipality.

Map 6: Sports complex and sports fields



Source: RNM GIS 2017

4.2.27 Thusong Service Centers

There are ten (10) functional Thusong Centres, sixteen (16) community halls (traditional council areas) within the municipality. These halls are utilized by communities for different events. The municipality aims at having a community hall in each ward.

4.2.28 KEY FINDINGS

Following are key findings within the LED.

- Tourism industry as one of the prominent economic drivers
- High youth unemployment
- Limited coastal-hinterland linkage
- Narrow roads, increasing traffic congestion.
- Generally poor road network
- There is a general lack of market infrastructure.
- Intermodal Transport Facility at advanced planning
- Margate Airport scheduled flights growing daily
- Most traders are not authorized to undertake street trading
- Pressure on the available infrastructure due to informal trading causing chaos
- Current infrastructure not coping with growing population



4.3. CROSS CUTTING ISSUES ANALYSIS

4.3.1 Spatial Development Vision and Mission

Ray Nkonyeni Spatial Vision has been developed to guide the direction and growth of the Municipality. The key underlying themes for the development of this vision are Ugu District Development Vision as captured in the district IDP as well as the principles that emanated from SPLUMA. Below is the municipality's Spatial Development Vision and Mission.

Spatial Vision

“By 2036 Ray Nkonyeni will be a spatially efficient, socially equitable, environmentally sustainability and economic power house of KwaZulu Natal with the unique tourism economy”

Spatial Mission

“By 2036 Ray Nkonyeni will be a prime tourist destination, economically viable smart city with equitable opportunities and services”

4.3.2. SPATIAL PLANNING

4.3.2.1 Provincial and Regional Context

The KwaZulu-Natal province is well-known and characterised by its undulating topography. The coast-line along both the northern and southern coast together with the river systems have defined the primary catchments for the development of towns and cities throughout the province. A second major structuring element along the KwaZulu-Natal south coast is the national mobility route, the N2. The N2 provides the only direct north/south link between KwaZulu-Natal and the Eastern Cape. The KwaZulu-Natal south coast is a case in point to this theory - a town is located every 10/15 kilometres along the N2. The N2 can be seen as the main contributor of the organic growth and development within the Ray Nkonyeni Municipality.

Ray Nkonyeni Municipality covers an area which is approximately 1 594km² in extent. The municipality's coast line runs from Hibberdene to Port Edward, covering approximately 72km. The municipality is situated along the coast line in the southern portion of KwaZulu-Natal. RNM is located between the Indian Ocean on the Eastern part while Umhlonjaneni local municipality borders the North Eastern part, Umzumbe local municipality borders the Northern part, Umuzi wabantu Local municipality borders the Western part. South of the municipality lies the Imbizana local municipality (Eastern Cape Province). The municipality consists of eight urban nodes and six traditional authority areas as indicated in the Situational analysis. The towns are located along the urban strip while the traditional authority lands are located in the hinterland of the municipality. The region has an extensive range of natural assets, particularly the coastline, which have attracted a range of development opportunities into the area overtime.

RNM is experiencing continuing urbanization. Along the coastal belt, the infrastructure is well developed and the economic growth is relatively well developed. However, the hinterland is characterised by poor infrastructure provision and a large number of

formal and informal settlements not well connected to the coastal settlements where economic activities and infrastructure is concentrated. The SDF that is being developed, highlights this linkage challenge and prioritizes the creation of opportunity for the people that shadow the coastal corridor. According to the Integrated Development Framework Draft Discussion, 2014, the projected urbanization and population growth show that by 2030 the majority (70%) of South Africans will be living in cities and towns as urban centres provide job creation and great opportunities for addressing the challenges of poverty, inequality and the ability to achieve the required social and economic transformation. In this regard therefore, there needs to be a coherent strategy that seeks to achieve the goals of economic development, job creation and improved conditions for all citizens.

Population growth within the municipality has substantially increased over the years. Based on the 2011 census data, RNM has the highest population concentration within the Ugu District Municipality. The dominance of RNM in terms of population is undoubtedly due to its role as the economic hub of the district which also attracts the labour force. The population group breakdown in terms of racial groups, has been made and it was found that, it is a generally representative of the trend in rural KwaZulu-Natal where African population group represents more than 91% in the Ugu District and 82% in Ray Nkonyeni Municipality of the total population, and also the majority of residents within the study area indicated that IsiZulu is their home language, with a minor number of residents also speaking English, Xhosa and Sesotho. The municipality consists of 36 wards, ninetowncentresand9 traditional authority areas. The 9 town centres are:

- Hibberdene
- Port Shepstone
- Shelly Beach
- Uvongo
- Margate
- Ramsgate
- Southbroom
- Port Edward
- Ezingoleni

The Traditional Authority areas are:

- KwaXolo
- KwaNzimakwe
- KwaNdwalane
- KwaMadlala
- KwaMavundla
- Oshabeni
- KwaMthimude
- KwaVukuzithathe
- KwaNyuswa

Map 7:Population density



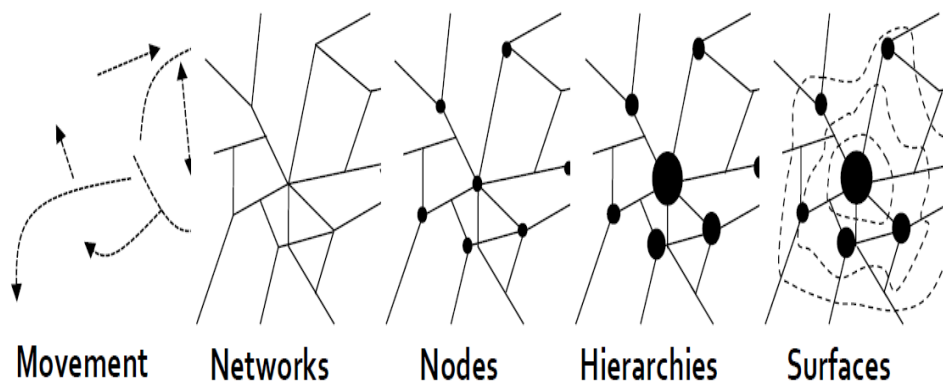
The N2 runs from Hibberdene to Port Shepstone inland and away from built-up area. R102 runs in the same area but along the sea and through the built-up area. From Port Shepstone all the way to Southbroom about 40 km down the coast. From Port Shepstone, the R61 and R602 play the same role as N2 and R102 respectively. P200 is the only north-south link inland of N2 and is only about 30km long. This road links Marburg (i.e. Port Shepstone industrial area to Southbroom). Therefore, there are no developed, well-functioning linkroads beyond about 10-15km from the sea.

In the east/west direction, the N2 between Port Shepstone and Harding (outside the municipality's area) is the primary link with a number of secondary routes supporting. This is the main east-west corridor. Other east-west links are P68, P55, D202/P482 and P284. There is a proposed inland activity route which will run parallel the N2. This route will run from Hibberdene and links the connector route from Port Edward to Izingolweni. This is in line with SPLUMA.

The spatial framework is developed through an interrelated set of nodes, networks and surfaces. The essence of development in this system is the movement of people, goods and services that produces the basic impetus for developing functional relationships between otherwise independent and unrelated elements. The first structuring element is the development and reinforcement of a system of varied activity nodes. This will enable greater access to city-wide opportunities, as well as equitable access to a system of local opportunities.

Illustration Spatial Restructuring Models

Illustration 3: Spatial elements



4.3.4 LANDSCAPE CHARACTER AND BUILT FORM

Ray Nkonyeni Municipal area can be segregated into four categories which are as follows:

Coastal Strip - Ray Nkonyeni area is also referred to as the South Coast due to its popular scenic beaches. This part is characterized by outstanding landscape character and built form. It is developed with medium to high density buildings that boost with modern and ambitious architectural styles. The municipality has a responsibility to enhance and maintain this landscape and built form i.e. this part can be considered to be the jewel of the municipality.

Land scape character of the municipality



Urban (Inland) - this includes formal suburbs and townships within close proximity to main routes. These areas are characterized by formal low-rise and uniform structures.

Farmlands (Inland) - the inland are also occupied by farms which deal with sugar cane or Banana production. The farms present a rather natural landscape which is less clouded by built form.

Rural (Inland) - the rural areas do not boast with aggressive architectural styles nor built form. However, there are signature buildings that exist within different parts of it and these include social facilities such as clinics, community halls and Thusong Centres.

4.3.5 LAND COVER AND BROAD LAND USE

4.3.5.1 Broad Land Use Pattern

i. Coastal Tourism Towns and Surrounding Suburbs

There are a number of coastal tourism towns that are located along Marine Drive, Ocean Drive and Finnis Road. These towns are also surrounded by associated formal

suburbs. These towns have a number of commercial and entertainment activities within it which were introduced in order to embolden this tourism environment.

iii. Urban Towns And Surrounding Suburbs

The main urban centres within the area are Port Shepstone, Hibberdene, Margate and Port Edward. These serve as the main towns for the municipal area with the highest agglomeration of commercial activities. These towns are surrounded by the associated formal suburbs including Gamalakhe.

iv. Rural Town And Surrounding Peri-Urban Settlements

Ezinqolweni is the main rural town that is found within the municipal area. It is surrounded by the densely populated rural settlements which have grown around it over the years.

v. Rural Villages And Settlements

The majority of the inland area is occupied by rural villages and settlements. These are spread within different parts of the administrative boundaries of traditional authorities. These villages and settlements have a number of commercial and social activities within it. The kind of commercial activities are limited to small local convenient shops, taverns as well as small scale manufacturing activities (block making) and personnel services such as salons and small scale agricultural activities (ploughing field and food gardens).

vi. Commercial Agriculture

Ray Nkonyeni Municipality has an abundant amount of agricultural land which is geographically located between the urban and rural areas in the form of commercial agricultural farms. The agricultural pattern within the area is primarily due to the undulating topography, which prescribes the available land parcels out of the valley lines and along other major structuring elements. The agricultural industry is a prominent feature within the KwaZulu-Natal south coast, and therefore becomes a predominant land use within the area. The predominance is due to the rich natural resources and climatic conditions, which allow for the farming of produce such as sugar, bananas, pawpaw's, coffee, tea and exotic nuts along the coast, maize, legumes, cattle, vast pine, wattle and eucalyptus plantations.

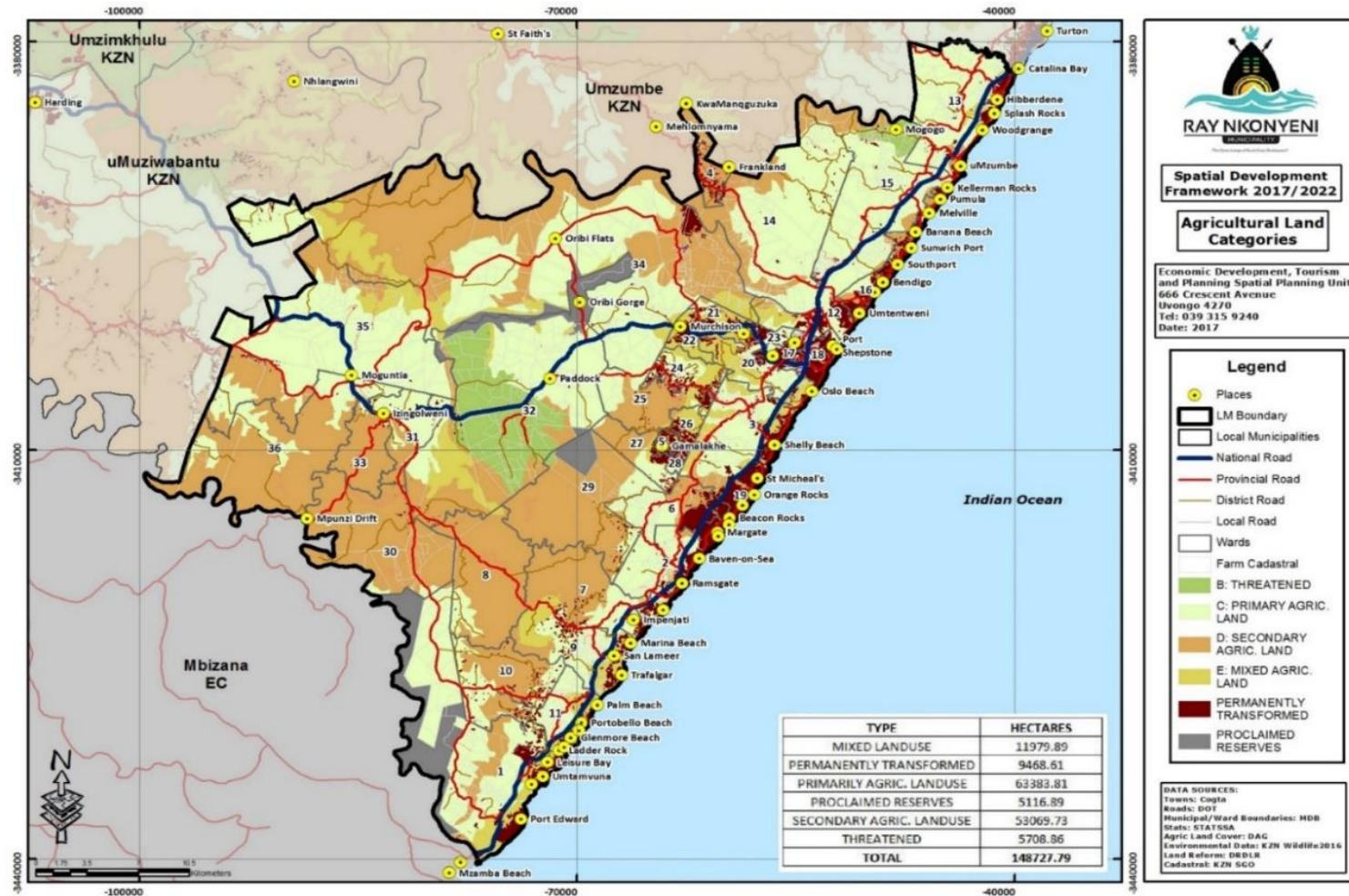
vi. Environmental Areas

There are six declared formal conservation areas which are Umtamvuna, Mbubazi, Mpenjati, Skyline, Oribi Gorge and Umzimkhulu river valley Nature Reserves. There are also a number of unprotected environmental areas within the area which are undeveloped /untransformed and consist of grassland, dense bush and forests. High biodiversity areas represent a substantial fraction of the area. High biodiversity areas occur in discrete pockets within the municipal landscape, with larger portions located

in the southern part of the municipality. The intrinsic value of these areas lies in its ecological and tourism development potential.

The maps that follow show land categories and areas that are highly active in commercial agriculture within the municipality.

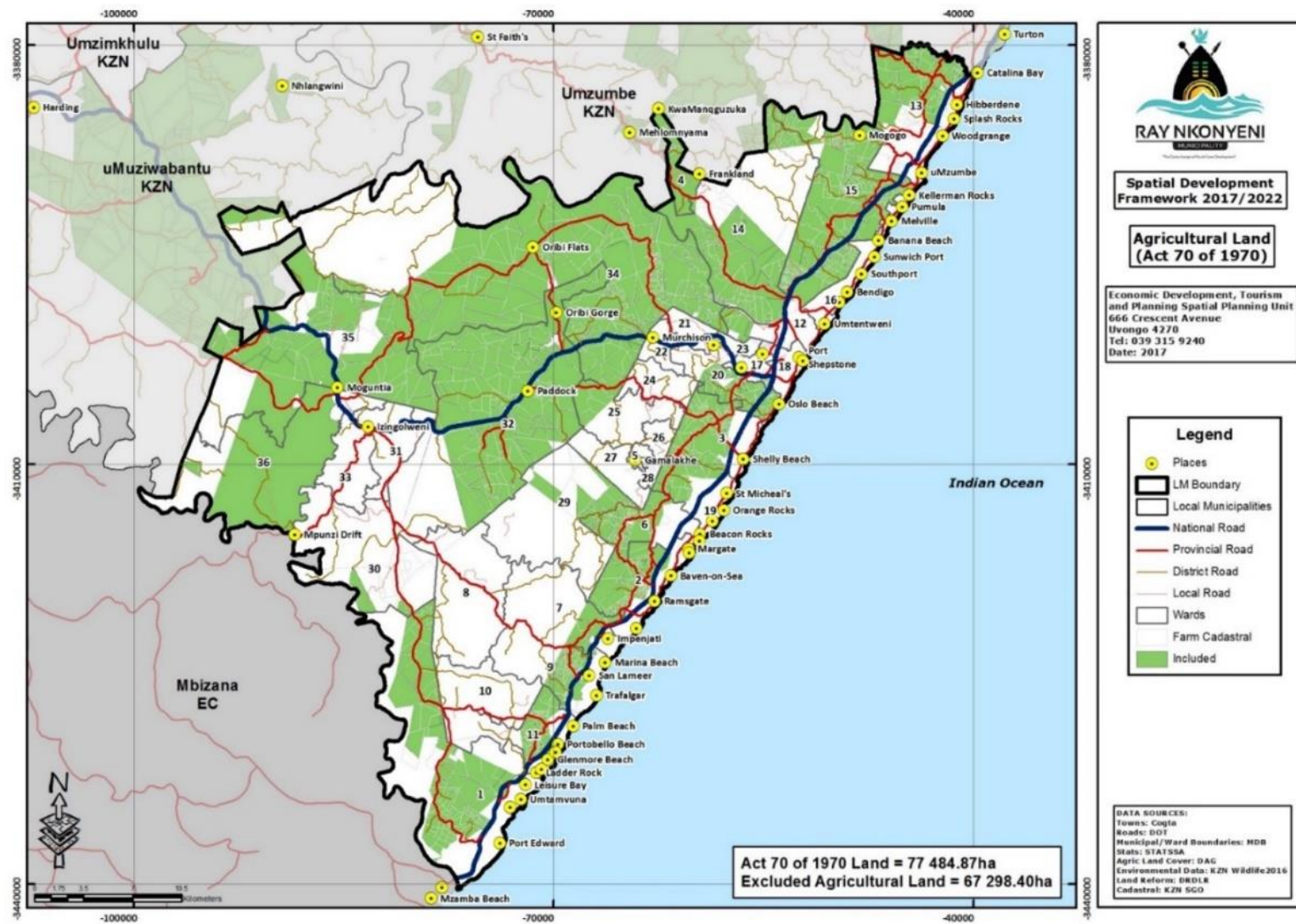
Map 8: Land categories



Source: RNM GIS UNIT 2016



Map 9: Commercial Agriculture



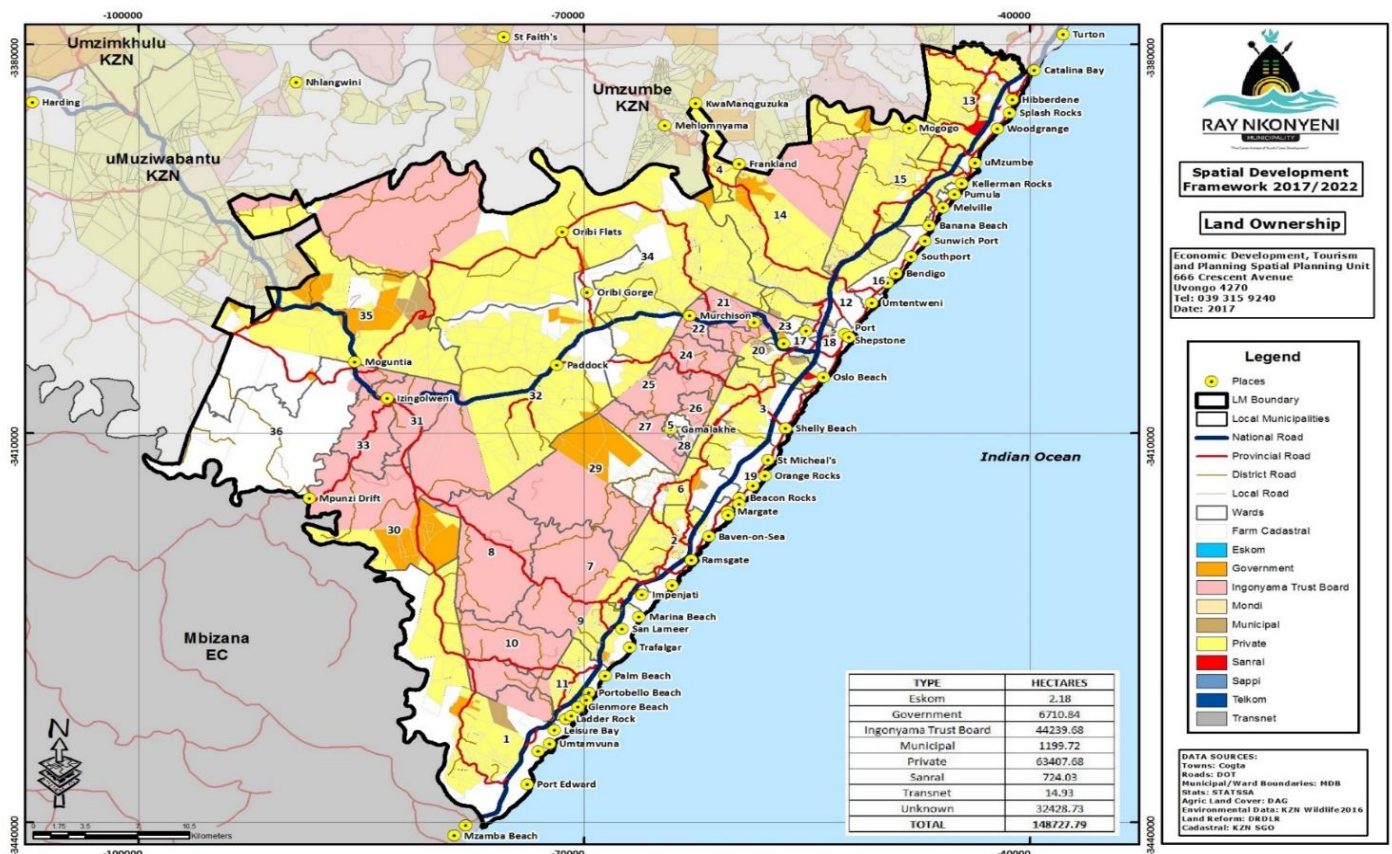
Source: RNM GIS 2016

4.3.6 LAND LEGAL ISSUES

4.3.6.1 Land Ownership

Land ownership within Ray Nkonyeni Municipality is diverse but the dominant owner within the inland is Ingonyama Trust. Most of the land is privately owned within the coastal urban areas and the farms are either privately or owned by corporate. The remaining intermediate pockets are under the ownership of the state, association, trust or church owned.

Map 10: Land Ownership

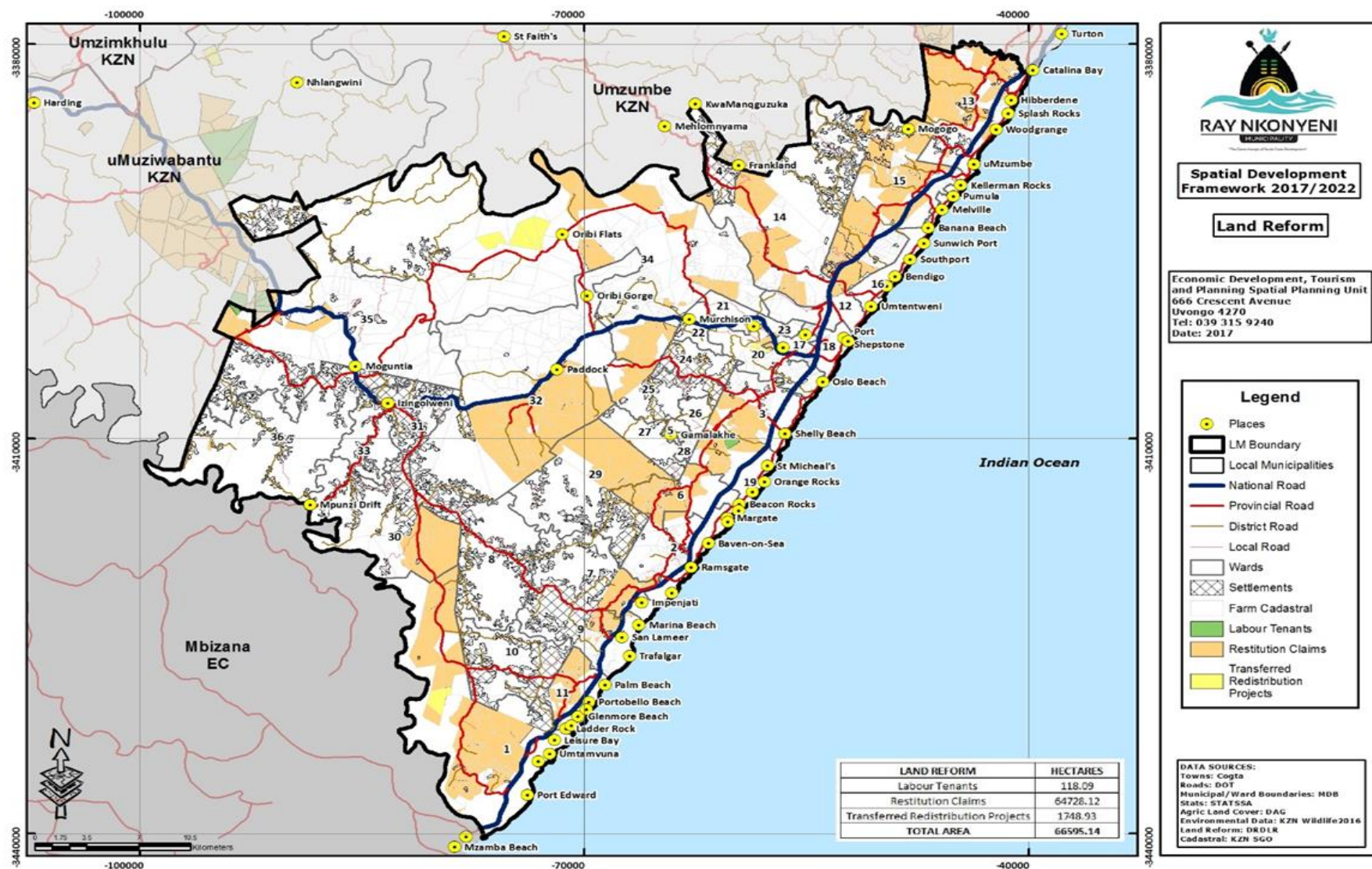


Source: RNM GIS 2017

4.3.6.2 LAND REFORM

There are a number of land claims that were lodged within Ray Nkonyeni Municipality. However few of these claims were transferred into projects. There are also a number of gazetted restitution claims within the area. According to the IDP, there are two programmes that are currently running namely, the Land Restitution Programme and Land Re-distribution Programme.

Map 11: Land Reform



Source: RNM GIS UNIT 2017

4.3.7 LAND USE MANAGEMENT

SPLUMA requires all municipalities across the country to develop and adopt –Wall-to-Wall Schemes throughout their area of jurisdiction. This must take place within 5 years from the commencement of the Act. In addition, SPLUMA requires that the wall-to-wall scheme be reviewed every after 5 years in order to achieve consistency within the Municipal SDF. A large portion of Ray Nkonyeni Municipality is covered by the Scheme which was refined and adopted in December 2015. However, this scheme need to be extended to cover the entire municipal area particularly the pressure points such as Ezingoleni. It must contribute towards sustainable development, and improve governance (as it relates to land use management) within Ray Nkonyeni. As such, alignment and integration with the other tools (land audit, valuation roll, etc.) should be maintained. The introduction of the scheme in rural areas should:

- Provide for the participation of municipal officials in all land allocation processes as undertaken by traditional councils. Involve the participation of local communities in Ray Nkonyeni, particularly traditional councils and other structure that are responsible for spatial planning and land allocation;
- Include the development of maps, systems and procedures for effective decision making to guide traditional councils in the execution of this function. Incorporate the KwaZulu-Natal Rural Land Use Norms and Standards as soon as these are gazetted.

4.3.7.1 Transport networks

An extensive road network exists in Ray Nkonyeni, providing a large number of households with access to road transport. While the national and provincial roads are in a generally good condition, the quality of district and local roads is poor. This is mainly because these roads are gravel they require regular maintenance and upgrading. During the rainy season, these roads are particularly bad and hamper access to settlements

4.3.7.2 Regional network

The N2 is the primary north-south regional linkage route. It links Port Shepstone in the South with Durban in the North. The N2 also links Port Shepstone with Kokstad as an east-west linkage

4.3.7.3 Primary road networks

Some of the main provincial roads within the study area include the R102, R61, R612 and the R56. R102/R61: The R102/R61 is termed the ‘beach road’ and it runs in the north-south direction along the coast, linking the various coastal towns

4.3.8 MUNICIPAL NODES

4.3.8.1 Development Nodes

There are six (6) Municipal Development Nodes identified which provide medium order goods and services to surrounding settlements. These nodes are namely: -

Shelly Beach;

- Margate;
- Hibberdene;
- Port Edward;
- Marburg; and
- Ezingolweni.

The municipal Development Nodes would be physically linked to each other and to urban centres outside their regions (districts) by frequent and reliable transportation and all-weather roads. They offer diversified commercial, financial, professional and administrative services. They accommodate sub-regional offices of national government departments and branch offices of provincial government department.

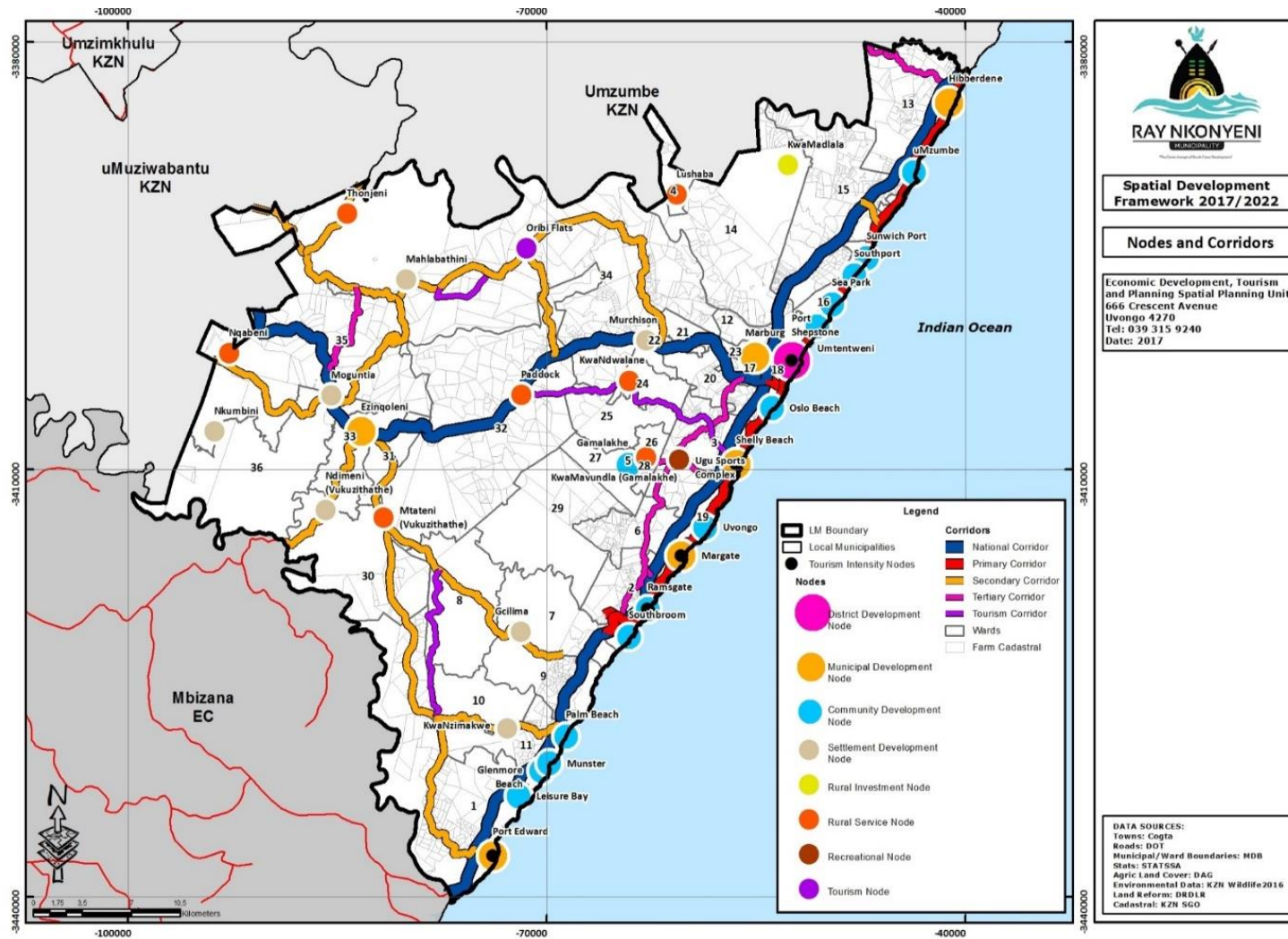
4.3.8.2 Community Development Node

While the District and Municipal Development Nodes serves as a regional and sub-regional centres, at least fourteen (14) other areas present an opportunity for the development of the Community Development Nodes with much less threshold/ sphere of influence, namely:

- Umzumbe;
- Glenmore Beach;
- Leisure Bay;
- Oslo Beach;
- Umtentweni;
- Ramsgate;
- Uvongo;
- Southport;
- Sea Park;
- Palm Beach;
- Munster;
- Gamalakhe;
- Southbroom; and
- Munster.

The map below shows the hierarchy of development corridors within the municipality. The municipality is urban biased developed currently and the current SDF has addressed this imbalance. Corridors will be developed in the hinterlands. Port Shepstone is the highly developed corridor within the municipality. The map below illustrates this information.

Map 12: Nodes and Corridors



Source: RNM GIS UNIT 2017

4.3.8.3 Settlement Development Nodes

Settlement Development Node serves specific geographical area and social network. Its service area would be limited to the surrounding cluster of settlements within a specific neighbourhood and would include low order public, shopping and small business enterprise facilities. It serves as a link between the local communities and the major towns as such they should locate in accessible areas along or at the intersection of public transport routes. These seven (7) nodes have been identified as follows:

- KwaNzimakwe;
- Gcilinga;
- Murchison;
- Ndimeni (Vukuzithathe);
- Moguntia;
- Nkumbini; and
- Mahlabathini.

4.3.8.4 Rural Investment Nodes

KwaMadlala has been identified as the Rural Investment Node. It is strategically located to serve rural settlements. Rural Investment node is focussed on improving the local economic growth of the rural centre with basic socio-economic elements. This node will serve as major rural centre and serve as location points for community facilities serving the local communities

4.3.8.5 Tourism Node

Oribi Flats are situated to the north of the Oribi Gorge, and represents the centre point of an agri-tourism, eco-tourism and adventure areas. Any development within this area that may have adverse effects on the tourism industry needs to be discouraged. The area is situated centrally to the north-eastern parts of the Municipality, and represents the access point from the southern parts to the Northern tourism area. This area is envisioned to provide limited social amenities such as a postal collection point/post boxes but more specifically for the marketing of, and direction to tourism attractions in the Tourism Area. As such no large scale development would be encouraged here.

4.3.8.6 Other: Tourism Intensity Nodes

There are five nodes within the municipality that have a tourism character over and above the role and function that has been listed above. These are:-

- Port Shepstone;
- Margate;
- Ramsgate;
- Port Edward; and
- Shelly Beach

4.3.9 HIERARCHY OF DEVELOPMENT CORRIDORS

The system of development corridors in Ray Nkonyeni Municipality are developed on the following fundamental aspects: -

- Levels of Mobility;
- Levels of Access;
- Land use intensity and role in the spatial economy; and
- Functionality of the corridor.

4.3.9.1 NATIONAL CORRIDOR: N2 AND R61

The N2 is the primary north-south linkage and it links Port Shepstone in the South with Durban in the North. R61 is the provincial routes that link Ray Nkonyeni with external significant nodes such as Kokstad, Port Edward and Mount Fletcher. Secondary to the N2, this route serve as a main link between the Eastern Cape Province and KwaZulu-Natal Province.

4.3.9.2 Primary Tourism Corridor: R102 and R602

The R602 is termed the beach road' (better known as—Marine Drive) and it runs in the north-south direction along the coast, linking the various coastal towns.

4.3.9.3 Secondary Corridors

The Municipality is characterised by poor corridor development linking urban and rural settlements. This may be due to the lack of economic activities located along these routes. The secondary corridors are P69, P732, P482, P344, D686, D0165, P0860, P0262, P0354, P0284, P0057 and P0058. A corridor serving areas of high poverty levels with good economic development potential within one or two sectors

4.3.9.4 Tertiary Corridors

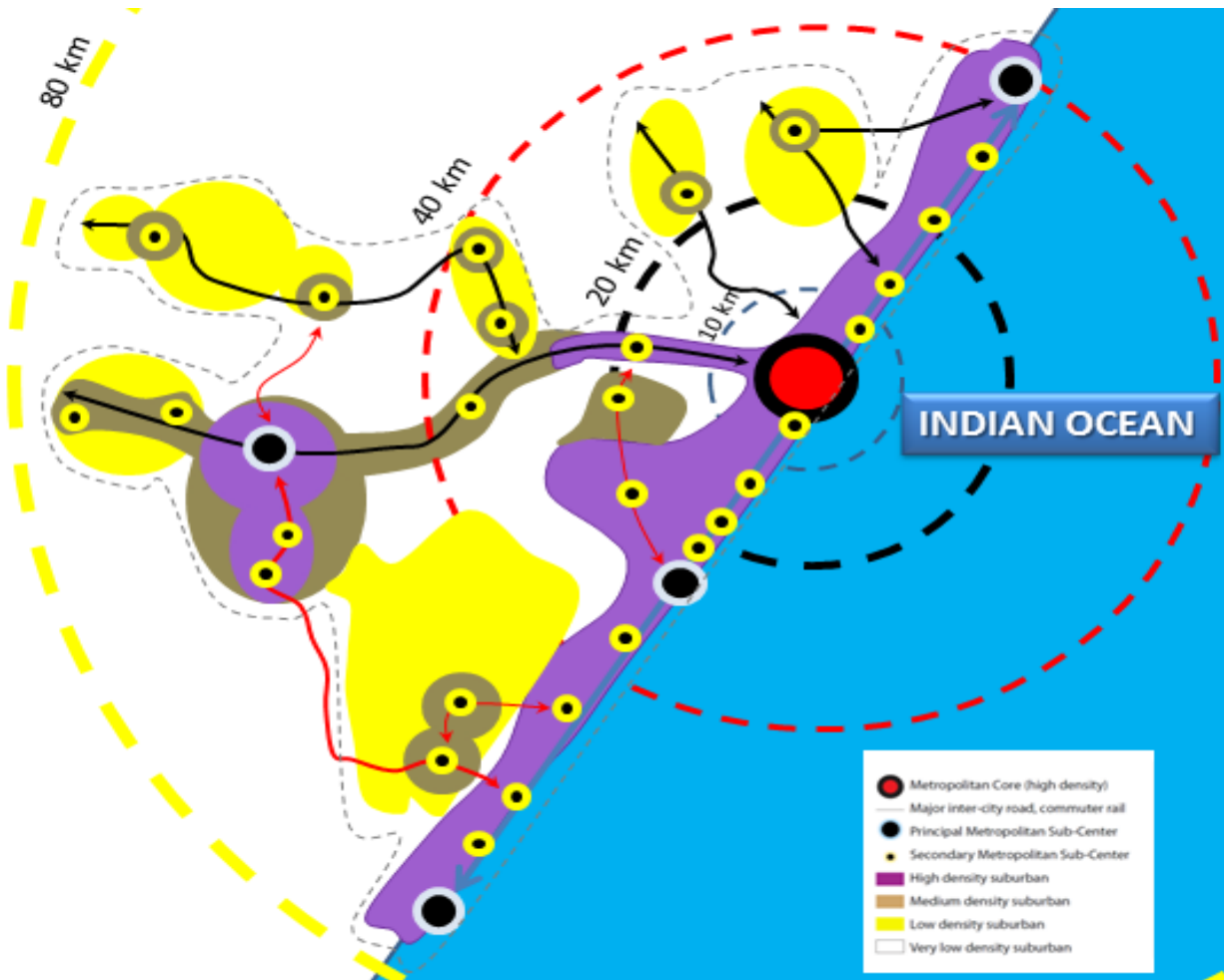
These corridors are mainly envisaged for movement purposes with direct access to properties permitted and high pedestrianized activity.

The following roads have been identified as the tertiary corridors:

- Road from Hibberdene to Msinsini
- Road from St Michaels to Gamalakhe
- a route that runs from Nkuswana-(D0920) via Thonjeni-Nkulu (D1085)-N2-Sunshine to Nqabeni
- a route that runs from Moguntia to Maryland; and
- Road from Margate to Gamalakhe.

Illustration 4: Future Ray Nkonyeni

Future Ray Nkonyeni



4.3.9.5 Tourism Development Corridors

Corridor aims at promoting and facilitating tourism development. The identified tourism development corridors include:

- P69 linking Munster and KwaNzimakwe TC;
- P262;
- D251;
- P732 linking Southbroom and KwaXolo TC;
- P55 linking Murchison, Nyandezulu Waterfalls and Oribi Gorge; and
- D1095 linking Port Edward, Ezingolweni and passing through Red Desert.

Another, potential tourism corridor route is located along the Port Edward to Ezingolweni east/ west link. The Route consists of a number of Cultural and Tourism opportunities such as the Red Desert, the Umtamvuna Nature Reserve, the Space Centre, KwaXolo Caves.

4.3.9.6 Izotsha Corridor

This corridor is located on the west-southern part of Port Shepstone. It is intended to facilitate the expansion of the town through industrial, commercial and residential developments.

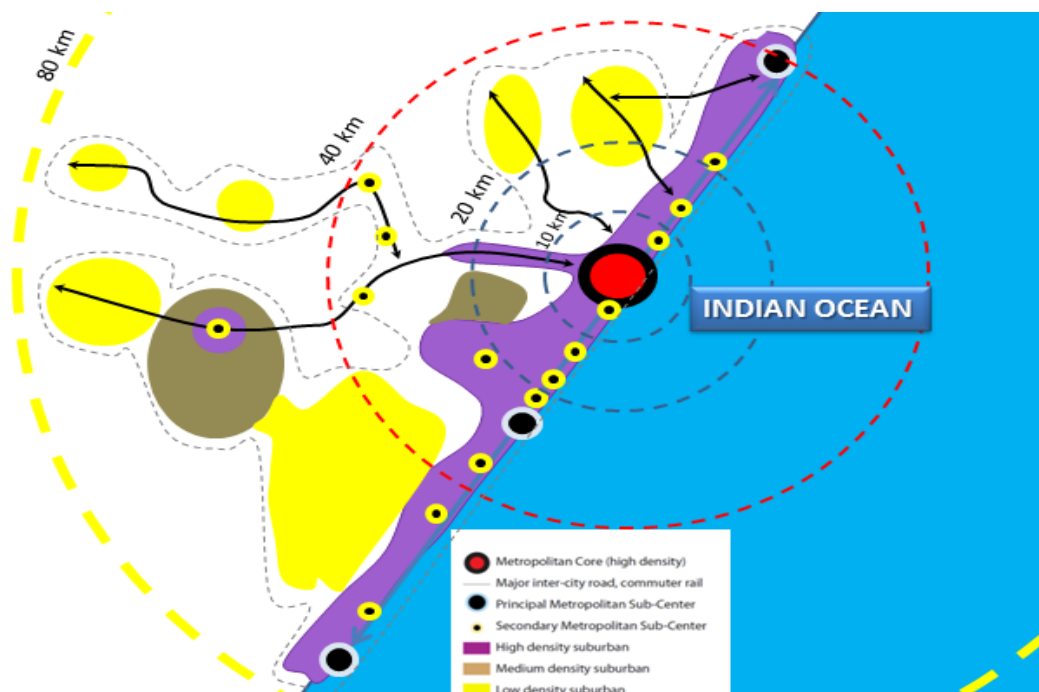
- i) **Industrial Hubs:** Izotsha Industrial Development Corridor is a theatre of manufacturing and storage/ warehouse activities within the municipal area. The coverage of this area stretches to include properties located along the Izotsha Road, N2 and R102. Other industrial activities are found in towns such as Marburg and Port Shepstone which also extensively contribute in the economic growth of the municipality. The municipality has identified land along Izotsha Corridor and Hibberdene and Margate for future industrial development. Some of the projects which are in the pipeline within the industrial hubs include Technology Hub. This is to be located in Izotsha Corridor on REM of ERF 494 Shelly Beach and the site is 60 hectares. The project will house residential, mixed use residential, commercial and light industry.

4.3.9.7 Future Development Corridor

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Illustration 5: Future Development Corridor

Current Reality



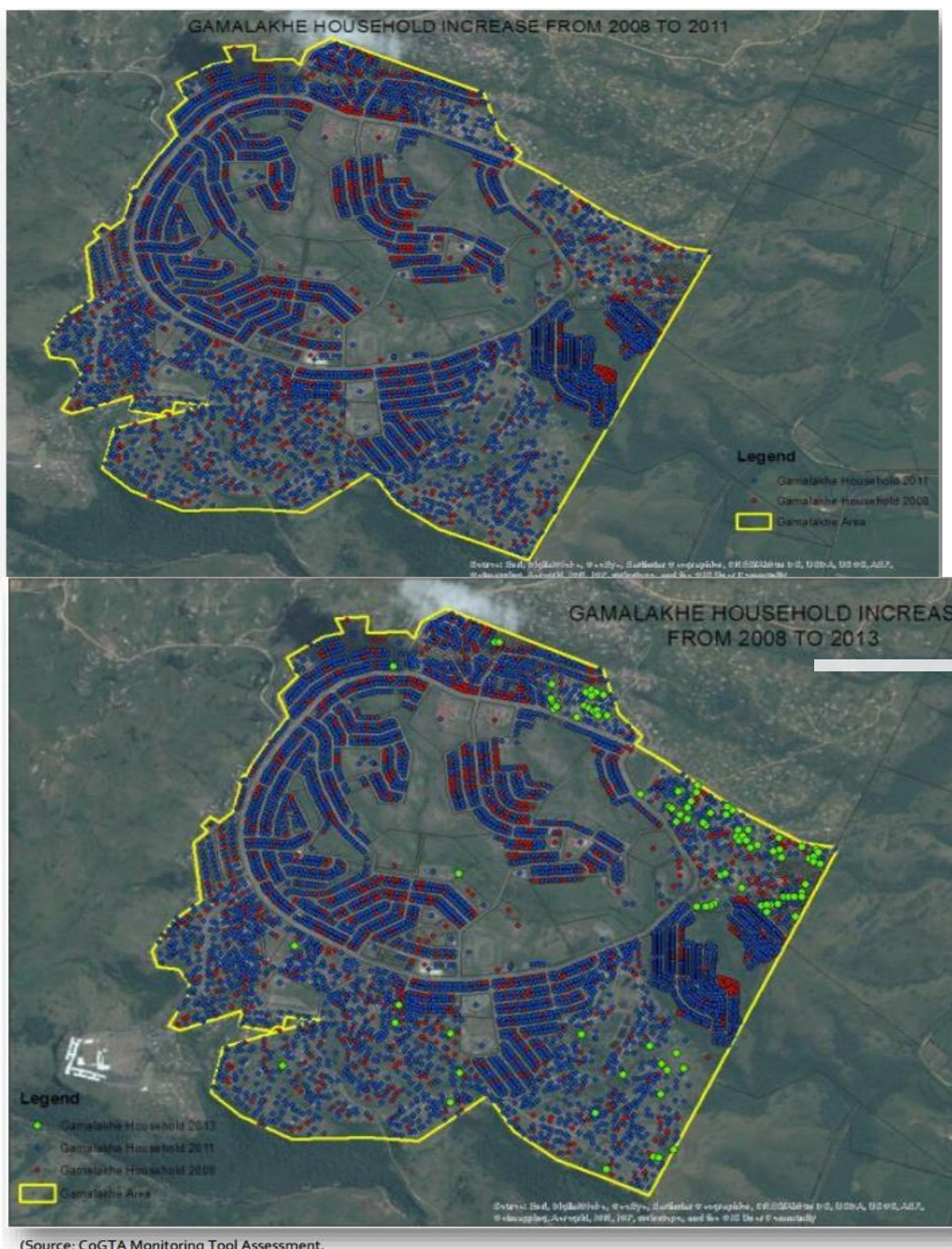
4.3.10 DENSIFICATION

Densification is a spatial structuring tool that can positively contribute to sustainable urban growth, should it be applied accordingly.

4.3.10.1 Gamalakhe Density Monitoring

Gamalakhe Township was used as an example for the use of densification monitoring tool. This involved mapping and showing household increase between 2008 and 2011 up to 2013. The two illustrations follow show the densification of the township.

Illustration Gamalakhe Density 1



4.3.11 CROSS-BORDER ALIGNMENT ISSUES

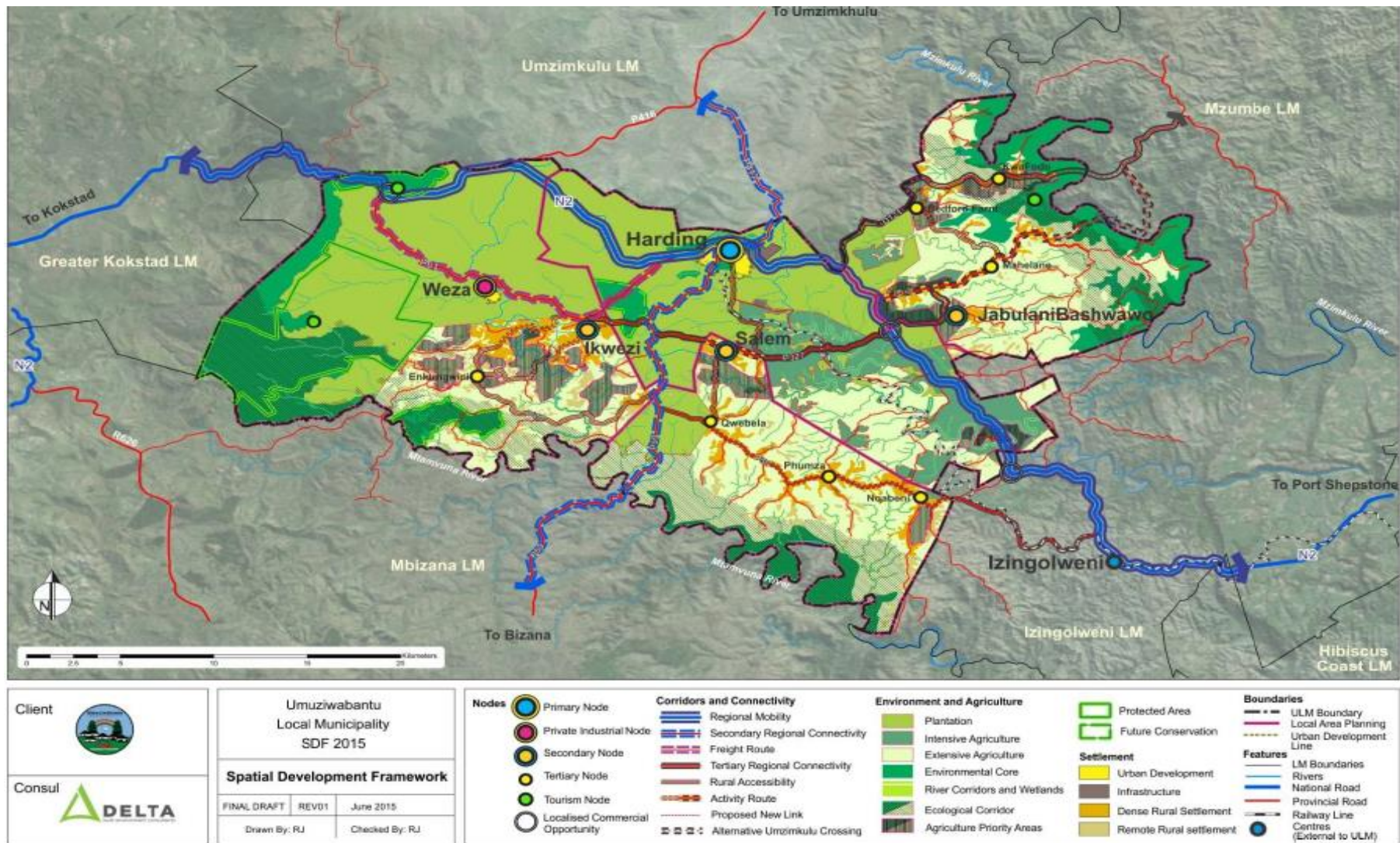
As per the National and Provincial policies and legislation (MSA-S26 (d), MSA Regs S2 (4) (h), municipalities are required to provide a clear indication of how the SDF is aligned with the planning of neighbouring municipalities. Ray Nkonyeni Local Municipality has a mandate to ensure that its IDP is in compliance with the planning legislation and policies to give effect to the development of an SDF as spatial representation of the IDP.

4.3.11.1 Umuziwabantu Local SDF

The following alignment issues between Ray Nkonyeni and Umuziwabantu will need to be taken into consideration: -

- Regional Mobility: Umuziwabantu SDF identifies the N2 which traverses both Municipalities. This serves as both the activity and economic corridor for the three municipalities.
- Existing Agriculture: Umuziwabantu Municipality identifies the opportunity for agriculture which borders the municipality. This aspect is being acknowledged on both Ray Nkonyeni and Umuziwabantu.
- Environmental Conservation: there is also environmental conservation uses bordering the Umuziwabantu Local Municipality which should be considered.
- Dense Rural Settlements: Umuziwabantu Municipality has identified dominant dense rural settlements which should be considered. This will require alignment in terms of infrastructure and basic services provision in the future.

Map 13: Umuziwabantu SDF



4.3.11.2 Umzumbe Local SDF

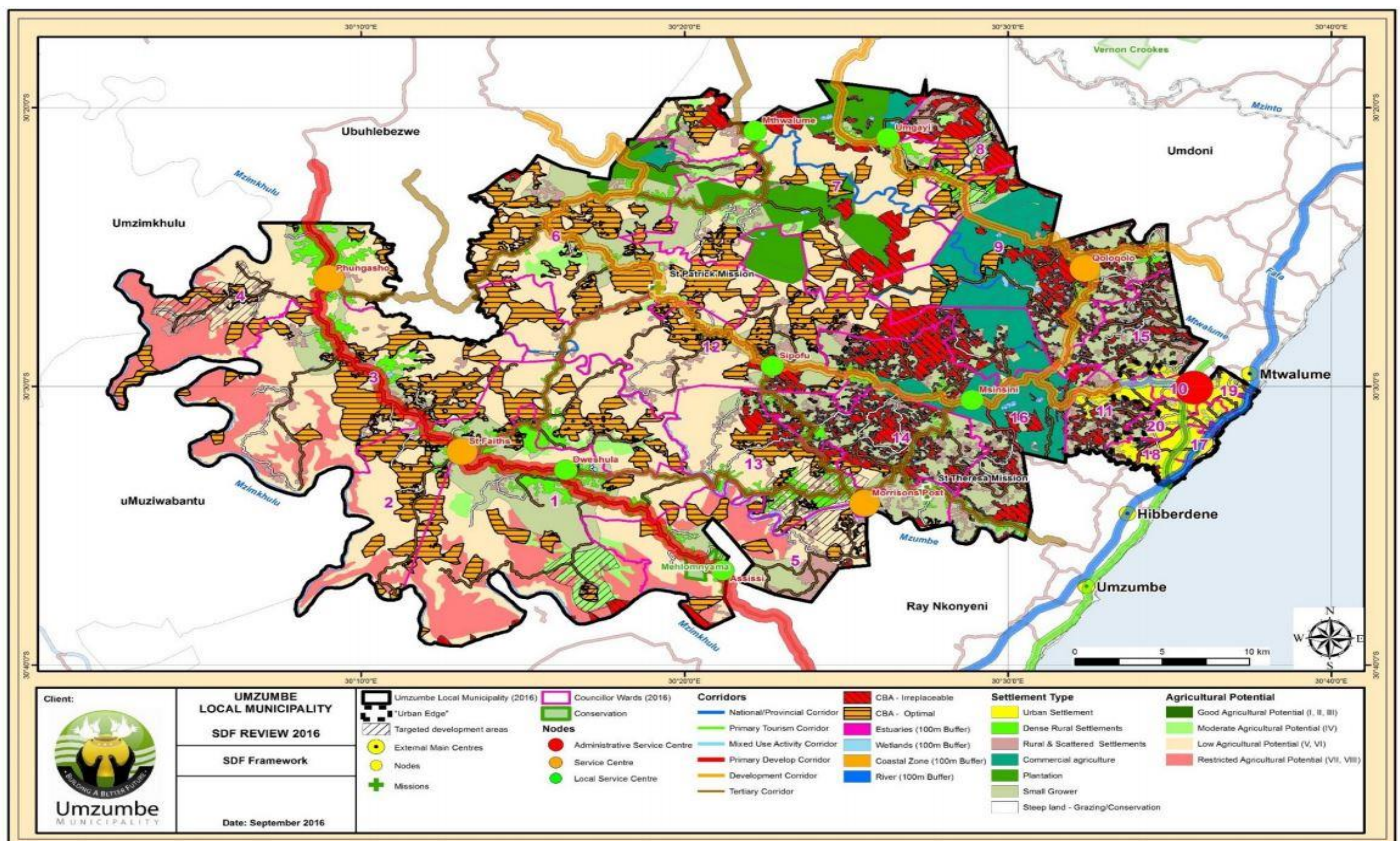
Umzumbe Municipality is located on the north-east of Ray Nkonyeni Municipality. It is a predominantly rural municipality which is also considered to be a peripheral to the economy of Ray Nkonyeni Municipality. The key alignment issues include the following:

The N2 route linking both municipalities is identified as a primary corridor.

Primary east-west corridors link the coast to St Faiths in Umzumbe LM. This takes on the form of the P68, which connects St Faiths, Dweshula and Assissi in Umzumbe, to Port Shepstone. In addition, the P286 (which forms an important route through the central part of Umzumbe to the north) connects Msinsini in Umzumbe to Hibberdene in Ray Nkonyeni.

Specific attention should be drawn to the proper management of the coastal strip and associated development along the coast. The linkage and coordination of tourism activities along the coastal tourism is also a matter of importance. The urban part of Umzumbe is Mtwalume which stretches all the way down to the Hibberdene urban area in Ray Nkonyeni Municipality. This may pose conflict with Ray Nkonyeni Municipality spatial landscape because the adjoining settlements are very different between this part of the boundary.

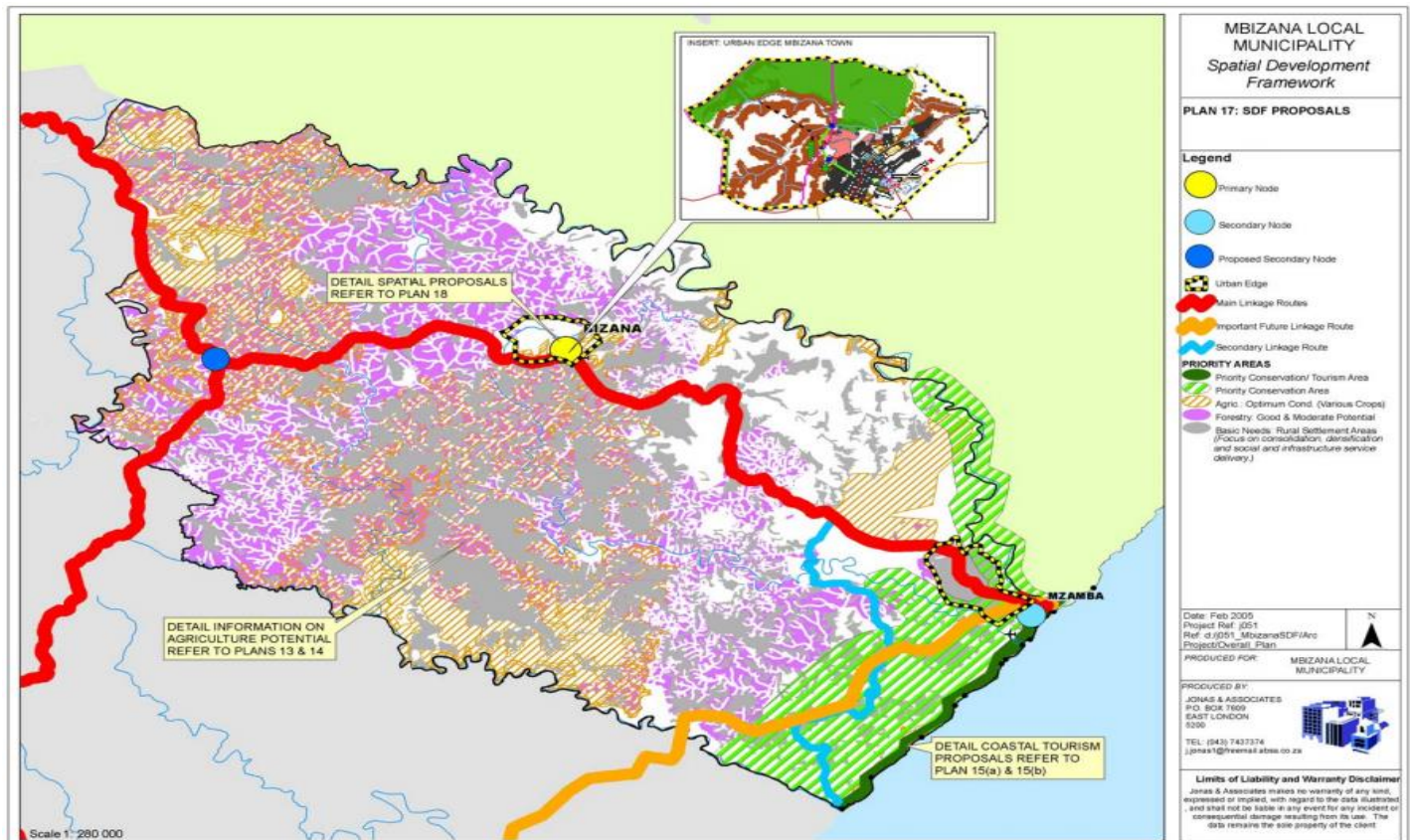
Map 14:Umzumbe SDF



4.3.11.3 Mbizana Local SDF

Mbizana Local Municipality is predominantly rural and comprises of Bizana town as a centre. It is one of the areas that heavily depend on Ray Nkonyeni for the agglomeration of commercial and social facilities which are found within it. These include the nearby Port Edward and Port Shepstone

Map 15: Mbizana Local SDF



Source: RNM GIS2017

4.3.12 ENVIRONMENTAL MANAGEMENT

4.3.12.1 Environmental Analysis

i. Rivers, Hydrological Water Features and Ecosystem

The Municipality is richly blessed with numerous naturally occurring water bodies which range from riverine systems, wetlands, wet marshes and most importantly the ocean. Most rivers run in an easterly direction from high altitudes and finally channelling into the warm Indian Ocean. In total, the municipality boasts of twenty seven (27) rivers in total. The most important rivers in the context of the municipality are:

- Mzimkhulu River
- Mtamvuna River
- Mbizana River
- Vungu River
- Mzumbe River; and
- Mzikhulwane River

The banks of these rivers contain high value biodiversity such as natural vegetation and ecosystems. The municipality is also characterised by a number of wetlands areas which are connected to the major catchments areas such as the rivers and the ocean. As can be seen on the Table below, the UMzimkhulu and Mtamvuna are the two major perennial rivers found within the municipality. According to the Ugu Biodiversity Sector Plan (2014), the sub-quaternary catchments for the UMzimkhulu, Mtamvuna and portions of the Mtwalume catchment have been identified as National Freshwater Ecosystem Priority Areas (NFEPA) which are a priority for meeting national aquatic conservation targets.

Furthermore, it is also important to note that these two major perennial rivers are identified as being in a good condition (A/B class) despite the current levels of modification in the district (Ugu Biodiversity Sector Plan). In the context of Ray Nkonyeni Municipality, the Ivungu River is identified as being moderately affected by modification (C-class). Following is a table illustrating this information.

Table 15: Important water resources and fresh water ecosystems

Feature	Description	Desired State	Length/km
Mtamvuna River	The Mtamvuna has formed prominent steep-sided river valleys that extend a considerable distance inland to drain the western inland regions of the District. This river is also free flowing (lacking significant impoundments) which is significant given the levels of impoundment in most South African rivers.	This river is currently in a good condition and should remain so. It should receive top priority for retaining its free-flowing character (i.e. no impoundments). This means that land-use practices or activities that will lead to deterioration in the current condition of a river FEPA are not acceptable.	144.1
Mbizana River	This river has a continuous flow in parts of its stream bed all year round during years of normal rainfall.	Moderately modified, a loss and change of natural habitat and biota have occurred but the basic ecosystem functions are still predominantly unchanged. This means that land-use practices or activities that will lead to deterioration in the current condition of a river FEPA are not acceptable	32.1
Ivungu River	This river has a continuous flow in parts of its stream bed all year round during years of normal rainfall.	Moderately modified, a loss and change of natural habitat and biota have occurred but the basic ecosystem functions are still predominantly unchanged. This means that land-use practices or activities that will lead to deterioration in the current condition of a river FEPA are not acceptable	32.6
Mzimkhulwana River	This river has a continuous flow in parts of its stream bed all year round during years of normal rainfall	Largely natural with few modifications, a small change in natural habitats and biota may have taken place but the ecosystem functions are still predominantly unchanged. This means that land-use	141.9

		practices or activities that will lead to deterioration in the current condition of a river FEPA are not acceptable	
Mpenjati River	Mpenjati River emerges within the inland of Ray Nkonyeni and it runs up to the Indian Ocean to form an estuary. There are extensive sugar fields and orchards located on the middle to lower coastal parts of the municipality. It is part of Mpenjati Nature Reserve and Estuary.	The storage regulation in this water resource zone is low and the only dams in the area include a number of small farm dams in tributaries and a few instream dams. Land use activities in the water resources zones generally include cultivation (mostly sugar cane with some orchards). Rural settlements are usually located more inland with semi-urban and urban areas towards the coast.	15.4
Mzumbe River	This river has a continuous flow in parts of its stream bed all year round during years of normal rainfall.	Largely natural with few modifications, a small change in natural habitats and biota may have taken place but the ecosystem functions are still predominantly unchanged. This means that land-use practices or activities that will lead to deterioration in the current condition of a river FEPA are not acceptable	75.4
Umzimkhulu River	UMzimkhulu River has exactly the same characteristics as the Mtavuma River both the rivers have formed prominent steep-sided river valleys that extend a considerable distance inland to drain the western inland regions of the District. These two rivers are also free flowing (lacking significant impoundments) which is significant given the	This river is currently in a good condition and should remain so. It should receive top priority for retaining its free-flowing character (i.e. no impoundments). This means that land-use practices or activities that will lead to deterioration in the current condition of a river FEPA are not acceptable.	130.5

	levels of impoundment in most South African rivers.		
Wetlands	<p>There are numerous relatively small wetland areas scattered throughout the Hibiscus Coast LM, as with rivers the development buffer around wetlands is dependent on the local situation such as the type of activity and may extend beyond the statutory 20m</p> <p>note that for particular activities within 32metres of the edge of a wetland, environmental authorisation is required from the relevant environmental authorities (NEMA EIA regulations 2010)</p>	<p>All wetlands should be protected from development impacts. Wetlands that are in a good condition should remain so. Wetlands that are not in a good condition should be rehabilitated to their best attainable ecological condition. This means that land-use practices or activities that will lead to deterioration in the current condition of a wetland are not acceptable, and land-use practices or activities that will make rehabilitation of a wetland difficult or impossible are not acceptable.</p>	

4.3.13 ENVIRONMENTAL SECTOR PLANS

4.3.13.1 Environmental Management Programme (EMP)

The EMP will support decision-making in the RNM area in order to facilitate appropriate and sustainable development. The EMP must:

- Identify the geographical area to which the EMP applies; specify attributes of the environment the area including the sensitivity, extent interrelationship and significance of those attributes; identify any parts in the EMP area to which the specified attributes relate;
- state the conservation status of the area and/or its relevant parts;
- state the environmental management priorities in the area;
- indicate the kind of activities that would have a significant impact on the attributes in the area and those that would not;
- indicate activities that would be undesirable in the area or in specific parts of the area; and
- meet any other requirement specified by the Minister or MEC

The effective implementation of this plan will ensure that all environmental impacts are avoided or minimized. All possible alternatives must be assessed during the designing and planning phase of any development no matter its magnitude. The development must take three (3) things into consideration during any phase of the development and these are:

- (i)Engineering- the practicality of the development from an engineering point of view;
- (ii)Environment- the impacts associated with the development on the receiving environment; and
- (iii)Socio- Economics- the impact which the development is likely to have on the receiving community both on social and economic perspective.

The objectives of the EMP are to:

- Provide a pro - active, feasible and practical working tool to enable the measurement and monitoring of environmental performance by the Municipality;
- Identify geographical areas in terms of the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA);
- Ensure that the construction and operational phases of any development continue within the principles of Integrated Environmental Management.
- Encourage minimum disturbance of all natural environment;
- Provide generic actions deemed necessary to assist in mitigating the environmental impact of developments in general;
- Comply with all applicable laws, regulations, standards and guidelines for the protection of the environment; and
- Encourage sustainable development.

4.3.13.2 Coastal Management Programme

The Programme aims to facilitate the coordinated, collaborative and participatory management of the municipality's coastal zone by the RNM, Ugu District Municipality (DM), National and Provincial organs of state including parastatals, the private sector, key coastal communities, civil society organisations, and the public as a whole. The ultimate purpose of the Programme is to ensure that the coastal zone is sustainably managed, that the benefits thereof are maximised, existing and potential conflicts and harmful effects are minimised, and access to this precious resource is enabled for all citizens of South Africa and the municipality.

4.3.13.3 Greening Plan

The result of high population densities is environmental degradation, especially in areas where no planning of parks and tree planting in streets and open spaces. It is a fact that rapid urban development is characterised by lack of environmental planning. Effective environmental planning, including urban and rural greening, can assist greatly in improving the quality of the environment and the livelihoods of the people who live in these areas.

Against this background, there is a clear need for practical and aggressive action plan, which will enable the municipality to assist in the pressing issues of environmental sensitivity, reduce the municipality's carbon footprint and make positive contribution to increasing the quality of environment for the municipality and effectively the World.

Thus, in response to this, the municipality has developed a Greening Plan which aims at enhancing the quality of environment to the municipality in the economic, social and environmental aspects.

4.3.13.4 Estuarine Management Plans

The combined Estuarine Management Plan for seven (7) out of twenty seven (27) estuaries, will:

- Fulfil the requirements of Section 34 of the ICM Act, which includes the facilitation of public participation;
- Be consistent and aligned with the Protocol, the National Coastal Management Programme and any other applicable coastal management programmes, including the Ugu and Ray Nkonyeni Municipal Coastal Management Programmes;
- Seek to achieve the National Vision and Strategic Objectives for estuarine management; and
- Contain/meet the minimum requirements stipulated in the Protocol which provides the Framework for Estuarine Management in South Africa.

4.3.13.5 Strategic Environmental Assessment (SEA)

The main objective of the SEA is to strengthen and streamline Environmental Impact Assessments by addressing a broader range of alternatives like; addressing cumulative effects through the identification of limits of acceptable change for a particular area.

It will further facilitate the maintenance and enhancement of a chosen level of environmental quality, which can provide a context for EIAs within the Municipality.

4.3.13.6 Alien Invasive Management/ Control Plan

The Control Plan is to be developed following the guidelines for the development of Invasive Species Monitoring, Control and Eradication Plans ('the Guidelines') which were published in September 2015.

4.3.14 Functional Environmental Structures within the Municipality

- Municipal Environmental Sub- Committee
- Invasive Alien forum
- Coastal Management forum
- Working for the Coast forum
- Environmental Education and awareness forum
- Waste Management forum

4.3.15 CLIMATE CHANGE

Climate change is likely to cause a number of challenges for Ray Nkonyeni Municipality, linked to global impacts such as increased temperatures, extreme weather events (e.g. flooding and drought), sea level rise and climate variability. As such, climate change runs the risk of undoing all of the development gains of the last one and a half decades; climate change adaptation in all sectors will have to become one of the Municipality's top development priorities.

Temperatures in RayNkonyeni are likely to increase by 1.5⁰ C and 2.5⁰ C by 2065 and by 3.0⁰ C and 5.0⁰ C by 2100. Projected annual rainfall changes are likely to include an increase in aggregated rainfall by 2065 with an increase of up to 500 mm by 2100. This increase is likely to be manifested as an increase in extreme rainfall events and stream flow intensity across the municipal area with prolonged dry spells between rainfall events. Sea level rise along Municipality's coastline is already occurring at 2.7 cm per decade and may accelerate into the future. (Source: <http://www.epa.gov/climate-change/science/future.html> - 20 March 2015).

Climate change impacts for Ray Nkonyeni may include:

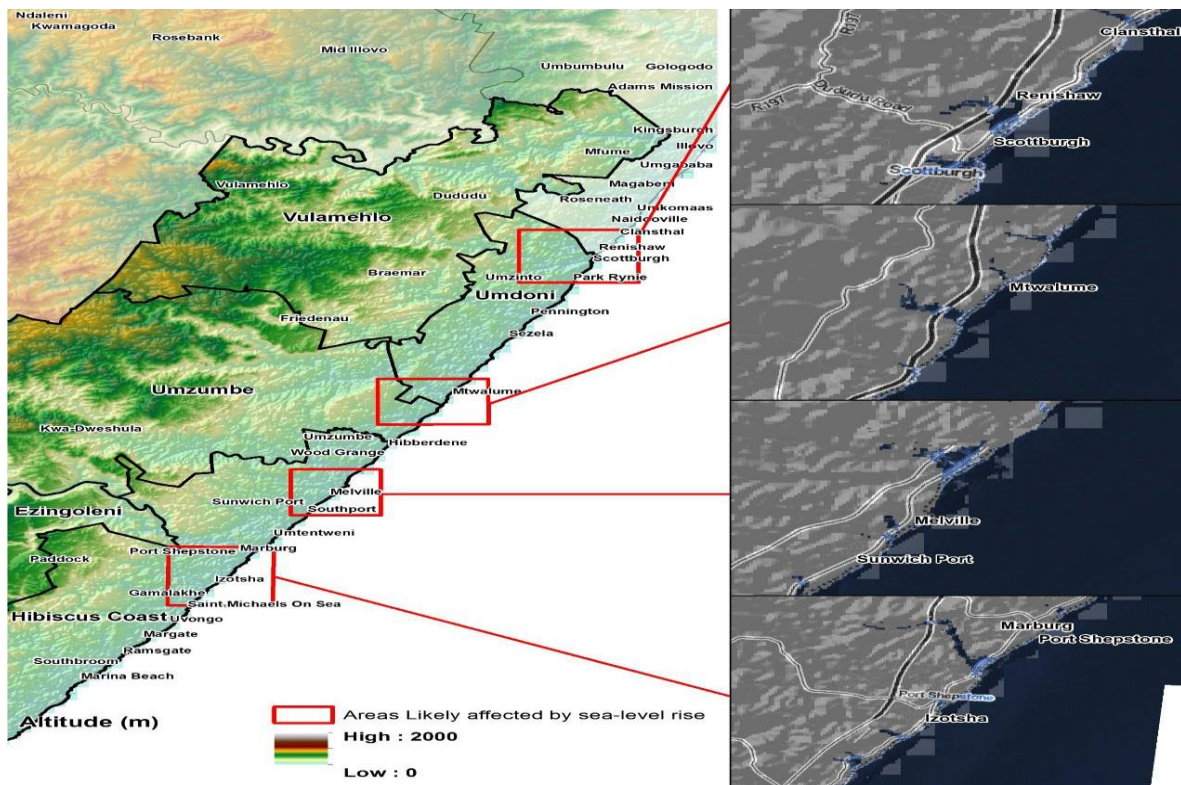
- An increase in the frequency and intensity of floods and droughts;
- A decrease in water availability due to changed rainfall patterns and increased evaporation; this will affect subsistence dry land farmers the most.
- An increase in erosional capacity of river courses, resulting in the loss of more top soil, thus decreasing the agricultural value of land and increasing siltation in dams. Infrastructural damage as a result of extreme weather events causing flooding, affecting human wellbeing and safety as well as insurance costs;
- An increase in erosion of coastal areas due to sea-level rise; Higher energy consumption due to increased residential cooling load; An increase in economic losses due to property damage and decreased tourism revenue;

- An increase in heat-related vector-borne (e.g. malaria) and water-borne (e.g. cholera) illnesses;

An increase in heat stress, leading to dehydration, particularly for those that reside in the urban areas, as well as children and the elderly; Changes in the geographical distribution of plants and animals with extinction of species that are unable to move and an increase in the prevalence of alien invasive species. This will negatively affect the biodiversity of the municipal area and the associated goods and services. Further loss of critically endangered grassland habitats as they are outcompeted by woody species able to utilize the higher concentrations of CO₂ in the atmosphere. A reduction in yield of staple food crops, such as maize; changes in the optimal planting and harvesting dates for crops as well as land suitable for crop production; Heat stress increasing livestock and poultry mortality rates, An increase in respiratory problems in the city due to a decrease in air quality (e.g. changes in the concentration and distribution of near-surface ozone) and increased dampness; and deterioration of foods leading to increased incidents of food-borne diseases.

The areas particularly vulnerable to sea-level rise are coastal wetland and dune ecosystems. Shoreline Management Plans are required to determine what adaptation interventions if any are required now or in the future. To respond to these changes, the municipality has to develop a similar approach that was initiated by the Ethekewini Municipality, by initiating the municipal Climate Protection Programme (MCP) in 2004.

Map 16: Areas likely to be affected by Sea level rise



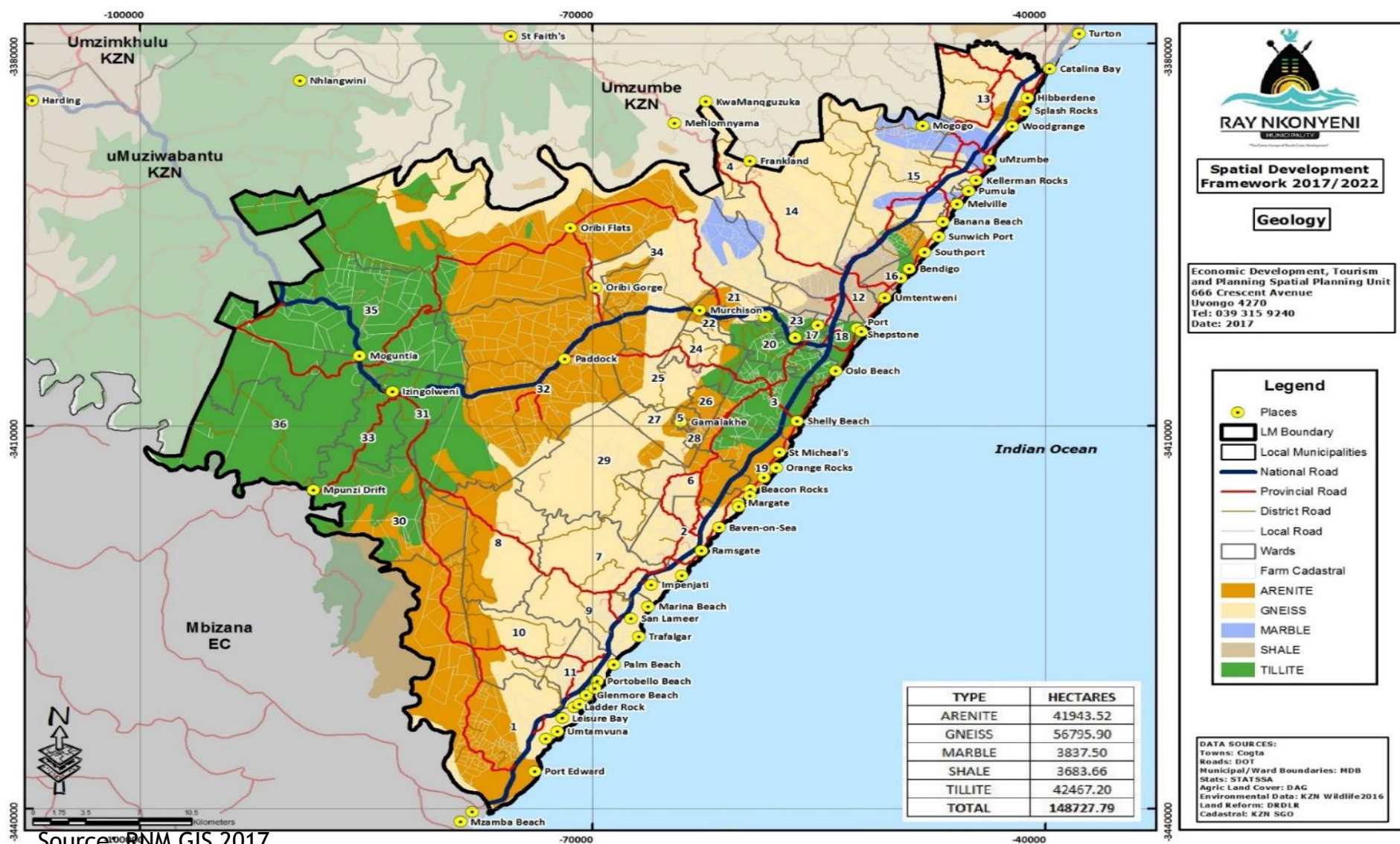
Source: RNM GIS 2017

Sea level will increase the inundation and saline intrusion risk to low-lying coastal areas. Also at risk are estuaries and river mouth areas. The increase in ocean storms that is projected to take place in the Indian Ocean will drive heightened storm surges that when exacerbated by rising sea level could damage areas of lower elevation and rivers. The damage caused may result in loss of land as well as ecological damage and risk to community livelihoods. The above map indicates areas and infrastructure that are at particular risk from the impacts of sea-level rise. (Source: Ugu Draft Climate Change Response Strategy- 2016).

4.3.16 GEOLOGY

The soil geology of the municipality is covered by seven geological formations, with the predominant being the Margate gneiss, followed by Msikaba Arenites, Gneiss, Tilleite, Shale, Marble and Natal Group Arenite. Margate gneiss originates from a high grade metamorphic rock which implies that it has been subjected to higher temperatures and pressures. It is formed by the metamorphosis of granite or sedimentary rock. Gneiss displays distinct foliation, representing alternating layers composed of different minerals. Below is the illustration of the geology of the municipality.

Map 19: Geology



Source: RNM GIS 2017

4.3.16.1 Soil Type

Soil is a natural body consisting of layers (soil horizons) of minerals of variable thicknesses, which differ from the parent materials in their morphological, physical, chemical, and mineralogical characteristics. It is composed of particles of broken rock that have been altered by chemical and environmental processes that include weathering and erosion. Soil differs from its parent rock due to interactions between the lithosphere, hydrosphere, atmosphere, and the biosphere. It is a mixture of mineral and organic elements that are in solid, gaseous and aqueous states.

4.3.17 AIR QUALITY

Air quality in RNM is regulated via the Ugu Air Quality Management Plan which acts as a guide for air quality management activities and ensure that air quality meets the requirements of the National Environmental Management Act which basically relates to the provision of air that is not harmful to health and wellbeing. The UGu Districts vision in respect of air quality management is as follows: Air quality in UGu District continues to be the envy of South Africa”. As such, the municipality has developed four goals to assist in achieving the vision. The four goals are described as follows:

- □ Goal 1: Air quality governance which meets all legislative requirements;
- □ Goal 2: The establishment of tools and systems to effectively manage air quality
- □ Goal 3: Provision of air quality management with participatory systems as an integral component
- □ Goal 4: Ensure sufficient capacity requirements are met in order to carry out air quality management functions

According to the UGu District Air Quality Management Plan (2012), the following activities are indicated as the main sources of air pollution in UGu, namely:-

- Industrial and mining activities;
- □ Motor vehicle traffic on main roads and in popular coastal towns;
- □ Residential areas where wood is used for cooking and heating; and
- □ Sugar cane burning and other agricultural burning.

4.3.17.1 Emissions from Industry and manufacturing

The Ray Nkonyeni Municipality has a high number of industrial and manufacturing activities which produce toxic emissions in comparison to the other municipalities in the District. This is mainly due to the fact there is relatively much industrial activities in Municipality, with the location of two major industrial basins in Uvongo and Marburg and limited activity in the areas of Hibberden and Margate. (Source: UGu DM Air Quality Management Plan, 2012).

The environmentally sensitive areas were identified during the situational analysis. . Essentially, the key goal is to promote conservation related land usage within these areas. The formally protected areas within Ray Nkonyeni Municipality are as follows:

Table 20: Protected Areas

Site	Date Proclaimed	Extent (Ha)
Oribi Gorge Nature Reserve	1950	1745,7
Skyline Nature Reserve	1986	17,1
Mbubazi Nature Reserve	1986	2022,9
Mehlomnyama Nature Reserve	1908	160,6
Umtamvuna Nature Reserve	1971	2653
Mpenjanti Nature Reserve	1985	94,9
Trafalgar Marine Reserve	1979	552

Source: Ugu Bio-diversity Sector Plan (2014)

Table 16: Environmental Buffers

Ecological Support Areas	Requirement
Freshwater Systematic Conservation Assessment (FSCA) Wetlands	100m
CBA Perennial Rivers, KZN Flagship Rivers and National Flagship Rivers	70m
Non Perennial Rivers	70m
Freshwater Ecosystem Priority Areas (FEPA) Priority Wetlands and KZN Priority Wetlands	500m

Source: Ugu Bio-diversity Sector Plan (2014)

4.3.17.2 Programs aimed at protecting the environment

Programme	Description
Arbour day	Arbour day is celebrated annually where environmental awareness is presented to communities, schools and households, Indegenouse as well as fruit trees are distributed.
Wetlands Audit	Wetlands are first identified within the municipality. Communities/ schools near identified wetlands are encouraged to adopt and manage them. The municipality currently faces financial constrains in te4rms of funding this programme.
Red Dessert Stewardship program	The municipality together with private land owners identified environmental sensitive land and partnered to proclaim it a protected area. This area has bio-diversity species. People are encouraged to visit this area to learn about the importance of nature preservation.

Communities, schools and business sector are capacitated on environmental issues through environmental awareness campaigns, school competitions and clean up campaigns (rivers, streams and waste). Environmental days are celebrated in collaboration with the District Municipality and Provincial Department of Environmental Affairs. Communities are educated on recycling and re use. There are also recycling competitions held with schools.

4.3.18 ENVIRONMENTAL SWOT ANALYSIS

Table 17: Environmental SWOT ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none"> Partnering with the private sector and schools Awareness Programs in place Easy access to environmental protected areas Rich soils for agricultural purposes 	<ul style="list-style-type: none"> Under staffed No environmental By laws
Opportunity	Threats
<ul style="list-style-type: none"> Abundant bio-diversity Eco-tourism Abundant water resources ie Rivers 	<ul style="list-style-type: none"> Destruction of admiralty reserve for sea view No Coastal Management/setback lines Sewer spillage causes threats and destruction to aquatic habitat Drought Air emissions from industrial areas

4.3.19 DISASTER MANAGEMENT

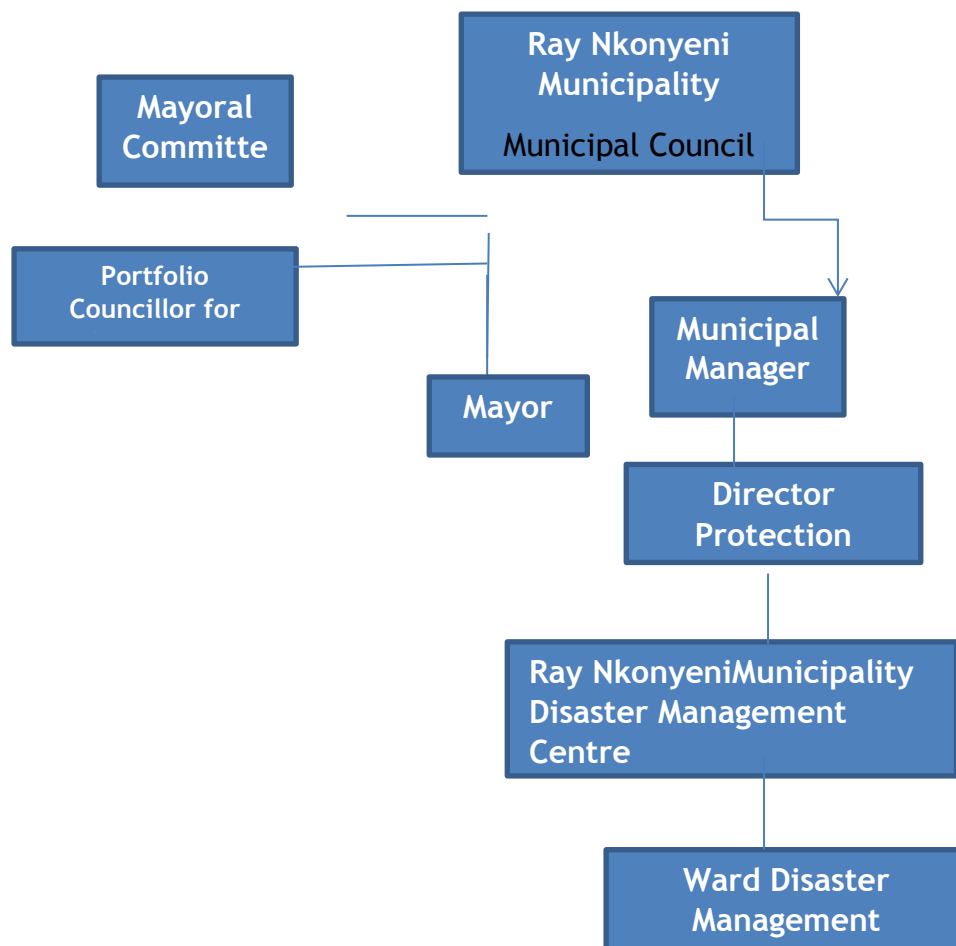
This is a shared function between Ray Nkonyeni Municipality, other local municipalities and the UGu District Municipality. There is one Disaster Management Center based within the Fire station at Port Shepstone.

There is a disaster practitioner's forum at a district level. The municipality has a developed disaster management plan to comply with Section 26 (g) of the Municipal Systems Act No 32 of 2000. This is a review process to the existing plan. The comprehensive disaster management plan shall be suitable to the area and shall incorporate comments received from the Honorable MEC of the Department of Cooperative Governance and Traditional Affairs on the 2015/2016 IDP comments

In terms of section 45(1) (b) of the Act the district disaster management centre exercises its powers and performs its duties in accordance with the *directions* of Council and in accordance with the administrative instructions of the Municipal Manager. The line function of disaster management will remain under the Protection Services line and the plan will also be incorporated strategically in the IDP as per the Cogta guidelines as an important plan for the municipality, this will be done through the alignment with the SDF and service delivery plans.

The current location of the centre within Council’s administration and reporting lines for direction and administrative purposes are illustrated in the chart that follows.

Illustration 8: Hierachy of the Disaster Management Structure



4.3.19.1 Center for Disaster Management

After consultation with the Ugu Distric Municipality, it has been agreed that the district will establish a disaster management centre as per the Act, but that the Municipality will share office space with the centre with regards to communications and a 24-hour call centre. The agreement still needs to be finalised. The current location of the centre within Council’s administration and reporting lines for direction and administrative purposes are illustrated in the chart on the following page.

Ray Nkonyeni Municipality has the following disaster management centres and fire stations in order to beef up capacity and response in term of disasters and firefighting:

- Gamalakhe fire station
- Hibberdene fire station
- Ezingolweni firestation
- Hibberdene disaster management centre and

- Margate disaster management centre

4.3.2 RISK ASSESSMENT

Disaster risk is dynamic. It is driven by a combination of hazard and vulnerability processes, including changing patterns of land-use, infrastructure development/maintenance, urban growth and settlement densification. Similarly, household size and composition, health status and level of livelihood security affect household potential for loss. Some risks, particularly those triggered by climate processes, must be reviewed seasonally prior to the rainy season or hot summer months. Other risks, such as flood risk, require extensive flood hydrology investigations, and maybe undertaken once during a 20-year period. There have been more than 150 volunteer fire fighters and 10 volunteer core units that hold first Aid training through the Ugu District Disaster Management center.

Risk Assessment must be undertaken to:

Ensure that development initiatives maximize their vulnerability reduction outcomes; and Anticipate and plan for known risks or disasters to prevent losses and limit endangering impacts.

The design and methodology adopted for conducting disaster risk assessment for RNM is consistent with the national guideline and standard.

The Disaster risk assessment must determine the level of risk in RNM by;

Identifying potential hazards and/or threats assessing the conditions of vulnerability that increase the chance of loss for particular elements-at-risk (that is, environmental, human, infrastructural, agricultural, economic and other elements that are exposed to a hazard, and are at risk of loss);

Assessing impact and coping capacity

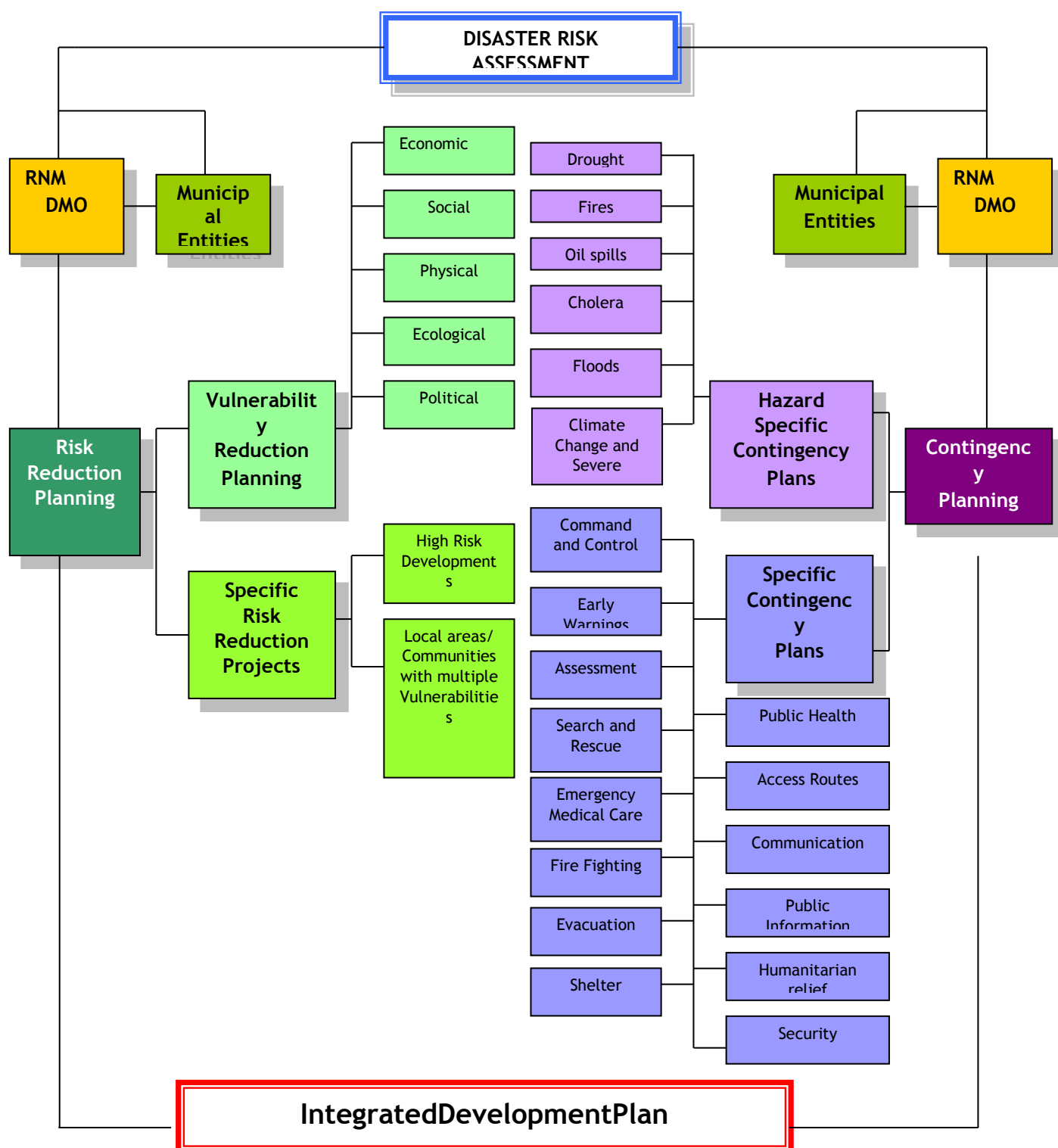
Determining the level of risk for different situation and conditions setting priorities for action after prioritizing the hazards according to their risk factor; and

Continuously monitoring capabilities, risk maps and risk scenarios

There are many different methods of carrying out risk assessments. In essence, the disaster risk assessment for the municipality was based on the following methodology:

- in future assessments, it may however be necessary to deviate, amend or adapt the methodology depending on the type of hazard being assessed:
- characteristics of the area, infrastructure, service or business concerned
- The urgency of the assessment and,
- The availability of relevant hazard and vulnerability information.

Illustration 9 : Disaster Management Planning and climate change framework



- Aim of the assessment is to establish:
- which hazards are the most prevalent in RNM area;
- the frequency with which a significant event or disaster is likely to occur;
- which areas, communities or households are most at risk;
- which hazards (of certain intensities) are likely to have the most profound impact on RNM;
- what is the probability of the identified hazards impacting on RNM within a given time frame;
- what are the existing conditions of vulnerability and capacity (physical, social, economic and environmental) in the RNM area;
- which vulnerabilities could be exploited by the identified hazards (of different intensity);
- what capabilities or resources exist to manage the risk;
- what are the risk priorities of RNM;
- how are vulnerabilities being addressed through the Integrated Development Plan projects and other developmental initiatives;
- what other developmental initiatives are necessary to reduce vulnerability and therefore risk in RNM;
- Is the risk becoming progressively greater;
- Is the risk undermining development progress in the areas, communities and households it affects and if so,
- is the management of the risk a development priority

4.3.20.1 Risk Reduction and Prevention

In order to ensure disaster risk reduction in Ray Nkonyeni Municipality the DMC must: monitor, assess, and co-ordinate Council's disaster risk management arrangements, placing particular focus on risk reduction strategies;

- collaborate, coordinate and monitor progress on joint projects and programmes and their integration into the IDP process; support the municipal Disaster Management Satellite Centre in its activities;
- review the disaster management plan of the municipality; review departmental disaster management plans and the plans of other municipal entities in Council's area annually to ensure that the plans are integrated, current, and consistent with Council's Disaster Management Framework;
- promote joint standards of practice across all municipality entities and line functions; monitor progress on the implementation of priority projects aimed *at risk reduction*; and
- Promote and support disaster risk awareness campaigns within the municipality as well as within communities.

4.3.20.2 Prevention and mitigation

In order to ensure disaster prevention and mitigation in Ray Nkonyeni Municipality the DMC must:

- provide the Disaster Management Satellite Centre with timely information and advice on disaster management related issues;
- ensure the application and enforcement of laws and by-laws by municipality entities relating to disaster management within their jurisdiction;
- promote structural and non-structural mitigation measures;
- develop appropriate prevention and mitigation strategies for the known hazard threat of Ray Nkonyeni Municipality; and
- Assist in the development of appropriate early warning systems for the municipal area.

4.3.20.3 Emergency preparedness

- In order to ensure emergency preparedness, the DMC must:
- ensure that all departments engage in contingency planning for all priority risks; plan for all residual risk after the disaster risk reduction initiatives had been taken into consideration;
- ensure and participate in desk top exercises on a bi-annual basis in order to keep up to date on roles and responsibilities in the activation and operation of the Disaster Management Centre;
- ensure a rapid and efficient response and recovery in the event a disaster threatens to occur or occurs in Ray Nkonyeni Municipality area;
- make recommendations to Council regarding disaster management matters; and
- Make recommendations to Council on the declaration of a local state of disaster (see section 54 and 55 of the Disaster Management Act 57 of 2002).

4.3.20.4 Maximising Vulnerability Reduction Outcomes

With respect to the implementation of the Act, a risk assessment must be undertaken when one or more of the vulnerability reduction criteria (reflected in the table below) are considered priorities in any project or programme initiated by RNM.

Table 18: Vulnerability reduction outcome

Key Vulnerability Criteria	Examples of where risk assessments must be done
Increased sustainability of a development project or programme to support vulnerable households.	As part of the planning for an infrastructural development, for example, assessing the likelihood of weather, flooding, subsidence and other threats damaging the structure, so that these can be factored into the construction specifications.
Reduction of potential harmful consequences associated with industrial, commercial or other developments	As part of environmental impact assessments for large-scale developments, including industrial, commercial and other enterprises that may increase disaster risk.
Increased understanding of a rapidly changing risk for improved risk management planning	In a flood-prone area that experiences considerable population growth and is facing increased land erosion.
Increased robustness of development initiatives in poor communities and areas	In an informal settlement characterised by recurrent 'small 'and 'medium-size' disaster losses that undermine assets and livelihoods.
Management of high-risk periods and conditions to ensure service and/or business continuity	Electricity transmission lines and rail infrastructure, as well as health and emergency services, to ensure these essential services do not 'fail 'under expected high-risk conditions.
Provision of appropriate support for at-risk activities, services, areas, communities and households following an 'alert '.	Following a drought warning or cholera alert in rural areas, to identify communities and households most at risk and to focus or target preparedness and response actions.

4.3.20.5 Disaster risk reduction planning

On the left-hand side of the framework, 'Disaster Risk Reduction Planning', consist of Vulnerability Reduction that are present in the municipality as a whole. The Specific Risk Reduction Projects include on one hand future developments (planned for though the IDP) that should be assessed and on the other hand any area where a combination of vulnerabilities, hazards and/or a lack of capacities pose a specific (or combination of) high risk(s) to the population, infrastructure and environment.

4.3.20.6 Contingency planning

The right-hand side of the framework focuses on contingency planning. This type of planning has two components: for the most prevalent hazards, the municipality should have a contingency plans in place that can be activated before or during the impact of a specific hazard ('Hazard Specific Contingency Plans').

As it is impossible to plan for every hazard, the contingency planning should also include generic plans. For the purpose of drawing up such plans, the most important issues have been listed in the framework (public health, command and control, shelter etc.)

Risk of a certain hazard can change over time. It is therefore necessary that all aspects of the framework are adapted accordingly. Continuous assessment is necessary for sound disaster risk management planning which will therefore assist in the prevention and reduction of disaster incidents.

4.3.21 RESPONSE AND RECOVERY

i. Disaster Response, Recovery, Rehabilitation and Reconstruction

In order to achieve the requirements of the Act calling for an integrated and co-ordinated policy that will provide for rapid and effective response to disasters and to post disaster recovery, it is imperative that mechanisms are put in place which leaves no room for confusion when a significant event or disaster occurs or is threatening to occur in council's area. This requires clear allocation of roles and responsibilities and concisely defined procedures and protocols for all operational personnel, other relevant role players, communities at risk, and the public in general. This key performance area seeks to ensure that disaster response and recovery planning for the municipality achieves these objectives.

ii. Preparedness and early warning

Objectives

- To establish effective early warning systems in the RNM that will ensure rapid and effective actions by essential and emergency services;
- that households, communities and areas at risk are able to respond timeously and appropriately; and
- in order to avert or reduce the potential impacts on people in terms of health, personal injury, loss of life, damage to property, infrastructure or environments

The RNM DMO is primarily responsible to ensure that it has the technical capacity to identify and monitor hazards and must ensure that mechanisms are in place for the receipt, dissemination and appropriate responses to standard early warnings issued by organs of state tasked with primary responsibility for a specific hazard.

DMO is responsible to prepare and issue hazard warnings of significance for the municipal area in a timely and effective manner and to ensure that the warnings are disseminated to those communities known to be most at risk to the hazard including those in isolated and/or remote areas. Warnings must include information and guidance that will enable those at risk to increase their safety and take risk avoidance measures to reduce losses.

iii. Operational plans for disaster response and recovery

DMO is responsible to ensure the development of operational plans for disaster response and recovery when a disaster occurs or threatens to occur in the RNM area of jurisdiction and the facilitation of rehabilitation and reconstruction programmes and projects.

Such plans must be prepared consistent with the national guidelines. The RNM DMO must ensure effective *strategic* co-ordination and management of response and recovery operations for its area.

iv. The RNM DMO has primary responsibility to facilitate:

The development of a standard operational guide for the establishment of Joint Operations Centres (JOCs) to:

- Ensure the effective tactical co-ordination and management of response and recovery operations for major incidents and significant events which occur or threaten to occur in the area and
- Ensure that each response agency identified which can contribute to the response and recovery efforts - whether it be an essential service; an emergency service; community volunteer; a non-governmental organisation;
- a community based organisation; or a private sector agent - prepares and submits an operational plan applicable to their particular functional area which is in accordance with the national field operation guidelines (FOGs).

v. Training and Awareness objectives

- To promote and facilitate non-accredited and accredited education and training opportunities for all disaster risk management stakeholders:
- To identify and implement appropriate disaster risk management training programs for schools in the area to increase knowledge and capacity.
- To identify and implement appropriate disaster risk management training programs for the communities to increase knowledge and capacity.
- To ensure that traditional knowledge and coping strategies are included in the training programs where appropriate.

vi. Schools Programs

Disaster risk management training programs for the purposes of disseminating information on disaster risk management are in place in most schools. The creation of programs relating to disaster management in schools, focus on relevant and appropriate aspects of disaster risk management, have also been encouraged.

vii. Dissemination and use of traditional knowledge

All training and awareness programmes undertaken within the municipality must take into account indigenous knowledge relating to disaster risk management, as per section 7(2).

viii. Community training programmes

Education and training programmes for communities must focus on risk awareness, risk reduction and preparedness. Where appropriate, communities must be given the opportunity to modify and enhance training programmes through the inclusion of indigenous knowledge, practices and values, and the incorporation of local experience of disaster and disaster risk management. Cognisance of the risk assessment for the area must be taken when such programmes are developed.

ix. Government Officials and relevant role players

Training programmes for government officials and policy makers must include modules on planning, hazards, prevention, risk reduction and preparedness.

x. Public Awareness Policy

An integrated public awareness strategy to promote a culture of risk avoidance among all role players and across all departments must be developed and implemented. Such a strategy is necessary for the promotion of an informed, alert and self-reliant society capable of playing its part in supporting and co-operating with the municipality in all aspects of risk and vulnerability reduction.

The ability of the public to understand the nature of commonly encountered hazards in their communities to manage and reduce risks; to develop risk avoidance behaviour patterns; and to respond appropriately and timeously when disasters occur or are threatening to occur, is dependent on knowledge and access to reliable information. In order to inculcate

Risk-avoidance behaviour by all stakeholders, public awareness campaigns aimed at raising consciousness about disaster risks must provide information on how to reduce vulnerability and exposure to hazards. Public information should be disseminated through the media, schools, public gatherings and through any other suitable network.

xi. Media involvement

The local print and radio media are involved in community awareness programmes.

xii. Policy Directives and Legislative Mandates

The IDP review is guided by binding and non-binding national and provincial legislations including policies, programmes and strategies that need to be considered in the municipal planning and development processes.

The Non-attendance of provincial department poses the following challenges and limitations for the municipality:

- Limit level of engagement and knowledge sharing
- Department budget for projects that are not urgent to communities
- Departments' projects do not have impact
- Some sectors are neglected and some remain unfunded
- No proper alignment, Duplication of funding and Fiscal Dumping

Table 19: Disaster SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • The unit is relatively capacitated • Disaster Management Plan is in place • Public awareness disaster programmes are in place • Schools programmes are also in place • The risk reduction plan is in place 	<ul style="list-style-type: none"> • Shortage of manpower • Poor vehicle maintenance • Limited tools e.g. fire engines
Opportunities	Threats
<ul style="list-style-type: none"> • Expertise • Programmes are in place for safety issues 	<ul style="list-style-type: none"> • Shortage of staff • Time delays to call outs

4.3.22 KEY FINDINGS

KEY CHALLENGES	DESCRIPTION
1. Urbanised Coastal Zone	The coastal strip is very urbanized and developed.
2. Manufacturing Sector is limited to the coastal strip	All the economic development is centralized along the urban areas.
3. Climate change	Due to climate change that the municipality occasionally experiences, floods occur leaving behind distraction.
4. Impoverished rural interior	There is no development in the hinterland

4.4. MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT ANALYSIS

4.4.1 Organizational Development

The Back to Basics Policy emphasizes that there has to be a focus on building strong municipal administrative systems and processes. It includes ensuring that administrative positions are filled with competent and committed people whose performance is closely monitored. It further details the basic requirements that need to be monitored and these include the top positions that they must be filled with competent and qualified persons, municipal organograms be realistic etc. Also, one of the five pillars of the Back to Basics approach is to build institutional and administrative capabilities. It is with pride to state that the municipality has fully adhered to the Back to Basics principles in terms of this pillar.

4.4.2 Institutional arrangements

Ray Nkonyeni Municipality is headed by her Worship Madam Mayor, Councillor N.C.P. Mqwebu. The municipality is run in a democratic, transparent manner and 6 political parties are represented and fully participate in the running of the municipality. The total number of Councilors serving within the municipality is seventy one (71). They consist of thirty six (36) ward councilors and the rest are party representatives (PR). Out of the 71 councilors are 12 councilors who serve in the Executive Committee (EXCO). This is a day-to-day committee of Council. Its meetings are chaired by the Mayor and held twice a month.

There are subject specialization portfolio committees assisting Council and EXCO in dealing with details. Each portfolio committee chaired by an EXCO member.

Council meetings it once a month, chaired by the Speaker of the Municipality.

The administration is headed by Mr. SM Mbili the Municipal Manager. The administration is structured into seven operational departments, being:

- Department of Community Services (DCOMMS)
- Department of Corporate Services (DCS)
- Department of Strategic Planning (DSPG)
- Department of Technical Services (DTS)
- Department Development Planning Services (DDPS)
- Department of Public Safety (DPS)
- Department of Treasury

There are consultative Corporate Management Committee meetings which are chaired by the Municipal Manager and meet twice a month. Given these parathion of powers and functions between administration and political side, as well as the delegation of authority, this is not a delegated committee with any authority but to consult and support the Municipal Manager.

On conditions of service matters, there is a well-functioning Local Labour Forum (LLF) where the administration and Councilors for moneside and be the employer

and meet the unions as Labour representatives. The forum assists in dealing with collective labour relations at the workplace before it can be escalated to higher levels.

4.4.3 ORGANOGRAM

The municipality developed a new organogram which was adopted by Council in August 2016. The transformation process commenced in 2004 whereby the system of Section 57 Managers was adopted. Due to municipal grading as regulated by organized local government structures, the municipality faces challenges in retaining employees and this is attributed to a number of reasons such as the institutions which often offer more attractive packages.

As per the Back to Basics pillar, local government should ensure that the top six posts (Municipal Manager, Finance, Infrastructure Corporate Services, Community development and Development Planning) are filled by competent and qualified persons, the municipality has managed to fill all seven Section 57 managerial positions, which 2 of these are females and 5 are males, respectively. In terms of women empowerment, there is a room for improvement to employ women for oppositions in future. The following table shows the total staff complement categorized according to Departments within Ray Nkonyeni Municipality.

Table 20: Vacancy Rate

VACANCY RATE			
DEPARTMENT	TOTAL POSTS	VACANCIES	VACANCY RATE
OFFICE OF THE MM	9	2	22,22%
CORPORATE SERVICES	76	18	23,68%
DEVELOPMENT PLANNING SERVICES	85	18	21,18%
PUBLIC SAFETY	273	25	9,18%
COMMUNITY SERVICES	693	153	20,07
STRATEGIC PLANNING AND GOVERNANCE	38	10	26,32%
TREASURY	100	17	17%
TECHNICAL SERVICES	240	28	24,17%
TOTAL POSTS	1514		

VACANCIES	271		
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4.4.4 MUNICIPAL POWERS AND FUNCTIONS

The significance of integrating sector plans into the IDP is to provide a demonstration of how they relate to one another. It also outlines a sector plan integration process which will guide our municipality as we integrate various sector plans in our IDP to ensure the realization of integrated development and alignment. The following table illustrates the functions that are undertaken by Ray Nkonyeni Municipality, Ugu as a District as well as by other Sectors within the District as priority function per COGTA.

Table 21: Municipal Powers and function

	Powers and Functions of the Municipality	Ugu DM	Shared with other services	Ray NkonyeniLM	Relation to KPA
1	Air pollution	X			Cross-Cutting Interventions
2	Building regulations			x	Basic Service Delivery; Cross Cutting Interventions
3	Electricity and gas reticulation		X		Basic Service Delivery
4	Fire fighting services			x	Basic Service Delivery
5	Local tourism		X		Local Economic Development
6	Municipal airports			x	Basic Service Delivery
7	Municipal planning			x	Basic Service Delivery
8	Municipal health services	X			Basic Service Delivery
9	Municipal public transport			x	Basic Service Delivery
10	Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to the m under this Constitution or any other law			x	Basic Service Delivery
11	Control of undertakings that sell liquor To the public			x	Basic Service Delivery
12	Facilities for the accommodation-area And burial of animals			x	Basic Service Delivery
13	Fencing and fences			x	Basic Service Delivery
14	Licensing of dogs			x	Basic Service Delivery

15	Licensing and control of undertakings that sell food to the public			x	Basic Service Delivery
16	Local amenities			x	Basic Service Delivery
17	Local sport facilities			x	Basic Service Delivery
18	Markets			x	Basic Service Delivery
19	Municipal abattoirs			x	Basic Service Delivery
20	Municipal parks and recreation			x	Basic Service Delivery
21	Municipal roads			x	Basic Service Delivery
22	Noise pollution			x	Basic Service Delivery
23	Pounds			x	Basic Service Delivery
24	Public places			x	Basic Service Delivery
25	Refuse removal, refuse dumps & solid waste disposal			x	Basic Service Delivery
26	Street trading			x	Basic Service Delivery
27	Street lighting			x	Basic Service Delivery
28	Traffic and parking			x	Basic Service Delivery

4.4.4.1 Institutional Capacity and Human Resource Development

In response to the need to build a capable organization the following narrative outlines how the municipality is responding to this pillar of the Back to Basics programme. This in the main cover skills development, meeting equity targets and ensuring that the institution responds to its constitutional mandate through a responsive Human Resource Strategy.

i. Human Resource Strategy

The Human Resource Strategy is in place, (See attachment). Its aim is to assist the municipality in the career development of its existing staff, maximise productivity by the optimum implementation of relevant legislations, collective agreements with special emphasis of the Employment Equity Policy. It is made up of nine (9) strategies whose objectives are to: -

- Attract and retain competent staff
- Retain key staff members whose services are regarded as critical
- Identify individuals' potential for assuming a higher degree of responsibility
- Help develop a skills base for succession planning
- Ensure career development for staff.

The municipality's IT Strategy aligns to the long-term development plans of the municipality as reflected in the IDP.

ii. Employment Equity Plan

The Employment Equity Plan is in place. It was adopted by Council in 2016 after the amalgamation of both HCM and Ezingoleni Local Municipalities.

iii. Work place Skills Plan

The Work place Skills Plan is in place, adopted and submitted to the LGSETA, and will be developed annually. The employment equity guidelines form an integral part of planning for training as prescribed in the Skills Development Act. The Plan is aligned to the WSP. It must be noted however, that in as much as the Plan is effective, there are constraints that come with budget. Projects not budgeted for get recommended for implementation during a financial year thus compromising the programme on the WSP.

The employment equity profile illustrates progress made towards achieving the transformation targets. The Plan reflects the progress the municipality has achieved thus far and actions to address challenges relating to enhanced demographic spread, skills development, fast-tracking, diversity management and organizational culture assessment. This plan is being implemented effectively by amongst other things putting emphasis on job adverts as well as scoring criteria for short listing and interviews. In this regard, there are special points allocated based on race and gender. The plan amongst other things has ensured that the municipality's employees are capacitated in terms of skills training. New recruits in terms of interns are also capacitated through this plan.

iv. IT Strategy

The IT strategy for the municipality is in place. Its purpose is to give a focus and framework for future IT Investments and projects linking these into the priorities of the IDP. It is also aimed at raising the profile and awareness of the importance of IT investments and the governance which surrounds these and associated benefits realization. The IT is also to provide an effective technology architecture which not only provides robust and reliable underpinning to municipal services but is an architecture which acts as an enabler and catalyst for service delivery both within the municipality and across our strategic partners (See attached IT Strategy). A strategic workshop was conducted with the Executive Committee and the Top Management and a consultative approach was then undertaken with the development planning unit with respect to the IDP. The strategy addresses the long term vision of the municipality.

4.4.5 INTER-GOVERNMENTAL RELATIONS STRUCTURES

The municipality participates in a number of IGR structures and below is the highlight of these structures:

i. The Premier's Coordination Forum (PCF)

In accordance with the Inter-Governmental Relations (IGR) Act (2005), the Mayor participates in the PCF coordinated by the Office of the Premier. It sits four times a year. The Premier chairs the forum. MEC Cogta is the co-host. Other than Municipal Mayors, the Province invites Municipal Managers, CFO SAND Deputy Mayors to sit in this Forum. The forum discusses mainly issues that affect local Government.

ii. Mayor's Forum

In accordance with the IGR Act (2005), a Mayor's Forum was established in 2006 for the District. This Forum is functioning and meets on a regular basis. The District Mayor chairs this forum. It discusses issues around service delivery and challenges affecting Locals as well as resolutions taken at Provincial level.

lii Speaker's Forum

The District has an established Speakers Forum and RNM participates in the Ugu District Municipality's Speakers Forum. The purpose of the establishment of the Speakers forum is therefore to ensure that:

- There is uniformity and consistency in the management and operation of the Offices of the Speakers of the Ugu District Municipality,
- To facilitate and oversee that the programmes and initiatives of Speakers at local municipalities are implemented,
- To identify and implement programmes aimed at realizing one of the key objectives of local government ,i.e. deepen democracy,
- To coordinate and ensure active participation of communities in matters of local governance,
- To ensure coordination and streamlining at all the member municipalities,

- To initiate and implement training and capacity building programs for councilors.

The Speakers forum has one ordinary meeting per quarter, provided that the other members may request a special meeting by making a written submission to the chairperson. The Chairperson of the Forum is the Speaker of the District Municipality. Meetings of the Speakers Forum rotate among member municipalities.

iv. The Municipal Manager's Forum

The Municipal Manager's Forum was also established in 2005 by the District and meets on regular basis. Issues raised at this forum are discussed at Corporate Management meetings by management. This Forum sees to it that resolutions taken at Mayors forum are being implemented. It also discusses challenges experienced at their locals. Munimec, which is a technical support for PCF discusses issues affecting at both local and District level and so these issues are further discussed at the Managers' Forum and seek way forward.

v. Chief Financial Officer's Forum

There is a functionality of CFO Forums and are held on a quarterly basis to discuss financial management issues. The Chairperson for this Forum is the CFO of the District. This Forum also deliberates on Audit opinions.

vi. Planners Forum

The planners' forum meetings are held on a monthly basis. Meetings are chaired by the district IDP Manager. The Planning Development Unit renders secretarial services; The Forum consists of the four local municipalities. IDP Managers and town Planners coordinate technical submissions and the compilation of the respective IDP documents to:

- Ensure horizontal alignment between the district and local municipalities IDP's,
- Ensure vertical alignment between the district and local municipalities, National and Provincial spheres.

4.4.6 INSTITUTIONAL STRUCTURES

i. IDP Steering Committee

- Develops terms of reference for various planning activities
- Provides guidance on planning matters
- Monitors IDP and review progress on a quarterly basis
- Make recommendations to the IDP Forum
- Takes decisions on administrative matters in line with legislations, policies and COGTA guidelines
- Give strategic support and give guidance to the ID unit
- Ensures that information is provided to the IDP unit in time and communicates IDP issues with staff members and ensures that Strategic Planning manager does not end up thumb sucking information

- Overall Management including appointments of consultants
- Refers matters to relevant committees for further investigations, research and alignment
- Closely monitors and evaluates consultants' progress and performance
- Considers inputs from all stakeholders and make amendments accordingly.

ii. IDP Cluster meetings

- Provide technical assistance on Planning matters
- Make recommendations to the Steering committee
- Provide departmental issues that have influence on planning
- Consider inputs from sub committees
- Assists in developing terms of reference for consultants

iii. MPAC

The MPAC is a committee of the municipal council, appointed in accordance with section 79 of the Structures Act. The main purpose of the MPAC is to exercise oversight over the executive functionaries of council and to ensure good governance in the municipality. In order for the MPAC to fulfil this oversight role, it needs to be provided with the necessary information and documentation to interrogate the actions of the executive.

The MPAC committee is made up of eleven councilors from all the political parties presented in Council. It is chaired by the ruling party and makes recommendations to Council on monthly basis. Amongst other duties, the committee oversees the work of Exco, portfolio committee, OPMS, does special investigations and other adhoc assignments.

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

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

The MPAC committee has successfully carried the above duties and reports as per mandated.

Table 22: Key Findings

Key Challenges	Description
1.Employee retention	The municipality faces challenges in retaining females at management level
2.Municipal powers and function	Some powers are not fully functional

Table 23: SWOT ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none"> • Institutional Structures in place • Governmental Structures in place • Organogram adopted • Portfolio Committees fully functional • All posts have been filled • Effective portfolio committees • Diverse representation of political parties in Council (ANC, DA, IFP, COPE and EFF,VV) • All 7 Departments are fully 	<ul style="list-style-type: none"> • 2 of the 7 Heads of Departments, section 56/57 are females • 11 of the 41 managers are female
Opportunities	Weaknesses
<ul style="list-style-type: none"> • Room for improvement in terms of equity 	<ul style="list-style-type: none"> • Failure to attract and retain females at management

4.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

One of the goals of taking Local Government forward is to improve the functions of municipalities to better serve communities by getting the basics right as per the NDP and through the Back to Basics Programme. Good Governance and sound Administration is one of the five pillars of Back to Basics which must be at the heart of an effective municipality. To this, our municipality has fully aligned.

It is essential to practice good governance for stability, sustainable development and growth. The Provincial government has ensured that there is good financial management, proper budgeting and investigation of fraud and corruption. Ray Nkonyeni Municipality has good efficiency in terms of good governance and public participation. All systems and structures are in place and fully functional. The Audit and Risk management for an example, are fully functional and bring assurance and consulting activity designed to add value and improve an organization's operations. These two units also assist the organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

4.5.1 INTERGOVERNMENTAL RELATIONS

In 2014 when Back to Basics was introduced at the summit which was termed 'Serving our communities', the President emphasised that out of the Summit must emerge a focused action plan to government by getting the basics right, and local government to strengthen local Government, together with other spheres of government, must provide basic services efficiently and effectively, and in a caring manner." Ray Nkonyeni Municipality has a focused plan of action as indicated below.

Table 24: Intergovernmental Relations

Back to Basics	Milestone	Detailed Activities	Responsible Official/ Department	Blockages/ Challenges	Support Needed In Terms of Unblocking
Roads infrastructure provision and maintenance	Comprehensive infrastructure plan	Development of the infrastructure plan	MR RS Dlamini Technical Services (DTS)		KZN Transport, Housing, Public works, COGTA
Municipal buildings maintenance	Maintenance plan	Develop and communicate the plan with Council and management	MR RS Dlamini Technical Services (DTS)		Liaising with HoDs
Housing provision	Construction of units	Facilitate housing provision and liaise with provincial Housing department	MR RS Dlamini Technical Services (DTS)	Red tape in application approval and delays	Department of Housing to fast track application approval and proper management of consultants
Electrification	Provide infrastructure and cover in-fills	Develop an electrification masterplan Align with Eskom	MR RS Dlamini Technical Services (DTS)	Eskom does not plan with the municipality	Eskom to align with municipal plans and advise planning Processes Technical support

Solid waste Services	Effective collection and extend services to un-serviced areas	Implementation of the Integrated Waste Management Plan (IWMP)	MR MB Ndwalane		Nil
Effective municipal by-laws	Develop And enforce municipal wide by-laws	Fine and prosecute	MR SA Nzimande (DPS)	Co-operation from other departments	Nil
Debt recovery	Recover outstanding debt	Correct customer billing Review the revenue enhancement strategy	Ms ND Gqola (CFO)	Correct billing	Nil
Develop a financial plan	Adoption of the credible financial plan	Development of the financial plan in compliance with the MSA & MFMA	Ms ND Gqola (CFO)		Treasury
IT Governance strategy	Development and implementation	Development and implementation	Mrs NB Thabatha Corporate Services		
Improve LED	Improve economic growth	Implement LED strategies Contained in the IDP Develop an incentive scheme	Mr.SC Zama Development Planning Services (DDPS)		

Effective ward committee	Support ward committees	Provide necessary training, stipend, ensure departments action issues coming from ward committee meetings, etc.	Mr KJ Zulu Strategic Planning and Governance (DSPG)	Political support	COGTA
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4.5.2 Municipal Structures

Table 25: Role and Responsibilities of main entities

No.	Role Players	Roles And Responsibilities
1.	Ugu District Municipality	<ul style="list-style-type: none"> • Horizontal alignment of IDP' s between local and the district; • Vertical alignment between district and local municipalities, National, Provincial as well as other district municipalities • Formulates the district process plan based on the district's framework plan; • Formulates, manage and approve districts IDP; • Monitors and evaluate the district IDP process plan; • Ensures that draft process plans are compiled by the local municipalities with Ugu District; • Ensures that the process plans adhere to the framework as agreed; • Ensures that all local municipalities under the district adhere to the timeframes in the framework plan as agreed; • Coordinates the alignment of the district's budget process with the district IDP Process and local IDP processes; • Facilitates vertical alignment of IDP's with other spheres of government and sector departments and the preparation of joint strategy workshops with local municipalities, provincial and national role players and other subject matter specialists; • Gives financial support in line with its financial policy; • Gives institutional support to develop expertise.

2.	Ray Nkonyeni Municipality	<ul style="list-style-type: none"> • Guides provincial sector departments participation in their contribution to the municipal planning processes; • Guides departments in assessing draft IDP's and to align their sectoral programmes and budget with the IDP's; • Assists in accessing financial grants for IDP process; • Monitors the progress of the IDP processes through the district and IDP Managers Forum; • Facilitates resolution of disputes related to the IDP; • Organizes IDP-related training when required; and • Co-ordinates and manage the MEC's assessments and comments with regards to IDP's. • Orientation of councilors on IDP.
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3.	Ugu Planners Forum	<p>Meetings to be chaired by the district IDP Manager;</p> <ul style="list-style-type: none"> • Planning Development Unit render secretarial services; • Consists of the four local municipalities IDP Managers; • IDP Forums to be held quarterly to: <p>Coordinates technical submissions and the compilation of the respective IDP documents</p> <p>Ensures horizontal alignment between the district and local municipalities IDP's, and</p> <p>Ensures vertical alignment between the district and local municipalities, National and Provincial spheres</p>
4.	Co-operative Governance and Traditional Affairs	<ul style="list-style-type: none"> • Coordinates participation and cooperation of all other key sector departments. • Monitors and advice the municipalities on the drafting, review and implementation of the IDP. • Ensures that sector department's planning is informed by Ray Nkonyeni plans and IDP • Closely monitor sector departments performance in terms of fulfilling their core functions and support Ray Nkonyeni

5.	Sector Departments	<p>Identify an IDP Coordinator in the sector departments</p> <ul style="list-style-type: none"> • Contribute knowledge and ideas about planning issues in the province and sectors; • Contribute relevant information on the provincial sector departments plans, programmes, budgets, objectives, strategies and projects in a concise and accessible manner; • Ensure that their objectives and strategies and projects take various IDP's into consideration and adjust their budgets as informed by the various IDP's into consideration and adjust their budget as inform by the various IDP's; <p>Engage in a process of alignment with district municipalities, and participate in the provincial management system and co-ordination;</p> <ul style="list-style-type: none"> • Ensure active participation in IDP Representative Forum and Task Teams
6.	Ugu District Development Planning Unit	<p>Development Planning Unit provided the following function:</p> <ul style="list-style-type: none"> • Provide methodological guidance and support to local municipality during the IDP implementation and review and well other planning processes; • Support the planning and implementation management process of local municipalities and district municipality • Establish and maintain close links with public and private service providers for proper programme alignment in municipal; • Provide information to municipalities relevant national and provincial policy and legislation frameworks; • Organize/conduct relevant training events for municipalities to build their planning and implementation management capacity; and • Liaise with Donors and other state agencies for municipalities to build their planning and implementation management capacity; • Liaise with Donors and other state agencies for funding to the municipalities; and • Render secretarial services to all district communication and sub-committee.

The Ugu District Municipality's IDP forum meetings are held on a monthly basis. The Planners forum committee was established to assist with capacitation and empowerment of the local municipalities that fall within Ugu District Municipality's area of jurisdiction. The committee comprise of Ugu District Municipality IDP unit, IDP managers and town planners from the four local municipalities and COGTA. The committee also ensures that the Integrated Development Plans of municipalities are aligned. The committee also ensures local municipalities align with the district municipality, provincial departments and get advice and assistance required prior to the IDP assessments. Meetings rotate amongst all the municipalities. The Provincial department fully participates in the IDP Forum meetings and provided technical support in the IDP development process. The municipality also attends all the IDP Indabas organized by the Provincial department. The department also provides financial and technical support to municipal development and planning initiatives.

The municipality uses a task team approach for management to the development agenda in an integrated manner and ensuring ownership at corporate management level. The rationale behind this approach is to ensure management take full control of the IDP given there cognition of the IDP as the master strategic plan of the municipality. The task teams are led by the Heads of Departments looking at strategic position of each department, cross cutting matters, how departments can support and assist each other to fast track and ensure implementation plans. IDP T ask Teams focuses on the following IDP Review key focus areas:

- Infrastructure provision and maintenance
- Budget aligned to the IDP priorities
- Development and implementation of Strategic Sector plans
- Good Governance and accountability
- Financial viability and value for money
- Spatial planning and rural planning development
- Youth development and skills development
- Job creation, economic growth and transformation
- Safe and healthy environment
- Effective supervision of service providers
- Knowledgeable communities
- Tourism industry support
- Promoting sports and recreation and cultural diversity

There are internal and external forums that contribute and inform the IDP Review and these are:

Table 26: Process Plan and Internal Structures

RolePlayer	Purpose	Date
Council	<ul style="list-style-type: none"> • Adopt IDP Process Plan • Consider draft IDP • Consider public comments • Adopt final IDP 	August 2017 March 2017 April 2017 June 2017
EXCO	<ul style="list-style-type: none"> • Consideration of process plan • Confirmation of key issues and consideration of IDP Cluster Meetings recommendations. • Confirmation of resources allocation per key issue. • Consider vision statement. • Consider IDP prior Council approval. 	July 2017 June 2017
IDP Representative Forum	Input on vision, objectives and strategies. Input on priorities and projects Consider and recommend IDP document for council approval	March 2017 March 2017 May 2017
IDP Cluster Meetings	Provide strategic direction Advise Provide departmental support	March 2017 March 2017 April 2017 May 2017
Steering Committee	<ul style="list-style-type: none"> • Consider process plan. • Revision of strategic framework. • Compilation of preliminary project list • Determine if external assistance is required consultants) • Planning of project planning phase, setting up of project teams and determining terms of reference for project teams. • Review progress made with project plans • Screening of all project plans • Consider comments and objections received to the revised IDP 	August 2017 November 2017 March 2016 February 2017 March 2017 March 2017 March 2017

COGTA	Alignment of projects and programmes by Sector Departments and Municipalities	November 2016
Public Participation	<ul style="list-style-type: none"> • Community needs • Budget • Community consultations and participation 	November 2016 May 2017 February 2017

4.5.3 AUDIT AND RISK MANAGEMENT

Both the Internal Audit unit as well as Risk Management unit operates under the Office of the Municipal Manager with the latter regarded as an independent unit. The objective of both units with different roles and responsibilities or areas of focus is to bring assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization to accomplish its objectives by bringing systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Both units report to the Municipal Manager and but for operational reasons day-to-day administered by HoD: Strategic Planning and Governance. The Internal Audit unit further reports its functionally directly to an Audit Committee which consists only of external members.

4.5.3.1 Internal Audit

The scope of work of the Internal Audit Unit entails, inter alia, whether the Municipality's risk management, if control and governance processes as designed by Management are adequate and functioning in a manner to ensure:

- Risks are appropriately identified and managed
- Interaction with various departments within Ray Nkonyeni Municipality and other stakeholders occurs;
- Significant financial, managerial and operating information is accurate, reliable and timely;
- Employees' actions are in compliance with relevant policies, standards, procedures and applicable laws and regulations;
- Resources are acquired economically, used efficiently and adequately protected;
- Quality and continuous improvement are fostered in Ray Nkonyeni Municipality's control processes;
- Significant legislative or regulatory issues impacting on Ray Nkonyeni Municipality are identified and adequately addressed;
- Evaluating and reporting on the Municipality's performance and management

The municipality prepared the Annual Report covering 2015/2016 financial year in line with Chapter 12 of the Municipal Finance Management Act, No. 56 of 2003 and National Treasury Regulations. The National Treasury Check list was used as a benchmark to

ensure credibility of the annual report. The annual report was submitted to the Auditor General's office for assessment. Two Oversight Committee meetings including the workshop on the annual report were held.

The annual report was tabled by full Council in January 2017. There after the public consultation commenced on the annual report for a period of 21 days. Council considered and adopted the report with the Oversight Report in March 2017. The Annual report together with the oversight report was submitted to the Auditor General's office and COGTA in compliance with the legislative prescripts

As a formal participation structure for the IDP process it is only proper to elaborate on it, and below are its functions:

In forms affected and interested groups, communities and organization/institutions on relevant planning activities and their outcomes

- Chaired by the Portfolio chairperson of Town -Planning and Building control
- Determines priorities, analyze issues, negotiate and reach consensus
- Participates in project design and monitor and assess projects
- Makes recommendations on planning matters to Council
- Ensures that all sector departments play their role accordingly and fully participate in municipal planning
- Chairperson has a right to discipline members who do not participate meaningfully and inform their principals of their unsatisfactory participation.

The External Audit Committee is responsible for monitoring and advising in respect of the effective functioning of the Internal Audit activity. Internal Audit reports functionally to the Audit Committee and administratively to the Accounting Officer. In terms of section 62(1) (c) of the Municipal Finance Management Act (MFMA), No. 56 of 2003, the Municipal Manager is the Accounting Officer and is responsible for managing the financial administration of the municipality. The Audit Committee is appointed in terms of Municipal Legislation, to assist and to advise the Mayor, Speaker and Municipal Manager of the Municipality. It is afforded wide powers and statutory obligations in terms of Section 166 of the Municipal Finance Management Act. Audit Committee meetings and Performance Audit Committee meetings took place at least four times a year. The Council has adopted promulgated bylaws and these are currently being reviewed. These are: Credit Control by law, Fire by law, Beach by laws, Rates by laws, Solid Waste bylaws, Informal Trading bylaws, Hiring of halls by laws and Environmental Conservation bylaw.

4.5.3.2 RISK MANAGEMENT

The need for risk management is to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the municipality's service delivery capacity. It is an appropriate proactive way of managing risks and to successfully achieve the municipality's goals and strategic objectives. The committee meets quarterly.

The municipality has strategies in place to manage risks. The process starts with the risk assessment session where management identify the currently existing risks and as well as possible risks. Once these risks have been identified management comes up with future action plans to mitigate the identified risks and the target dates for implementation of the future action. Once the risk assessment has been finalized, the Risk Management Officer develops a risk register. The risk register is submitted to the Risk Management Committee, Corporate Management Committee and to the Audit Committee.

Following are members of the Risk Committee and their positions.

MEMBER	POSITION
Chief Financial Officer	CHAIR PERSON
HOD Strategic Planning and Governance	MEMBER
HOD Corporate Services	MEMBER
Risk Officer	STANDING INVITEE
Internal Audit	STANDING INVITEE

The Risk Management Officer constantly monitors the implementation of future action plans and reports the progress of implementation quarterly to the Risk Management Committee, Corporate Management Committee and to the Audit Committee.

4.5.4 COMMUNICATIONS STRATEGY

Ray Nkonyeni Municipality has a communication strategy in place. It was adopted in January 2017. The strategy is intended to serve as the spring board for the municipality to improve effective communication with the citizens and all relevant stakeholders on municipal services and on local issues. Ray Nkonyeni Communication Strategy shall be reviewed in every Local Government Elections Cycle review. The Council or the Executive Committee can through a special resolution call for an earliest review of the Strategy.

In order for Ray Nkonyeni to achieve the stated strategic emphasis, this strategy:-

- Subjects councilors and employees to communicate information which is aligned to municipality's vision and mission and other government legislation
- Displays the belief that communication is a fundamental factor in the achievement of the goals of accountable, open, transparent and responsive local government
- Commits itself to compliance with all relevant statutory prescripts regarding the making available of information held by the municipality.

Following is a very brief summary of the objectives of the Strategy.

Research has shown that communication has in modern times become a fundamental tool used by organizations to remain in touch with their clientele. In this context, the objectives of this strategy are:

- To ensure that the municipality does not lose touch with its constituency by ensuring that the principles of Batho Pele are advanced and promoted at all times.
- To comply with the legal obligations as prescribed in the Constitution and the other relevant Acts of Government in the upholding of democratic values and principles
- To provide a mechanism of communication between the Ray Nkonyeni, the community and the other sector departments and stakeholders
- To proactively provide the public with timely, accurate, relevant, understandable and complete information about Ray Nkonyeni vision, policies programmes, services and initiatives using recognised language

Each Bid Committee comprises of 5 members of which 1 member being from the Procurement Section and the Bid Adjudication Committee chaired by the Chief Financial Officer.

In accordance with Chapter 11 of the Municipal Finance Management Act, 2003 (Act 56 of 2003) delegated authority had been bestowed to the Bid Specification Committee to approve tenders and tender notices whereas the Bid Adjudication can adjudicate all tenders up to the value of R5million. Any value over and above will be awarded by the Municipal Manager at his discretion.

In accordance with the Supply Chain Management Regulations and Section 17 of the municipality's Supply Chain Management Policy, all awards made by the Bid Adjudication Committee are submitted to Council monthly as part of the oversight role.

4.5.5 PUBLIC PARTICIPATION ANALYSIS

This function falls under the Office of the Speaker and the Manager reports direct to the HoD Strategic Planning. Public participation is encouraged through the Mayoral Izimbizo and Budget Road shows. Ray Nkonyeni has a Community Participation Strategy that will be reviewed in due course. The strategy commits itself to use community based planning to ensure communities even the marginalized are involved in the development from the initial phases of development projects. A public participation forum has been established to effectively deal with public participation structures and issues thereof.

The purpose of this section is to discuss public participation as an integral part of the IDP development and implementation process. The section also outlines principles, processes and structures to ensure effective public participation in the development and implementation of an IDP.

As per the Back to Basics approach, municipalities must develop affordable and efficient communication systems to communicate regularly with communities and disseminate urgent information. The basic measures to be monitored include:

- The existence of the required number of functional Ward Committees;
- The number of effective public participation programmes conducted by Councils
- The regularity of community satisfaction surveys carried out.

Ray Nkonyeni encourages public participation of local communities through various mechanisms including but not limited to ward committees. Ward committees have been recently established in all 36 wards and are fully functional with a 100% rating. A number of community report back meetings will be held every month. Public participation by various stakeholders e.g. Traditional Authorities have also been involved. It must be further noted that public participation reports are submitted to Council on regular basis. The Mayor ensures that she meets at least once quarterly with Amakhosi and Council resolved that Amakhosi should sit on all council meetings.

4.5.5.1 Participation analysis

The mechanisms that the municipality uses for its public participation are as follows:

- **IDP Representative Forum (IDP Rep Forum)**

This forum represents all stakeholders and is as inclusive as possible. Efforts have been made to bring additional organisations into the Representative Forum and ensure their continued participation throughout the process.

- **Media**

Local newspapers are used to inform the community of the progress of the IDP Review.

- **Information Sheets**

This will be prepared in English and IsiZulu and be distributed via the Representative Forum; Council and Ward Committees.

- **Road Shows / Izimbizo**

Road shows are held in all the wards within the municipality.

- **Radio Slots**

These are mainly used by the political leadership. These are recommended where possible if they suit the municipality's programme financially and otherwise.

During November 2016, the municipality conducted Mayoral Izimbizo in preparation for the development of the IDP 5 year Plan. The aim was to solicit community inputs and establish the community's needs.

4.5.5.2 Ward committee functionality

Participation takes place in different forums, meetings and gatherings. The IDP Representative Forum is the main forum where external stakeholders including provincial departments, Traditional Leaders/Amakhosi, Ugu district municipality, business, entities and parastatals are invited to discuss developmental challenges facing the municipality and means of overcoming developmental challenges. This review process also had an advantage of a ward planning process that happened parallel and meant to inform this IDP Five year plan. Also the fully functional ward committee strengthens the participation process. The Mayoral Izimbizoin November 2016 once again formed the cornerstone of public participation for this process.

All ward committees are committed to serve their communities and are fully functional. The municipality is currently conducting workshops to capacitate the newly elected ward committee components to ensure the ward committees are fully functional and effective. Furthermore the municipality has set resources aside to assist with the operational costs of the ward committee structures to enrich public participation and therefore the IDP.

Systems have also been put in place to effectively and efficiently deal with ward committee issues. The municipality has delegated Committee Clerks to serve as secretariats at ward committee meetings to provide more support and ensure that issues that are deliberated at these meetings are service delivery based and that Council effectively addresses the issues raised at the ward committee meetings. The municipality in partnership with IDASA is capacitating ward committees.

Thenon-attendanceofSectorDepartmentsposeasanumberofchallengesandlimitations for the Municipality such as

- Limit level of engagement and knowledge sharing
- No proper alignment
- Duplication of funding
- Department projects that are not urgent to communities
- Some sectors are neglected some remain unfunded

4.5.5.3 Ward Based Planning

The municipality has a comprehensive Community Based Planning programme which forms a major component of the Good Governance and Public Participation KPA. The Community Based Planning prioritizes needs for each ward which will be reviewed yearly. Further to this, for a more effective planning, it must be noted that in undertaking this exercise the planning has been prepared by the residents of the ward, owned by the community and will be supported by discretionary ward funds provided by the municipality or where possible, a sector department and will provide useful information in guiding the IDP. Participants included Stake holders, ward committee members, CDWs and representatives from traditional authorities who jointly planned and prioritized for their respective wards and vision for each ward was developed. Planning sessions in all the 36 municipality wards were effectively conducted. Refer to attachments

4.5.6 PUTTING PEOPLE FIRST (BATHO PELE)

In line with the Local Government Back to Basics programme, ten drafts IDP/Budget izimbizo clustered were held to ensure that more voices were heard and participated in the development of the municipality. Most clusters/wards communities commended the good work in terms of service delivery performed by the municipality. However, there were wards who requested for basic services including housing, roads, water, sanitation, health care facilities, skills development, access to government grants, community facilities and enhancement of HIV/AIDS programmes.

In more affluent wards, communities were not satisfied with the slow pace of service delivery especially relating to bad condition of roads, potholes, no verge cutting and rubbish collection services, non-response toward committee minutes and letters sent to the municipal offices, lack of supervision which results in poor workmanship. The Municipality had there for committed to speed up service delivery and where there are backlogs and challenges be addressed. Seven enemies of the municipality were identified during one of the Service Delivery and Implementation plan sessions which potholes was one of them. Already the municipality together with SANRAL is fully committed to fixing all the roads and affected communities are applauding this move.

The approach adopted in the preparation of the IDP five year Plan is strongly guided by the guidelines prepared by the Department of Provincial and Local Government (DPLG) asset out in the IDP guide packs and the IDP simplified format. Hibiscus Cost Municipality is gearing itself to align with economic advantages and competitiveness that are identified in the PGDS. This IDP 5 year plan is in line with the Department of Co-operative Government and Traditional Affairs' Revised Guideline for IDPs.

4.5.7 OPERATION SUKUMA SAKHE (OSS)

The municipality has partnered with the Ugu district as well as provincial departments in implementing the Sukuma Sakhe flagship programme which is aiming at creating sustainable livelihoods through the provision of integrated services to communities. More focus is placed in all ward, but prioritizing most deprived wards including ward 8 and 29 as wards/areas most affected by poverty. A number of households in these areas live in extreme poverty, but through the Sukuma Sakhe flagship, there has been sustainability. The programme has been rolled out to all the 36 wards of the municipal area. War rooms have been established in all wards. The medium deprived areas include:

Ward 4. Nkulu, Mgolomi, Oshabeni

Ward 32. Manzamhlophe, Ntaba (KwaXolo)

Ward 7. Gcilima, Nkampini, (KwaXolo)

Ward 10. Thundeza, (KwaNzimakwe)

Ward 11. Thongasi, Carlifonia (KwaNzimakwe)

Ward 15. Magog (KwaMadlala)

Ward 21. Mbayimbayi, Mdlazi, (KwaNdwalane)

4.5.8 AMAKHOSI

The Municipal Structures Act, Section 81 stipulates that Traditional Authorities may participate in the proceedings of the Council. This is carried out in an event where by for an example the municipal council takes a decision on any matter affecting the area of a traditional authority, the council must give the leader of that authority the opportunity to express a view on the matter. Ray Nkonyeni Municipality has adhered to this section of the Act. The nine Authoritative Areas are fully represented by Amakhosi during Council meetings.

4.5.9 GOVERNANCE

4.5.9.1 Budget Transparency

Whilst the municipality's budget is closely monitored on a monthly basis by the relevant oversight structures of the council, no overspent or underspending of the operational budget was experienced in the previous financial year. However, there has been a significant underspending of capital budget, but management has employed the following measures to arrest the situation in order to ensure 100% spending of capital budget.

4.9.1.2 Audits and Qualifications

The municipality's commitment to national targets of clean audit and that corrective action plan to address all the findings raised by the AG is in place and closely monitored by Finance portfolio, EXCO, MPAC and audit committee.

4.9.1.3 Portfolio committees

The seven (7) Portfolio committees are fully functional and sit once a month to deliberate on issues facing their respective departments.



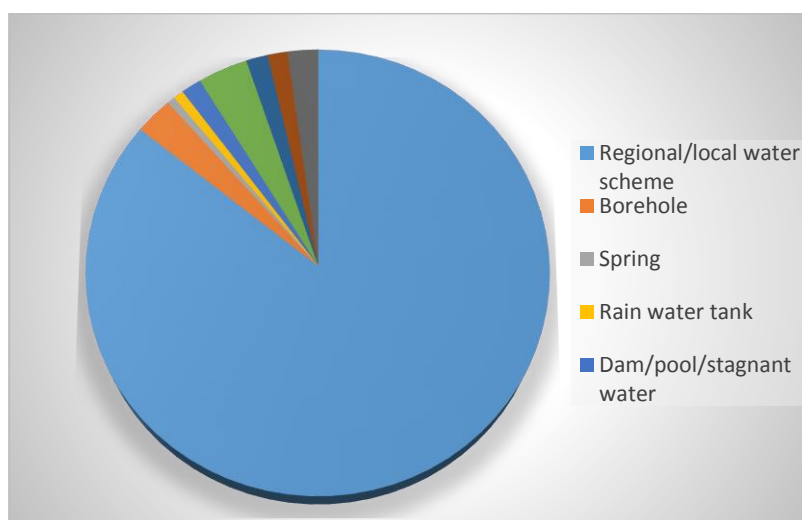
4.6 BASIC SERVICE DELIVERY AND INFRASTRUCTURE

4.6.1 WATER

Ugu District is the water entity to all its local municipalities. Within RNM, the number of households without access to water is estimated at 10 873 which makes up 13% of the population. The municipality noted that there are still backlogs in terms of clean water provision to some areas in rural areas. The wards with the biggest water backlog is ward 8, 15, 29, 30, 31, 32, 34 and 35. The other wards with hardship in terms of water access are ward 4, 27, 33 and 36. These households use spring, dam and rivers as sources of water and are prone to a number of water borne diseases. The Municipality has also made provision of water tankers to supply water to those communities with little or no access to water.

The graph illustrates percentages of households with different types of accessing water within the municipality.

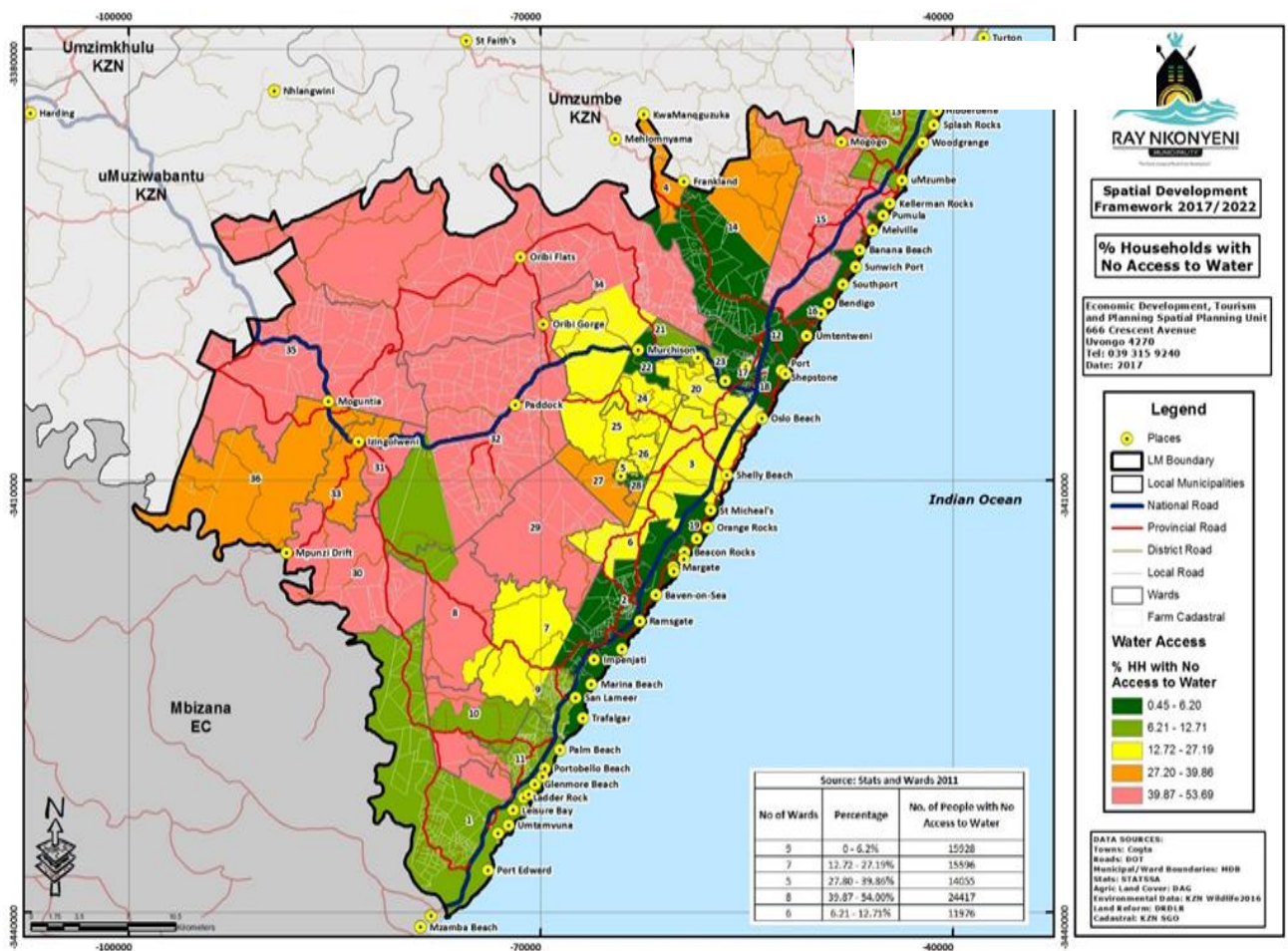
Graph 11: percentages of households with different types of accessing water



Source: Statistics South Africa Community Survey 2016

Ray Nkonyeni Municipality through Ugu District has played a vital role in providing clean drinking water to a large majority of its communities. There are still backlogs in terms of clean water provision to some areas in rural areas and is shown in the map below. These households use spring, dam and rivers as sources of water and are prone to a number of waterborne diseases. The municipality has also made provision of water tankers to supply water to those communities with little or no access to water. The map that follows illustrate the number of households within the municipality with no access to water.

Map 20: % of households with no access to clean water



Source: RNM GIS UNIT 2017

4.6.2 SANITATION

Ray Nkonyeni Municipality is not a sanitation service authority municipality hence water and sanitation services are planned and provided by the Ugu District Municipality. Therefore, sanitation provision is the responsibility of the Ugu District Municipality. Most of the treatment plant facilities are owned and managed by the Ugu District Municipality other treatment plants are privately owned and privately managed. There are several pump stations in the reticulated areas whilst waste water treatment plants are generally located in land of the coastal strip. Steep topography can be a hindrance in water supply. Ugu Water Services backlog between Sezela, Umtentweni, Southbroom and Port Edward.

i. Access to sanitation

Communities throughout the municipality have access to different types of sanitations. However, the flush toilet system is the most dominant, both in urban and rural areas. Amongst the Ugu District Local Municipalities, Ray Nkonyeni Municipality has more households with flush toilet systems (32.9 %). On the other hand, Umzumbe has only got 2.7% households with the flush type of sanitation. This may be attributed to the fact that Umzumbe's topography is steep making it too expensive for the District Municipality to

connect pipes and build reservoirs. The below graph shows this information in the entire Ugu District.

Graph 17: Main type of toilet facility used

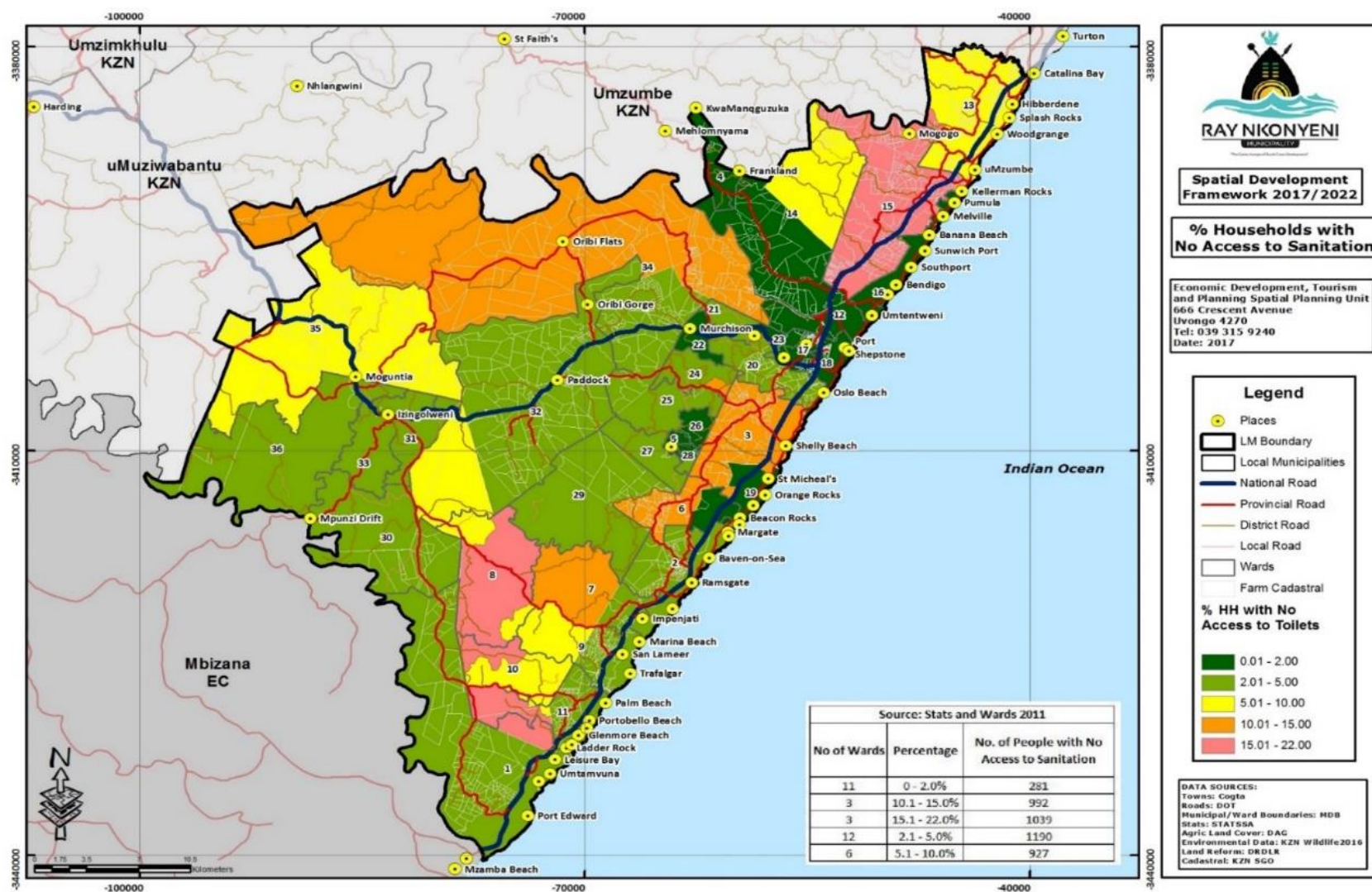
Main type of toilet facility used	Flush	Chemical	Pit / Other	None
Local municipality 2016				
KZN212 : Umdoni	28.1	15.8	51	5
KZN213 : Umzumbe	2.7	15.3	79.4	2.4
KZN214 : uMuziwabantu	9.2	11	78.4	1.5
KZN216 : Ray Nkonyeni	32.9	2.6	59.1	5.3
Ugu	24.3	8.3	63.2	4.3

Source: Statistics South Africa Community Survey 2016

Sewer infrastructure in the urban part of RNM is also in need of upgrading to cater for an increasing urban population. Approximately 14 493 households do not have access to sanitation facilities within the appropriate standards. This makes up to 17% of the total population within Ray Nkonyeni Municipality. The map that follows shows the number of people per those wards with no access to sanitation.

The map below shows RNM bulk water and sanitation

Map 17: % of households with no access to sanitation



Source: RNM GIS 2017

4.6.3 SOLID WASTE MANAGEMENT

The National Environmental Management: Waste Act of 2008 requires each Municipality to implement the Waste Management hierarchy which categorically states the following:-

- Reduce
- Reuse
- Recycle
- Treat
- Dispose

The waste management system being implemented by the municipality is aligned to the requirements of the Act and further elaborated details are provided in the sector plan. (*See attachment*)

4.6.3.1 Integrated Waste Management Plan

The municipality is responsible for waste collection. The Integrated Waste Management Plan is in place and currently being implemented. The current approach is focused on waste recycling and refuse removal of household solid waste, business and industrial waste, as well as development and management of garden refuse stations.

The current status is as follows:

- The coastal strip residential areas receive a weekly collection service of household refuse (important to look at population density in relation to this service);
- Businesses and flats within the coastal strip received a collection twice a week.
- Industrial areas have skips in place and are cleared daily.
- The rural areas do not benefit from any co-coordinated, municipal approach towards: refuse removal, or solid waste management; and
- Informal settlements have skips and are serviced once weekly.

Only the urban formal settlements receive the waste removal and if looking only on that population the service covers 100% of the households. It is envisaged that the majority (approx 62%) of the population have their refuse removed by the municipality at least once a week and (approx 28%) make use of their own refuse dumps.

The IWMP investigates the number of registered landfill sites and their lifespan, need for new sites, extension of service and rehabilitation. The plan will expose other means of extending the service the service to rural communities in a cost effective and coordinated manner. Waste disposal methods are alternatives will be explored and working for waste programmes. Waste minimization, promotion of environmentally friendly waste management practices, efficient waste management and improved service delivery mechanisms.

The IWMP allows for EIA to be conducted where necessary and covers all aspects of environmentally friendly practices. The IWMP covers options that are mainly environmentally friendly. The IWMP is partially being implemented with the available budget.

There are (6) six garden transfer stations located throughout the municipality and one of them is undergoing the EIA process. The listed projects in line with the IWMP will undergo EIA process.

In some instances the geographical landscape poses some challenges with service provision. It is a challenge to provide services to sparsely populated communities and in areas with steep terrain thus the cost of service provision is too high. The Integrated Waste Management Plan focuses on the following objectives:

- To decrease waste deposited at municipal landfills.
- To build capacity through information sharing.
- To improve, develop & maintain infrastructure to comply with legislative requirements & Ray Nkonyeni Municipality needs.
- To provide effective waste collection services for the municipality.
- To provide effective waste management services for the municipality
- To provide cost effective waste management services.
- To create, implement & enforce the necessary legal regulatory & policy framework to support waste management service throughout Ray Nkonyeni Municipality.
- To minimize illegal dumping the municipality will embark on awareness campaigns, increase accessibility to disposal facilities, monitor and follow up where the dumper can be identified and implemented a penalty system for offenders.

A service level agreement has been signed with a company to operate a recycling facility (for a period of three (3) years) within Port Shepstone as the economical hub of THE municipality.

Kerbside recycling called two bag project has been introduced to ten formal residential dwelling with a minimum of 700 houses each.

It should be note that there are seven drop off facilities to cater for areas that so not have two bag projects. New recycling initiatives within industrial sector and composting are still under investigation.

The following table shows backlogs of waste collection:

Table 27: Waste collection backlog

Settlement category	Serviced h/h	Not serviced	Total h/h
Formal urban	20 082	5 683	25 765
Informal residential upgrade	111	142	253
Liked rural upgrade	1155	5228	15 061

Good access rural upgrade	1681	5228	6 909
Ltd access rural upgrade	151	1 629	1 686
Scattered	57	1 629	1 686
Total	23 237	27 415	50 652
Percentage	45.9%	54.1%	100%

Source: Statistics South Africa Community Survey 2016

The IWMP allows for EIA to be conducted where necessary and covers all aspects of environmentally friendly practices. The IWMP covers options that are mainly environmentally friendly. The listed garden and drop-off facilities in the IWMP do not trigger a listed activity therefore no EIA will need to be done.

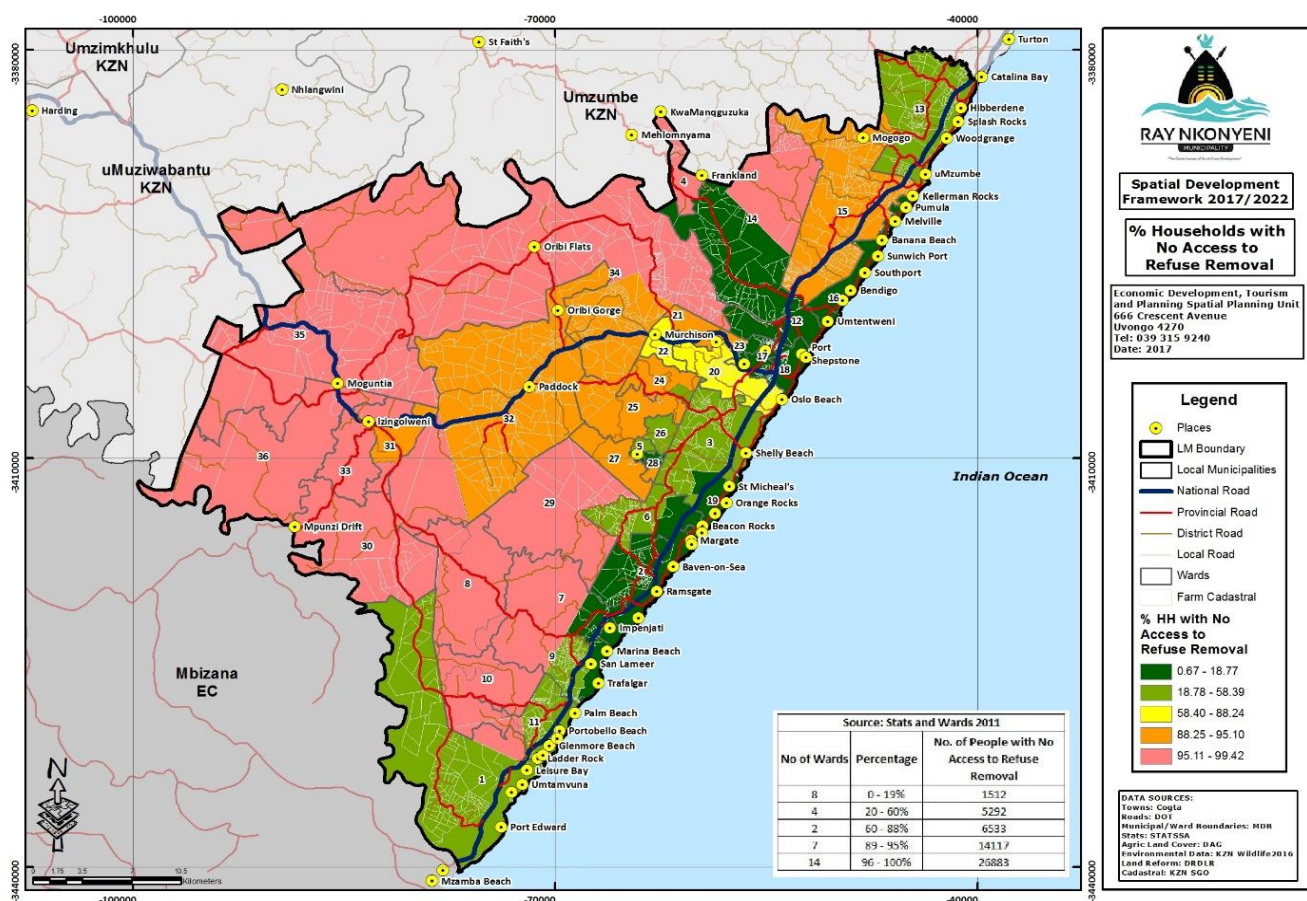
4.6.3.2 Waste collection backlog and needs

Almost all rural wards except for Ward 1 within the municipality have a backlog in the collection of waste. There are areas, however, with urgent needs to have solid waste removal programme implemented. These areas are semi-rural and currently do not have the programme. These areas include;

- Bhobhoyi
- Murchison
- Qina bout and Kwa Xaba
- Gcilima

Below is a map showing waste disposal backlogs as well as waste disposal areas of needs.

Map 18: Waste disposal backlog



4.6.3.3 Access to refuse removal services

Information obtained during Census 2011 indicates that many households have their own dumping sites in semi-rural areas. This has had bad repercussions in terms of health is concerned. Usually these areas are open spaces and the dumping is not controlled and when heavy rains come, the refuse is washed into rivers resulting in diseases for those communities drinking the running water. The municipality has a waste removal unit which sees to it that the refuse is collected on weekly basis.

The numbers of households which have no refuse removal at all have been increasing throughout the years. In 1996 only 2328 households had no access to refuse removal and the number increased to 3519 and then decreased again in 2011 to 2393. These figures basically suggest, there is still no improvement since 1996 and the municipality has to ensure that this backlog is addressed. Currently there are programmes that are still underway aimed at addressing rural areas in terms of collecting refuse because currently there is none. This suggests that in migration is not only from rural to urban, but population growth is rural areas as well.

i. Basic refuse removal service

National domestic waste collection standards, 2013. The above policies give guidance on collection of refuse for households in the jurisdiction of the municipality. It should be noted that on-site disposal is an option where travelling distances and the resulting costs may render regular waste collection services impractical hence the recorded 2393 households with no access to refuse collection services is not a major factor. The highly affected areas are the peri-urban areas with no access to the service whatsoever. The Municipality plans to address this issue through EPWP and CWP programmes.

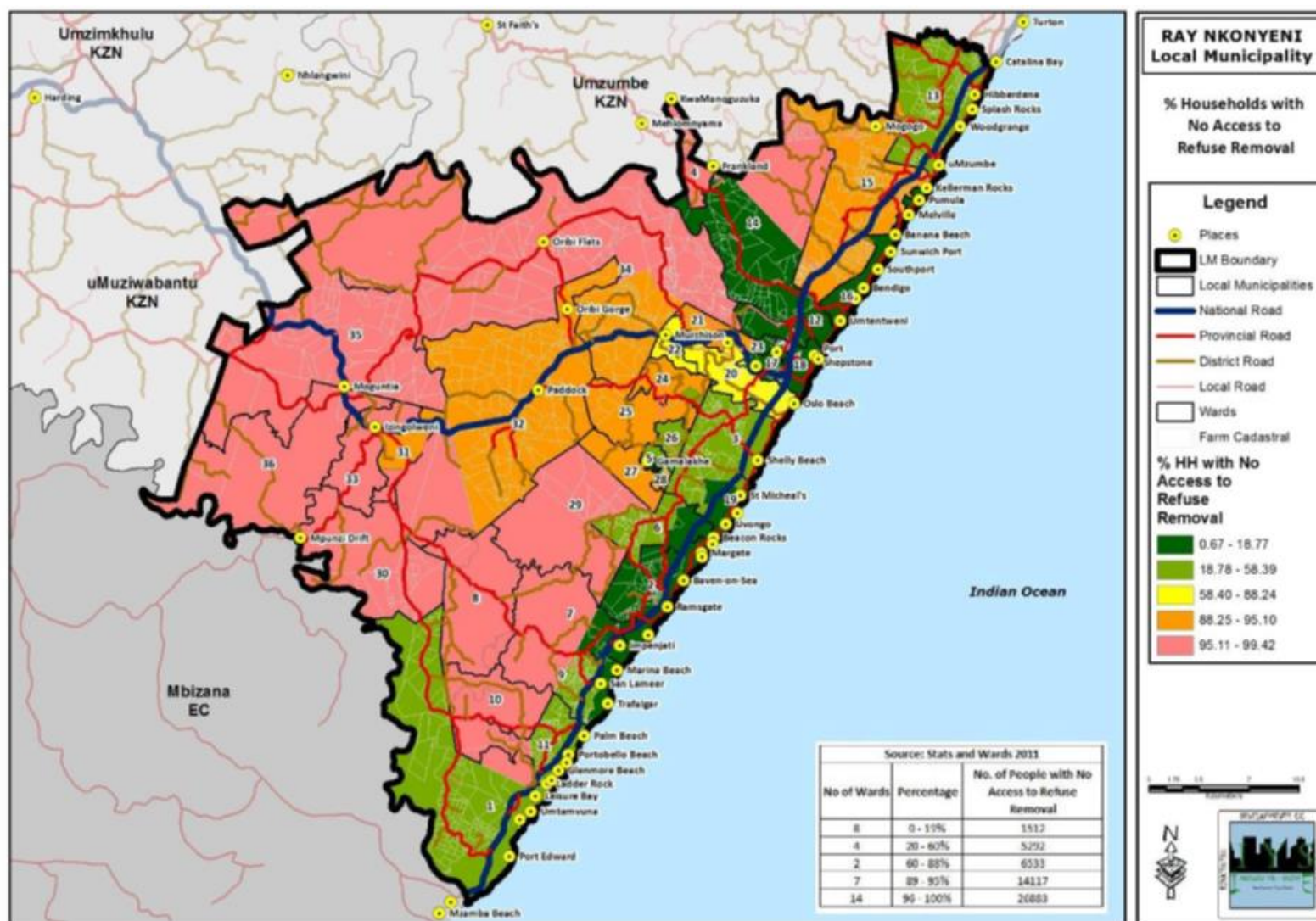
4.6.3.4 Refuse removal and landfill

The waste collection zones are in Hibberden, Port Shepstone, Margate, Ezingoleni, Sea Park, Port Edward, Sunwhich Port South Port and other coastal settlements. The municipality plans to extend the waste removal service to rural areas.

There are two unregistered landfill sites within the Municipality and these sites are located at Umtentweni and Hibberdene.

The map below shows the areas with access to refuse removal.

Map 19: Access to refuse removal



Source: RNM GIS UNIT 2017

4.6.4 TRANSPORTATION INFRASTRUCTURE

The road network in Ray Nkonyeni Municipality comprises of a hierarchical network of roads, being National, Provincial, District and local roads. While the National and the Provincial roads are generally in a good condition, the majority of rural District and local access roads are in poor condition. Most roads are in a deteriorating state both provincial and local roads, this can be contributed to the life span of the existing road networks and somehow can be contributed to the lack of regular maintenance of the road network. The high volume of heavy duty vehicles using the municipal roads is one of the main contributors to the deteriorating condition of the road network. A local integrated transport plan needs to be developed so proper transport planning can be done, explore other means of transportation modes using the existing resources and meet the current and future demands. Over and above the transport plan there is a need to develop an infrastructural development and maintenance plan which will have clear strategies and timeframes on infrastructure maintenance, capacity, etc.

The municipality is looking at developing an Integrated Local Transport Plan, and Roads Maintenance Plan. The Roads maintenance plan has been developed and currently a consultant has been appointed who has since developed a plan for all the wards. Currently there are discussions with Engineers who are assisting in analyzing the status of current roads networks. The municipality further needs to develop storm water plan on a yearly basis and ensure that storm water issues are addressed urgently.

The Municipality plans to implement a Public Transport Plan that will produce a spatially connected public transport network. This plan identifies intermodal facilities at strategic locations in the District. Port Shepstone is an example of such locations

4.6.4.1 Operational and Maintenance Plan

The Municipality has an operation and maintenance Plan. This is a 5 year plan which is reviewed yearly. This plan prioritizes roads linking to the CBDs and beaches as well as communities. Road names and sizes are listed in the plan. It also talks to what needs to be done in each road. Inter-modal transport facility is incorporated as a concept that aims to link all corridors to the R102 and Marine Drive Corridor that runs from Hibberdene to Port Edward.

4.6.4.2 Road linkages

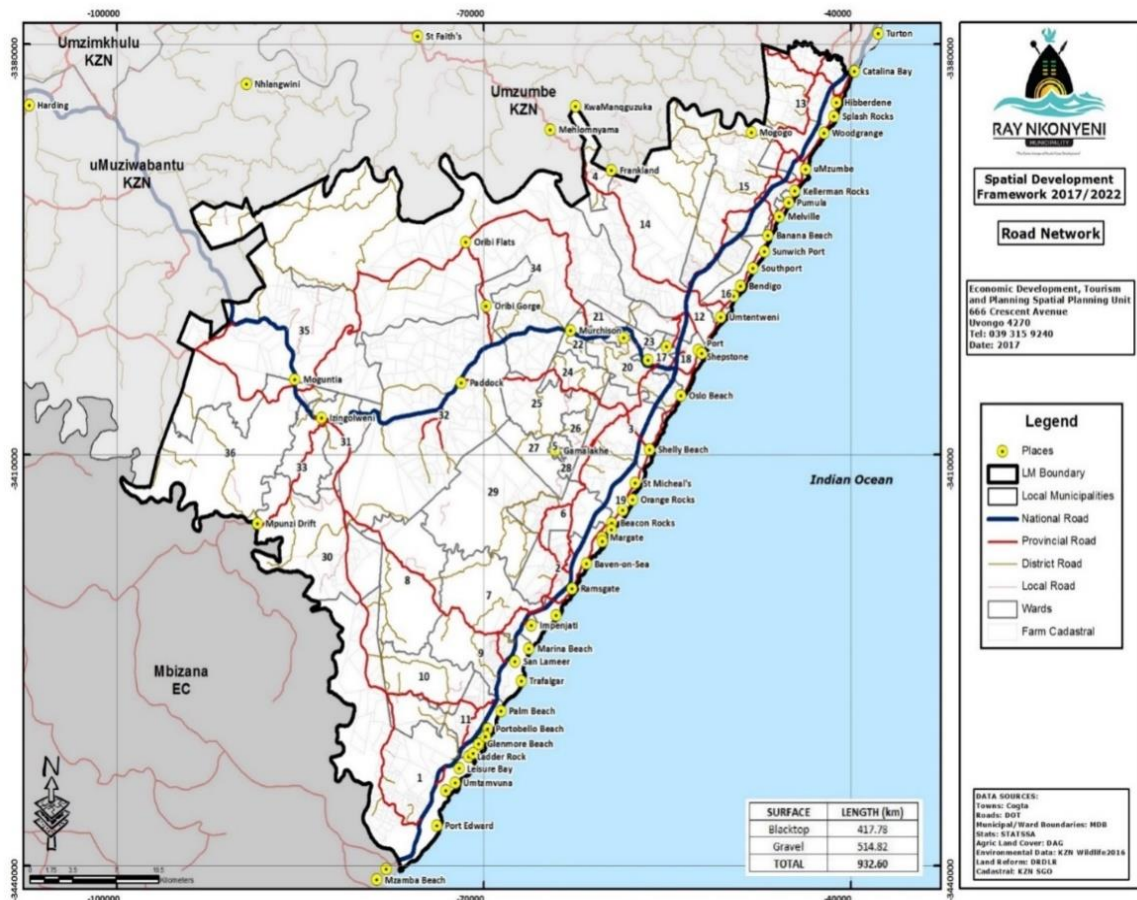
The municipality has different types of routes and these include the Mobility route (National road) which is the N2 and it cuts through the municipality, there is also the Coastal activity route (R61) which runs from Port Shepstone to Port Edward, there are Connector routes from the hinterland feeding to the provincial coastal road. Hibiscus Coast Municipality consists of two types of roads, namely gravel and tarred roads.

The municipality currently has a business plan for the upgrading of roads. The plan gives details around the number of roads that needs to be upgraded or constructed as well as the estimated cost. In terms of maintenance of existing roads, currently there

is a routine and periodic maintenance plan which provides details of minimum outputs for all maintenance activities on the existing road infrastructure and frequency of maintenance as well as the periodic maintenance plan which identifies roads needing reseals and gravelling.

Most roads run from the North direction to the South direction with the exception of the National Road (N2) which cuts through the municipality. The Provincial road, R102, runs from Hibberdene parallel the N2 until Port Shepstone where the N2 deviates and run in the North direction out of the municipality's jurisdiction.

Map 20: Road network



Source: RNM GIS 2017

i. Arterial Roads

There are arterial roads within the municipality that feed the main roads and mostly are predominately surfaced (black-top). From Port Shepstone to Margate along the sea is the Marine Drive road and it also runs parallel the R61 which runs down to Port Edward. A number of arterial roads link the coast to the hinterlands as well. Three arterial roads join the R102 before Port Shepstone, and the rest join the R61 and Marine Drive after Port Shepstone respectively. There are no arterial roads that join the N2. Following is a summary of main arterial roads that link the hinterland and the coastal towns.

- The Station Road cuts through the hilly inland through Umzumbe, and join the R102 above the Umzumbe River
- The Rathman Drive road runs from hilly inland and joins the R102 at Ntwentweni.
- Stephen Road cuts through KwaMadlala and joins R102 just before Mayville.
- The Izotsha road runs from St Michaels through the Izotsha corridor up through KwaNdwalane and further inland
- P200 road offramps from the N2 at Marburg past Gamalakhe into South Broom. This road is also a link to a number of farms dotted along that area.
- Louis Botha Avenue road offramps from the R61 at Mpenjatithrough KwaNzimakwetri bal authority joining D869 further up.
- D 869 runs from Port Edward to Izingolweni

Roads along the Coast belt are in a good state as compared to those in the interior, however, the biggest challenge is potholes, but they are currently being addressed. The rail road is dysfunctional. Modes of transport consist of public mini taxis, which are very dominant and highly used by the public; there are also buses which ferry commuters from their residential areas which are predominantly in rural area to towns where many are employed. Another mode of transport is the small cabs which operate between towns and the urban edge areas.

Most roads in the interior are gravel and in total make 1200km. There are very few tarred roads there. The gravel roads are timeously maintained by being graded though it has proven very costly for the municipality. It should be noted that the Lower South Coast is prone to flooding, so during the rainy seasons most low level bridges are washed away and big potholes appear on the roads, and this is quite expensive to repair.

Tarred roads makeup to more than 850km throughout the municipality, and most of tarred roads are found along the Coastal belt. New roads and bridges in rural areas need to be constructed and those that already exist need maintenance as most of them are in undesirable conditions and some are inaccessible during rainy days. The map illustrates the types of road infrastructure within the municipality.

4.6.5 ENERGY

Eskom supplies electricity to most areas within the Municipality except for the Port Shepstone area, which is supplied by Ray Nkonyeni Municipality. Census data reveals that approximately 96% of the municipality's population has access to electricity. Other sources of energy include candles, paraffin, solar and gas.

Ray Nkonyeni Municipality holds an electricity distribution licence number NER/D/KZ216 from NERSA. KwaZulu Natal has thirty municipalities who are suppliers of electricity, and Ray Nkonyeni Municipality is one of them. The municipality currently provides electricity supply within Port Shepstone CBD, Albersville, Mbango, Marburg Industrial, Oslo Beach and Newtown. The municipality coordinates its network activities with Eskom. There are two bulk supply points at Marburg switching station and Port Shepstone substation, with an installed capacity of 25 MVA. It must

be noted that Port Shepstone area is exceeding the demand. Electrification is funded via the INEP Grant Funding DOE). The grant funding allocation for 2016/17 is R7 million.

i. Electricity constraints

The electricity network is constrained, with future load requirements in Port Shepstone and the surrounding areas increasing rapidly as a result of new office and commercial developments that are taking place in the area. New customer applications and new developments within the Port Shepstone distribution areas require electricity supply: additional capacity requirements are up to 10MVA. Eskom Port Shepstone substation has no capacity to accommodate any additional load as the 1X20MVA transformer is already loaded above its transformer rating.

ii. Operations and Maintenance Plan

The municipality has an Operation and Maintenance Plan. Basically, it entails preventative and routine maintenance of electrical infrastructure within the municipality. It is to be adopted in due course and reviewed yearly. Currently, the municipality does not have a Sector Plan.

4.6.5.1 Electricity supply options

Electricity network is constrained and is unable to meet future load requirements in Port Shepstone - there is an increase in number of new customer applications, new office and commercial developments. The municipality has a municipal wide electrification plan which aims at eliminating electrification backlog

Electricity supply options are being considered, that is, self-build by the RNM. The municipality will construct a new full specification 132/11KV, 2x40MVA at Port Shepstone substation at a new site/location. The long-term benefits is that the municipality can take supply from Eskom at 132kV: of which benefits are in terms of lower tariffs, asset ownership and project implementation time frames can be quicker than Eskom. The municipality will also construct a cable feed from Marburg Switching Station at an estimated cost of up to R 15 million. This option is the recommended network upgrade option as a short-term, immediate solution. It can address the municipality's immediate power constraints in the Port Shepstone CBD. It will make 5MVA available from the Eskom Marburg substation, to meet the forecasted load requirement in the short-term. Estimated project implementation is 6 to 12 months.

4.6.5.2 Electricity progress 2016/2017

The municipality aims at completing the below projects on the dates indicated. At Merlewood construction has started while in various wards an appointment of a contractor is in process.

Table 28: Electricity construction

2016/17 INEP ALLOCATION	R 10 600 000	STATUS	COMPLETION DATE
MERLEWOOD PHASE 1 - 66 CONNECTIONS	R 4 900 000	CONSTRUCTION IS IN PROGRESS	30 JUNE 2017
ELECTRICITY INFILLS IN VARIOUS WARDS	R 5 700 000	Appointment of Contractors is in Process	30 JUNE 2017

4.6.5.3 Access to Electricity

Some rural communities still require infrastructure connection and there is an infill backlog. The municipality has rolled out a plan to ensure that all wards with backlog infills are attended to. There has been a budget allocated for these constructions and below is a list of wards where these projects will be constructed.

Table 29: Projects ready for construction

PROJECTS AND WARDS	NO. OF CONNECTIONS	PROJECT COSTS	STATUS
WARD 29 AND WARD 5 INFILLS	307	R 3 755 941	PROJECT IS READY FOR CONSTRUCTION
FAIRVIEW WARD 13 AND DENVER WARD 14 AND CHIBINI WARD 15 INFILLS	607	R 10 646 360	PROJECT IS READY FOR CONSTRUCTION
WARD 25 INFILLS	709	R 5 281 312	PROJECT IS READY FOR CONSTRUCTION
WARD 26 QINABOUT AND EMTHINI	155	R 1 167 334	PROJECT IS READY FOR CONSTRUCTION
WARD 27 NOSITHA, EMBHOSHONGWENI AND EMQOLOMBENI	280	R 3 782 378	PROJECT IS READY FOR CONSTRUCTION
TOTALS	2058	R 24 633 325	PROJECTS READY FOR CONSTRUCTION

Below are wards with Projects that are at a Planning and Design stage.

Table 30: Electrification projects

PROJECT AND WARD	NO. CONNECTIONS	PROJECT COSTS (ESTIMATES)	STATUS
WARD 5, 7, 8, 28, 10, 11 ELECTRIFICATION / INFILLS	1 293	R 33 622 124	PLANNING AND DESIGN STAGE
WARDS 30 31 32 33 34 35 36 ELECTRIFICATION / INFILLS	1 716	T.B.D.	PRE-MARKETING, PLANNING AND DESIGN STAGE

4.6.5.4 Electrification Plan and Backlog

Pre-marketing and site investigations were done and it was identified that there is a total backlog of 7 142 infills and new electricity connections for households within some Ray Nkonyeni Municipality wards. Of these, 1840 connections were on constrained networks and depend on Eskom network upgrades and strengthening projects, and these have been handed over to Eskom for implementation. Detailed designs have been completed and are approved for a total of 2 178 connections that are ready for construction during 2016/17 and 2017/18. Planning and designs are in progress for the balance of 3009 connections in various wards. Below is a list of wards with the total number of connections that still need to be made, and it must be noted that RNM has backlogs in rural areas only.

Table 31: Electrification Plan and Backlog

WARD	AREAS	TOTAL NO. CONNECTIONS
5	KwaNzimakwe	221
7	Gcilima	135
8	Enkuthameni, Emphелеle, Ibhazabhaza. Okhalweni, Bulalinja	442
9	Various areas	175
10	Braemar, Nompondo, Enkulu, Woza, Enkomeni, Dozameli	205
11	Califonia , Ebuthongweni , Umgangathi, Thundeza, Ithongasi	233
13	Stickfarm, Fairview	231
14	KwaSilwane	150

14	Denver, KwaMadlala	321
15	Various areas (Chibini)	55
22	Murchison	51
23	Dujazana	363
25	Qinabout , Madwaleni , Goso , Mavundla, Msikaba, Mveveni, Nsangwini, Nkulu, KwaXaba Okhalweni	710
26	Ethangeni Ezitendeni Mthini Sideni	618
27	Mqolombeni Mbhoshongweni College KwaXaba Nositha Sgedleni	626
28	Tintown Besters	16
29	Mlonde, Bhashise, Mthombothi, Thelawayeka, Dingeton , Sunduza	201
30	Various areas	600*
31	Esidlidlini, Dlovinga, Izingolweni , Mbeni	145*
32	Shibase Manzamhlophe Kwezi Phezulu Shobeni Sgodane Phansi Mgawulane	198*
33	Various areas	236*
34	Various areas	89*
35	Godloza Shibe Hlomendlini	214*
36	Bhosiki Ridge Mansfield Mthavuna Zamani Mahlubini	234*
TOTAL NO. CONNECTIONS		7 142

Source: RNM Electricity unit

4.6.5.5 Household access to electricity in Ugu District

The community survey held recently show that a large percentage of households in the entire Ugu have in house conventional meter or prepaid electricity as compared to the other types of connections. Other sources of electricity within the entire Ugu District show low percentages.

Ray Nkonyeni has 10.6% of households with no access to electricity. This percentage is concentrated in rural areas though. Umzumbe municipality has 28% of households with no electricity access. This may be due to the steep topography in most parts of the municipality and the housing typology which is sparsely populated making it

expensive to construct infills. Umdoni has 18.7% of households with no electricity access. Also, survey shows that these backlogs are in rural areas. The table that follows show this information.

Table 32: Energy provision

Household access to electricity	In-house conventional meter or pre-paid	Other source of electricity	No access to electricity
KZN212 : Umdoni	75.5	5.9	18.7
KZN213 : Umzumbi	67.5	4.4	28
KZN214 : uMuziwabantu	89.1	2.2	8.6
KZN216 : Ray Nkonyeni	87.1	2.3	10.6
Ugu	81.7	3.3	14.8

Source: Statistics South Africa Community Survey 2016

4.6.5.6 Alternative Energy

The municipality should further try new innovations as means of alternative energy source. Some of the options could include solar power, wind generation, bio-mass and wave generation. The municipality is in a process of procuring a service provider who will provide Bioethanol gel, stoves, lamps to the communities that do not have access to electricity as yet over a three periods.

It is important for ESKOM to ensure that the energy capacity available within the municipality is utilize optimally to eliminate the electricity household, school and government institutions backlog.

i. Service delivery priority areas

A number of factors amongst which steep topography, insufficient funds as well as sparsely populated households, have contributed to service backlogs in some parts of the municipality's hinterland. It must be noted that former Ezinqoleni Municipality did not have the high masts programmes as former Hibiscus Coast, but that is being currently addressed by Ray Nkonyeni Municipality and is on the 2017/18 budget.

4.6.6 HUMAN SETTLEMENTS

In terms of human settlements, the distorted spatial structure of Ray Nkonyeni Municipality separates the people in the traditional areas from the opportunities at the coast. From a planning perspective, the intention is to eliminate the separation

of uses with the focus to ensure people have access to basic services which are close and more direct relationship with the economic and recreational areas at the coast.

The development of symbolic relationship between the coastal areas and the hinterland will result in the urbanisation and formalisation of the existing traditional and rural settlements. The formalisation of existing settlements will allow for the establishment of urban towns and villages within the hinterland.

At a National level, the view is that spatial planning of settlements should be reviewed with the intention that future settlement development should be that of Integrated Sustainable Human Settlement Development encompassing all levels of income as per policy.

Human settlement could be defined as: *the totality of the human community - whether city, town or village - with all the social, material, organizational, spiritual and cultural elements that sustain it. The fabric of human settlements consists of physical elements and services to which these elements provide the material support.*


The creation of sustainable human settlements is inevitably an objective for social development. It defines and conditions the relationship between where people live, play and work on the one hand, and how this occurs within the confines of the natural environment. It is one of the most visible and quantifiable indicators of the society's ability to meet one of its basic needs - shelter, and a pre-requisite for sustainable human development and economic growth. Future human settlement projects within the municipality should aim to achieve all of these development goals within the broader national housing delivery policy, and planning and service delivery program of the Municipality.

4.6.7 SETTLEMENT PATTERN

Settlement patterns largely reflects the spatial structure of the municipality and the dominance of Port Shepstone as an economic hub and regional service centre. A number of small urban settlements with some form of commercial nodes in strategic points are located along the coast. The majority of these comprises of freestanding units on relatively large plots. However, areas such as Margate are experiencing net increase in density as measured in terms of dwelling units per hectare because of redevelopment and growth of the tourism industry. At present, the coastal strip excludes low income households.

Gamalakhe Township located a few km west of Uvongo, in the outskirts of Port Shepstone is a former R293 township, and was developed during the apartheid era to accommodate black people working in Marburg and Port Shepstone. The area immediately outside of the township has developed into an expansive high-density peri-urban settlement or an unplanned extension of the township clearly demonstrating need for land to accommodate low-income households within the urban part of the Municipality. Similar settlement are found in Bhobhoyi, Murchison and along the main transport routes.

Settlement pattern in the rural hinterland reflects the general rural character of the area with scattered settlements forming themselves into webs. The location of these



settlements in space is highly influenced by the livelihood strategies such as access to arable land, reliable sources of water, grazing land, etc. Factors such as access to public facilities (schools, clinics, etc.), public transport routes and bulk services are fast emerging as critical factors in the growth and expansion of rural settlements. The following are some of the key features of rural settlement within the Municipality.

They have neither followed any predetermined spatial structure nor have they benefitted from 'formal' spatial planning. They are scattered in an unsystematic manner with limited (achieved by means of social facilities and access roads) if any linkages between the settlements.

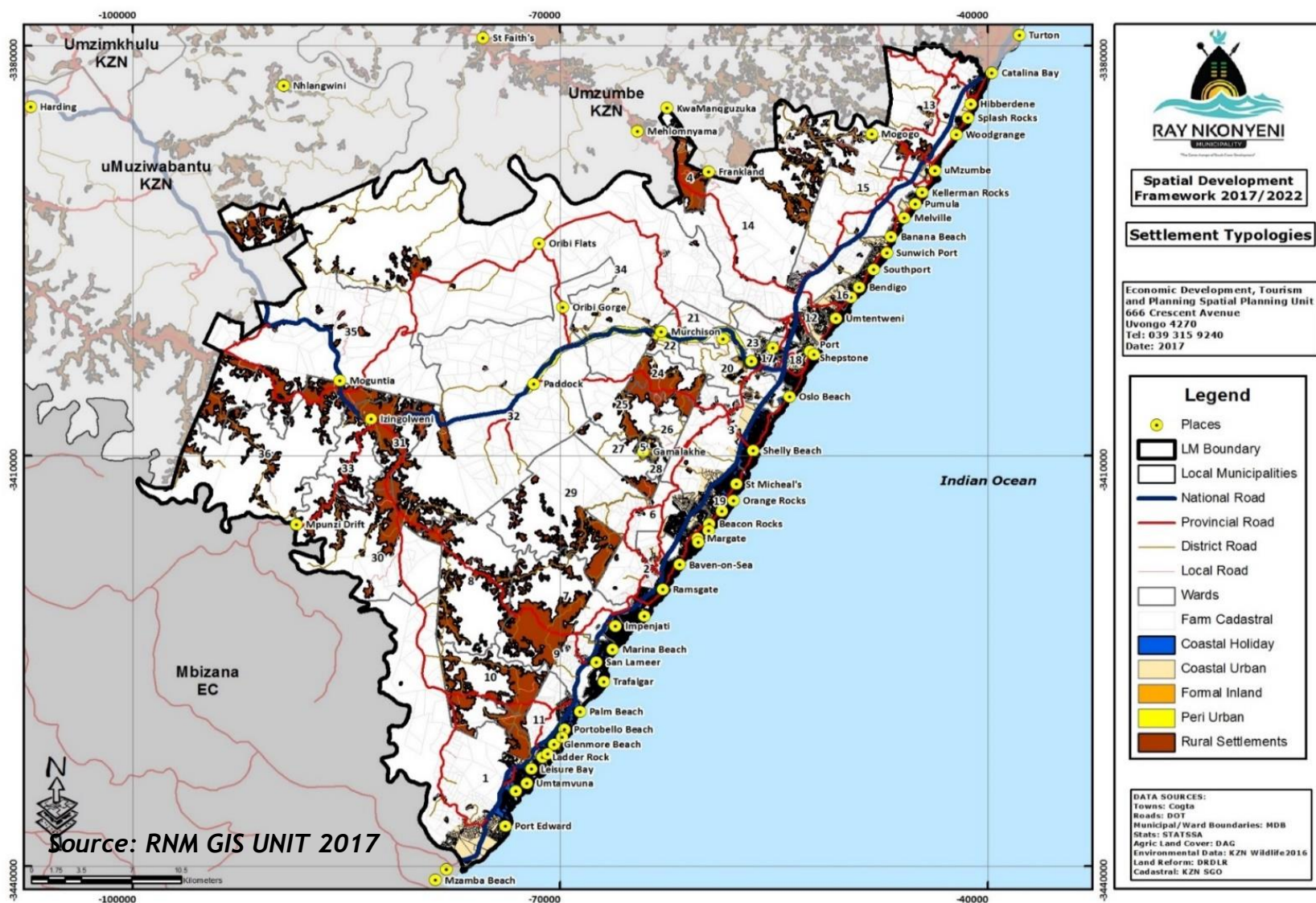
Land allocation is undertaken in terms of the traditional land allocation system, which is not based on any verifiable standards. As a result, site sizes for different land uses vary significantly.

Land use management is based on collective memory where members of the community collectively agree that a piece of land is earmarked for a particular use or belongs to someone.

They differ in size and density depending on location in relation to the above-mentioned factors. Relatively high-density settlements are found outside Gamalakhe and Murchison and along major transport routes.

The map below illustrates the settlement typologies within the municipality.

Map 21: Settlement typology



In areas with rugged terrain, settlements occur along ridgelines forming a continuous line which breaks where the area become very steep. Some of the households and/or public facilities are located on land that is not suitable for settlement purposes. These include steep slopes, unfavourable geotechnical conditions, floodplains and wetlands. None of these forms part of the factors taken into account when allocating land. The key challenge is to direct the location of these settlements and manage their expansion.

In terms of housing within urban development the concept of one site and one house should be reviewed due to the availability of developable land and demand. The drive should be high density, different housing typologies, and alternative technology/ designs.

4.6.8 Housing Needs

According to Stats SA, approximately 96 584 of households in Ray Nkonyeni Municipality are eligible for low cost housing subsidies based on income criteria. This includes about 30 494 of households who do not have access to disposable income and are therefore regarded as destitute. Approximately , 22 190 for social housing and Finance Linked Individual Subsidy Programme (FLISP). While social housing caters for those in need of rental accommodation, FLISP requires an individual beneficiary to access mortgage bond from a financial institution or pay the balance of the value of the house themselves. It targets first-time homebuyers earning R3 501 to R15 000 per month.

However, the actual need for housing opportunities between the income band R0 - R15000 can be only be determined once the Housing Need Register becomes fully functional within the municipality and applicants registering their need. Unfortunatley this programme can only be implemented once institutional funding support is received from the Provincial Department of Human Settlements.

The implementation of current projects , such as rural housing , and informal settlement upgrade is based on households living on the land being developed. With the implementation of the Integrated Residential Development Progamme, Social Housing and other Green field development, the Housing Needs Register will have to become operational for the selection of applicants. .

RURAL IN-SITU UPGRADING



INFORMAL SETTLEMENT UPGRADING (SLUM CLEARANCE)



4.6.9 POLICY PERSPECTIVE

In terms of National Policy, Government (NDP) reflects that by 2050 visible outcomes from effectively coordinated spatial planning systems will have to transformed human settlements into equitable and efficient spaces with citizens living in close proximity to work with access to social facilities and essential infrastructure.

The municipality undertakes to facilitate the provision of services including water, sanitation, electricity roads, storm water drainage and transport in an economical and efficient manner as part of the human settlement development process. In addition, the municipality participates in national housing programmes by acting as a developer. Further, the municipality has the powers to expropriate land for housing development if it is unable to buy the land from its owner in an open market.

Within this strategy, challenges faced are escalating, demand for serviced shelter, shortage of well-located public land for housing development, skewed residential property market and low densities within cities. The strategy also highlights short and long term goals which are to finalise the Human settlements white paper, accelerate the upgrading of informal settlements, prioritise the regeneration of the inner cities, provide more housing options ,finalise the devolution of the housing function (Accreditation of municipalites), promote densification, including supporting backyarding in formal development and low-cost Housing neighbourhoods, develop a national policy on inclusionary housing and Urban safety.

The municipal Council has also supported the facilitation of partnerships with regard to houses being built using alternative technology due to climate change and fiscal challenges.

The municipality has an approved Housing Allocation Policy. Its objective is to facilitate a fair, equitable, transparent and inclusive selection of applicants leading to approval for all housing development projects aimed at creating sustainable human settlements. This is achieved through determining housing needs with accurate data for planning purposes and meeting such needs (*housing needs register*), prioritize beneficiaries with special needs (*quota allocation*) , *housing for Military Veterans*

and a uniform and consistent approach when allocation housing opportunities that promotes good governance (*housing allocation committee*). The municipality is currently in the process of establishing the housing allocation committee and the housing needs register is subject to funding support from the PDoHS.

4.6.10 HUMAN SETTLEMENT PROGRAMMES & PROJECTS

Table 33: Programmes and projects

HOUSING PROGRAMMES AND PROJECTS	NUMBER OF HOUSING OPPORTUNITIES
<i>Total number of units completed</i>	7383
<i>Total number of units under construction phase</i>	7483
<i>Total number of units under planning phase</i>	11315
<i>Sub - Total</i>	26 181
<i>Future in terms of IRDP/ Social - mixed income housing</i>	1095
<i>Total number of housing opportunitites being created</i>	27276

Table 34: Programmes and stages

PROGRAMMES	TOTAL NUMBER OF PROJECTS	STAGES
Rural housing programme	16 projects	8 at planning stage 8 at impmentation stage
Informal settlement upgrading	3 projects	1 at planning stage 2 at implmentation
Greenfiedl housing programme	3 projects	1 at planning stage 2 at implementation
Financed linked indivuidual subsidy programme (FLIPS/Gap market)	2 projects	2 at concept/ feasibility stage
Rectification programme	1 project	1 at implementation stage
TOTAL	25 PROJECTS	

(Completed, planned and under construction)

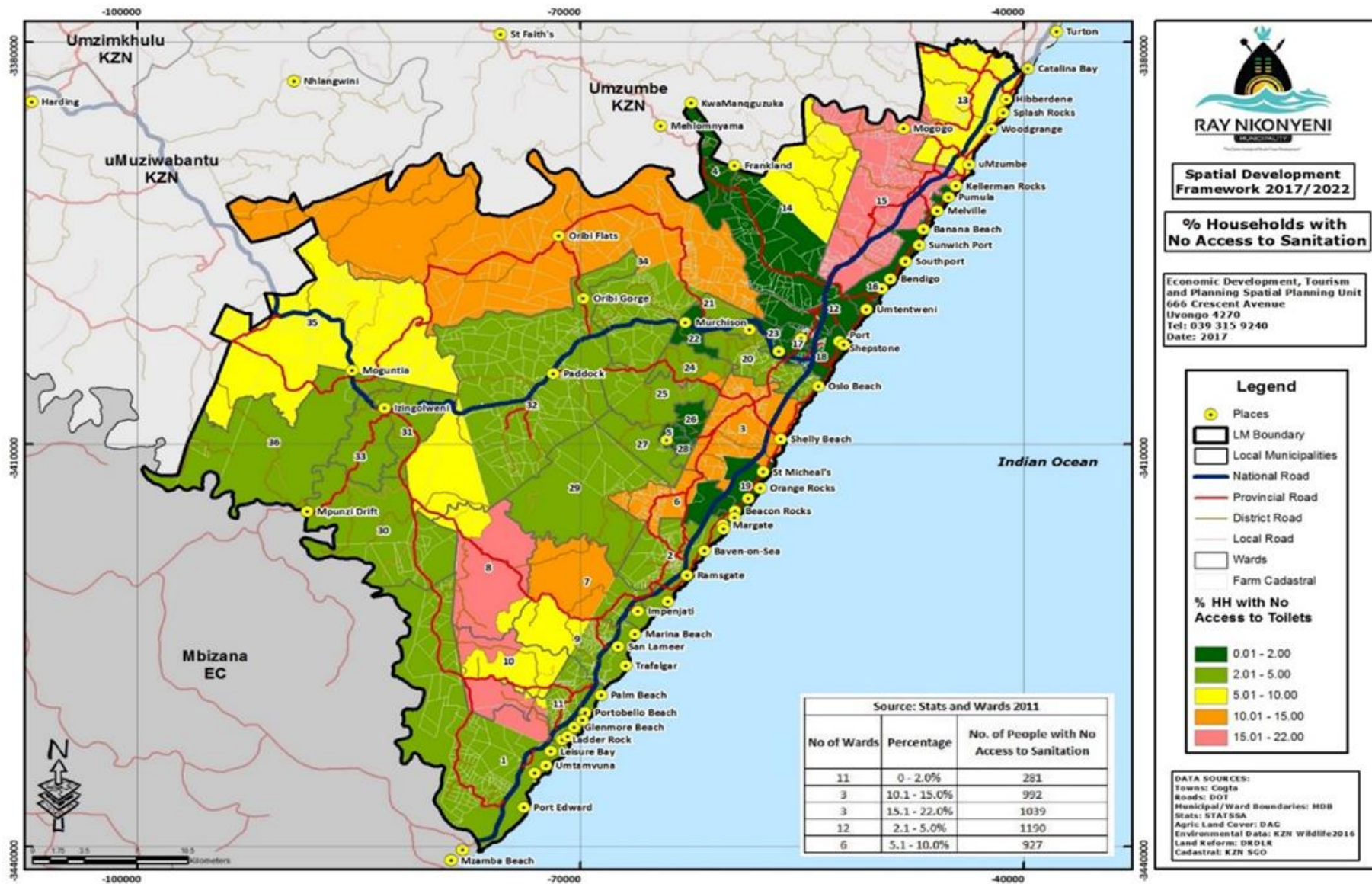
Table 35: Completed, planned and under construction projects

PROGRAMME	PROJECT	WARD	CLUSTER	PROJECT SIZE	DEVELOPMENT STAGE
COMPLETED PROJECTS					
Informal Settlement Upgrade (urban)	Louisiana	15	1	564	completed
Greenfield	Bhobhoyi Phase 1	20	3	699	completed
Greenfield	KwaLatshoda	1	7	1 813	completed
Rural Housing	KwaMavundla Rural Housing	17, 20, 25, 26 & 27	2, 3 & 4	1004	completed
Rural Housing	Vukuzithathe Phase1 (Nkulu & Mbeni)	33 and 36	1	1116	completed
Rural Housing	Vukuzithathe Phase 2 (Dlovinga)	31, 33 & 36	1	1000	completed
Rural Housing	KwaNyuswa Phase 1 (Mahlabathini & Thonjeni)	34	1	1000	completed
Sukuma Sakhe	KwaMadlala	14	2	51	completed
Emergency Assistance	June 2008 Disaster Housing	Various	Various	98	completed
Emergency Assistance	Disaster Housing (Brocon)	Various	Various	38	completed
INFORMAL SETTLEMENT UPGRADE PROGRAMME					
Urban	Masinenge	3	5	882	construction
Urban	Mkholombe	20	3	1000	planning
Urban	Bhobhoyi Phase 11	20	3	1098	planning
Rural	KwaMadlala	14	2	1000	construction
Rural	Oshabeni (Phase (1)	4 and 12	2	500	construction
Deep Rural	KwaNdwalane	24 and portions	3	1 000	construction

		of wards 3, 20, 21, 22, and 23			
Deep Rural	KwaNdwalane (Peri-urban)	Portions of wards 20, 21, 22, and 23	3	1 000	Planning
Rural	Gamalakhe (insitu-upgrade)	Portions of wards 25, 26, 27, and 28	4	2000	planning
Rural	KwaMavundla (additional)	Portions of wards 25, & 27	4	100	Construction
Rural	KwaXolo (Phase 11)	7 and 9	6	1000	construction
Rural	KwaXolo (Phase 2)	5, 8, and 29	6	1000	construction
Rural	KwaNzimakwe (phase 1)	8, 10 and 11	7	500	construction
Rural	KwaNyuswa Phase 2 - WoSiyane /Nkulu	34	1	1000	Planning
Rural	KwaNyuswa Phase 2 - Bloese	35	1	1000	Planning
Rural	Mthimude Phase 2- Hlomendlini /Bhosiki	35	1	1000	Planning
Rural	Mthimude Phase 2- Shibe	35	1	1000	Planning
Rural	Vukuzithathe Phase 3- Ngawusheni / Bdlazi	30	1	1000	Planning
Rural	Vukuzithathe Phase 3- Bandlana /Shobashobane	30,31 and 33	1	1000	Planning
Rural	Mthimude Phase 1	36	1	1000	construction

GREENFIELD					
Greenfield	Merlewood Mixed income housing	17	2	228	construction
Greenfield	Lot 7 Albersville	12	2	40	future planning
			c		
MIDDLE INCOME HOUSING					
Greenfield	Merlewood Middle Income housing	17	2	177	planning
RECTIFICATION - CURRENT PROJECTS					
Rectification - Pre- 1994	Gamalakhe Rectification	26 and 28	4	273	construction
OTHER MEDIUM OF HOUSING PROVISION					PLANNING
IRDP- Mixed Income Housing	Marburg settlement (5344)	20	6	164	20 sites for Military Veteran
IRDP- Mixed income Housing	Disposal of Council owned Services Sites	12,17 and 18	6 & 7	350	Variety of housing Typology and increased density
IRDP-Mixed Income Housing	Lot 1561- Shelly Beach	3	4	300	Variety of housing Typology and increased density
IRDP Mixed income Housing	Portion 15 (of 17) Portion 16 (of 7) and the remainder of 7 of the farm Success no 7108	22	5	281	Variety of housing Typology and increased density

Map 22: Current and planned housing projects



Source: RNM GIS UNIT 2017

4.6.11 Land for future settlement development (Greenfield and IRDP)

The following land parcels have been identified for the implementation of the Integrated Residential Development Programme (IRDP), mixed income housing, different income groups, variety of housing typology and densities. Some of the land parcels are in the acquisition process.

Table 36: Integrated Residential Development Programme

PROPOSED USAGE	OWNER/SELLER/ AGENT	PROPERTY DESCRIPTION	PROPOSED DEVELOPMENT & STATUS
Future housing developments (different density and typologies)	Mr Dammont	Portion 15 (of 7), Portion 16 (of 7) and Remainder of 7 of the Farm Success No. 7108 - (Twin Stream Estate Pty (Ltd.))	<p>The property measures 25.22 hectares.</p> <p>The site has already obtained DFA.</p> <p>The property can yield 281 residential sites, 1 multi-use retail (commercial site), 7 public open spaces, 1 crèche, 1 worship site, 1 parking site and 11 public roads.</p> <p><i>The PDOHS is currently in the process of acquiring the site</i></p>
Future housing developments (different density and typologies)	Mr NV Chetty	Portion 8 (of 4) of the Farm Louisiana No. 3239, Portion 46 (of 7) of the farm Louisiana No. 3239 and Portion 34 of the Farm Sanderstead No. 15566 -	<p>The property measures 88.35 hectares.</p> <p>The property can yield 557 residential sites, 1 worship site, 1 education site, 1 crèche, 1 commercial site, 5 public open spaces and 7 conservation sites.</p> <p><i>The PDOHS is currently in the process of acquiring the site</i></p>
Future housing developments (different density and typologies)	Ugu District Municipality	Erf 2554 Marburg and Rem 1627 - (Ugu District Municipality)	As this stage there is no approved layout plans
Integrated Residential Housing Programme	Mr Frik Pieterse Mr MM Gumede	Portion 1 of Lot 7 Marburg Settlement 5344 - (Mr Frik Pieterse)	<p>The site has been planned, surveyed, and serviced.</p> <p>The property yields 164 sites which have been</p>

(mixed income housing)		Lot 5 Marburg Settlement No. 5214 - (Mr MM Gumede)	<p>served of which 20 sites will be considered for Military Veterans.</p> <p>The property measures 40.46 hectares</p> <p><i>The PDOHS has acquired the site with conditions</i></p>
Integrated Residential Housing Programme (mixed income housing)	Mr Tony Kay	<p>Consolidated Lot 1561 Shelly Beach. - (Mr Tony Kay).</p> <p>The property is located 6 km from the town of Port Shepstone towards Shelly Beach, 500m from Esayidi FET College's Oslo Beach Campus; it is next to South Coast Mall, 2km from Shelly Beach Industrial Area, and 400m from the proposed High-tech College. The property is situated right in the heart of Shelly Beach area.</p>	<p>The site has been planned, surveyed, and serviced</p> <p>The property measures 88 hectares.</p> <ul style="list-style-type: none"> - The ROD and DFA are both in place and the Township is Registered - The property can yield 335 residential sites plus 200 to 300 flats. But by rezoning two of the four phases to General Residential 3, you can reduce the number of sites to 180 but build an extra 678 flats to create a mixed use development e.g. Conubia in the North Coast of KwaZulu Natal Province - There is no commercial site on the property, 5 private open spaces, 1 proposed crèche, 1 proposed place of worship, and 5 private roads - The property is serviced with Roads & Storm water , Water, Electricity & Sewer - Development can start immediately <p>The Development will create about a 1000 jobs during construction and 3000 permanent jobs post construction.</p>
Integrated Residential Housing	Parry Anthuriums cc T/A/Orgi Nursery	Erf 21, Portion 1, Margate (1.4758	Site will be required for extension of Masingenge

Programme (mixed income housing)		hectares).Rem ainder of Eft 21, Margate , (4407 meter square) . Remainder of Erf 2709, Margate (1384 meter Square)	slums Clearance Housing Project. Still to be undertaken- Feasibility study/valuation/bulk infrastructure/ planning/funding.
Future housing developments (different density and typologies)	Mr Chinnasami	The farm Lot 1 Marburg Settlement No, 5213 (20 2343 Hectares)	Still to be undertaken- Feasibility study/valuation/bulk infrastructure/ planning/funding.
Future housing developments (different density and typologies)	Mr SG &HA Moodley	Remainder - Remainder of Erf 2177, Marburg (15198 hectares)	Still to be undertaken- Feasibility study/valuation/bulk infrastructure/ planning/funding.

4.6.12 Social Housing Development (Rental)

The National and Provincial Department of Human Settlements has approved a restructuring Zone within Ray Nkonyeni Municipality for the development of social housing. Social housing in the form of rental offers different housing typology and density to address the housing need. It caters for the working class and such accommodation are close to social and economic opportunities. Social Housing Institutions (Section 21 Company) undertakes the development of rental stock which they manage such stock, thus the Municipality can enlist such institutions for undertake the role. The following sites within the restructuring zones have been approved at a Provincial /National level and is awaiting to be gazetted.

- Rem 26 of erf 4939 & 4941 Marburg
- Erf 2319 Marburg

Illustration 10: Social housing development



4.6.13 Institutional Capacity

The municipality is accredited through delegation to carry out the level 1 housing function which involves, policy, planning, subsidy budget planning, allocation process and priority programme / management. The municipality is also carrying out the level 2 housing function which involves full programme management, subsidy and property management. The municipality is still to be accredited for the level 2 housing function. Operational funding is only being received for Level 1 function. The Implementation of all housing programmes and projects and the number of sites serviced and top structures built is totally depended on the amount of Human Settlement Grant funding being made available annually by Government.

The key focus in the future for the housing delivery programme will be Informal Settlement Upgrading (Urban & Rural), Integrated Residential development (mixed income housing), social housing (rental) and disposal of serviced sites (FLIPS). However due to National fiscal challenges the role out of these programmes are subject to the timeous provision of Human Settlement Grant Funding , the acquisition of developable land and funding provision /availability of bulk infrastructure services.

4.6.14 Slums clearance

The informal settlements are:

- Bhobhoyi Phase 2 with 1100 households.

- Louisiana with 1000 households.
- Masinenge with 1542 households.
- Mkholombe with 1600 households.

The following spatial planning directives will be applied in the implementation of slums clearance projects:

- Mapping and assessment of informal settlements to establish whether they can be upgraded Insitu or requires relocation.
- Develop and introduce a land invasion policy as a means to prevent development of new and expansion of the existing informal settlements

4.7 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS

4.7.1 EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of Ray Nkonyeni Municipality's Budget is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainability, economically and equitably to all communities.

Ray Nkonyeni local Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 78 and 79 were used to guide the compilation of the 2016/17 MTREF which indicates the following amongst other things: guidance on budgeting for municipalities affected by redetermination of boundaries.

4.7.2 MFMA CIRCULARS

National Treasury sent out MFMA Circular No. 82 and 86 providing guidance to municipalities on their 2016/17 budgets and Medium Term Revenue and Expenditure Framework (MTREF). Circular 66 was followed up by Circular no.67 dated 12 March 2013. Circular No. 66 & 67 reminds us of the key focus areas for the 2016/2017 budget process, and that it must be read together with MFMA Circulars no. 48, 51, 54, 55, 58 and 59. It is essential reading material in order to understand the background to this budget. National Treasury has also set out the requirements for funding the budget and producing a credible budget.

4.7.3 FUNDING THE BUDGET

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash-backed accumulated funds from previous years' surpluses not
- Committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17(2).

Achievement of this requirement in totality effectively means that a Council has surplus in its budget by ensuring that a budgeted outflow does not exceed planned inflows.

Under old budget formats income generated approach was a key objective and this assisted in ensuring that outflows were matched by inflows, provided revenue collections were realistic. However, GRAP compliant budgets necessitate that budget 'balancing' be much more comprehensive.

New budgeting and accounting formats demand that the budgeted Statement of Financial Performance, the Budgeted Statement of Financial Position and the Budgeted Statement of Cash Flows must be considered simultaneously to ensure effective financial management and sustainability.

4.7.4 A CREDIBLE BUDGET

Amongst other things, a credible budget is a budget that:

- Funds only activities consistent with the revised IDP and vice versa ensuring
- the IDP is realistically achievable given the financial constraints of the municipality;
- Is achievable in terms of agreed service delivery and performance targets;
- Contains revenue and expenditure projections that are consistent with
- Current and past performance and supported by documented evidence of future assumptions;
- Does not jeopardize the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and
- Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

A budget sets out certain service delivery levels and associated financial implications. Therefore the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic.

Furthermore, budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget.

The main challenges experienced during the compilation of the Budget 2016/17 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads and electricity infrastructure;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost and electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff

increases are not sustainable - as there will be point where services will no-longer be affordable;

- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;

The following budget principles and guidelines directly informed the compilation of the 2017/18 Budget:

- The 2015/16 Adjustments Budget priorities and targets for disestablished municipality's, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2016/17 budget;
- Audited AFS for 2015 for both municipalities were also used as a guide for the compilation of the 2016/17 Budget.
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;

The 2016 Division of Revenue Bill issued on 18 February 2016 and a revised that details the allocations that the municipality need to be reflected in the budget Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazette as required by the annual Division of Revenue Act;

The relevant policy developments in the different sectors proposals from the National Energy Regulator of South Africa (NERSA). Macroeconomics forecast has been taken onto account when preparing the salaries budget, the current CPI plus 1 percent for 2017/18 financial year.

The upper limit was set for the following items and allocations to these items had to be supported by a list and/or motivation setting out the intention and cost of the expenditure which was used to priorities expenditures:

- Special Projects;
- Consultant Fees;
- Furniture and office equipment;
- Special Events;
- Refreshments and entertainment;
- Ad-hoc travelling; and
- Subsistence, Travelling & Conference fees

In view of the aforementioned, the following table is a consolidated overview of the proposed 2017/18 Medium-term Revenue and Expenditure Framework.

Table 37: 3 Year synopsis consolidated overview

KZN216 Ray Nkonyeni - Table A1 Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands										
Financial Performance										
Property rates	-	-	-	345,276	345,102	345,102	-	358,959	380,551	403,384
Service charges	-	-	-	183,536	175,536	175,536	-	166,659	176,658	187,258
Investment revenue	-	-	-	6,822	4,535	4,535	-	3,400	3,604	3,820
Transfers recognised - operational	-	-	-	200,962	202,662	202,662	-	217,730	218,711	222,685
Other own revenue	-	-	-	100,630	94,450	94,450	-	83,259	63,504	67,314
Total Revenue (excluding capital transfers and contributions)	-	-	-	837,226	822,285	822,285	-	830,008	843,028	884,461
Employee costs	-	-	-	337,347	359,690	359,690	-	349,616	370,593	392,829
Remuneration of councillors	-	-	-	25,448	25,448	25,448	-	26,974	28,593	30,308
Depreciation & asset impairment	-	-	-	70,058	70,658	70,658	-	70,658	74,961	79,517
Finance charges	-	-	-	4,373	4,086	4,086	-	4,286	4,543	4,815
Materials and bulk purchases	-	-	-	136,879	130,851	130,851	-	124,208	138,887	148,149
Transfers and grants	-	-	-	10,393	10,393	10,393	-	9,945	10,481	11,050
Other expenditure	-	-	-	251,896	305,040	305,040	-	309,038	309,488	328,057
Total Expenditure	-	-	-	836,394	906,166	906,166	-	894,725	937,547	994,726
Surplus/(Deficit)	-	-	-	832	(83,881)	(83,881)	-	(64,717)	(94,519)	(110,265)
Transfers and subsidies - capital (monetary allocated)	-	-	-	121,838	82,280	82,280	-	98,202	102,880	130,103
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	-	-	122,669	(1,600)	(1,600)	-	33,485	8,361	19,838
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	-	-	122,669	(1,600)	(1,600)	-	33,485	8,361	19,838
Capital expenditure & funds sources										
Capital expenditure	-	-	-	146,428	153,311	153,311	-	132,788	140,755	149,201
Transfers recognised - capital	-	-	-	126,498	141,701	141,701	-	98,202	102,880	130,103
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	19,930	11,610	11,610	-	34,586	37,875	19,097
Total sources of capital funds	-	-	-	146,428	153,311	153,311	-	132,788	140,755	149,201
Financial position										
Total current assets	-	-	-	326,888	315,087	315,087	-	308,809	319,258	348,576
Total non current assets	-	-	-	1,505,796	1,512,500	1,512,500	-	1,573,691	1,638,342	1,707,897
Total current liabilities	-	-	-	166,571	166,571	166,571	-	169,740	179,460	188,741
Total non current liabilities	-	-	-	116,715	117,513	117,513	-	117,513	114,776	113,990
Community wealth/Equity	-	-	-	949,443	1,543,503	1,543,503	-	1,595,247	1,663,364	1,753,741
Cash flows										
Net cash from (used) operating	-	-	-	173,977	128,145	128,145	-	93,711	92,276	91,377
Net cash from (used) investing	-	-	-	(146,428)	(145,645)	(145,645)	-	(126,149)	(98,290)	(75,563)
Net cash from (used) financing	-	-	-	800	800	800	-	(5,722)	(4,724)	1,050
Cash/cash equivalents at the year end	-	-	-	28,349	(16,700)	(16,700)	-	57,145	46,407	63,271
Cash backing/surplus reconciliation										
Cash and investments available	-	-	-	103,906	95,305	95,305	-	57,145	46,407	63,271
Application of cash and investments	-	-	-	(109,599)	(102,162)	(102,162)	-	4,742	22,758	3,682
Balance - surplus (shortfall)	-	-	-	213,505	197,467	197,467	-	52,403	23,648	59,588
Asset management										
Asset register summary (WDV)	-	-	-	1,387,309	1,394,013	1,394,013	235,621	235,621	235,621	235,621
Depreciation	-	-	-	70,058	70,658	70,658	70,658	70,658	74,897	79,391
Renewal of Existing Assets	-	-	-	-	-	-	-	9,865	4,805	2,965
Repairs and Maintenance	-	-	-	54,052	50,139	50,139	43,959	43,959	46,596	49,392
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	44,403	47,375	47,375	87,064	87,064	92,288	97,825
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Total operating revenue is R830 million and increase by R13 020.8 million over the MTREF.

Total operating expenditure for the 2017/18 budget will be R894.7 million and overall budgeted performance is showing a surplus of R12.8 million. The budget performance also include non-cash item for depreciation and asset impairment to the value of R71 million.

Capital expenditure for the year as per the budget amounts to R132.8 million. This budget is funded through transfer's recognized capital and internal funds.

4.7.4 OPERATING REVENUE FRAMEWORK

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

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 100 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 establishing/calculating the revenue requirement of each service;

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;
- The municipality's Indigent Policy and rendering of free basic services; and
- The following table is a summary of the 2017/18 MTREF (classified by main revenue source):

Table 38: Summary of revenue classified by main revenue source

KZN216 Ray Nkonyeni - Table A1 Budget Summary

Description R thousands	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Financial Performance										
Property rates	-	-	-	345,276	345,102	345,102	-	358,959	380,551	403,384
Service charges	-	-	-	183,536	175,536	175,536	-	166,659	176,658	187,258
Investment revenue	-	-	-	6,822	4,535	4,535	-	3,400	3,604	3,820
Transfers recognised - operational	-	-	-	200,962	202,662	202,662	-	217,730	218,711	222,685
Other own revenue	-	-	-	100,630	94,450	94,450	-	83,259	63,504	67,314
Total Revenue (excluding capital transfers and contributions)	-	-	-	837,226	822,285	822,285	-	830,008	843,028	884,461

Revenue generated from rates, services charges and transfers from grants forms a significant percentage of the revenue basket for the municipality. Rates, service charge revenues and transfers and grants comprise more than two thirds of the total revenue mix.

In the 2017/18 financial year, revenue from rates, services charges, other revenue and transfers and grants totalled R830.0 million. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity.

Property rates are the first largest revenue source totalling R359 million rand in 2017/18. The second and third largest sources are revenue from transfers and grants operational followed by service charges which are R217.7 million and R166.7million respectively.

Other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, transport fees and advertisement fees. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Table 39: Operating Transfers and Grants Receipts

KZN216 Ray Nkonyeni - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		-	-	-	188,598	188,598	188,598	201,028	203,012	205,593
Local Government Equitable Share					165,774	165,774	165,774	175,556	184,983	191,993
Finance Management					3,450	3,450	3,450	3,600	3,600	3,600
Integrated National Electrification Programme					7,000	7,000	7,000	14,000	14,429	10,000
EPWP Incentive					2,660	2,660	2,660	3,306	-	-
Municipal Demarcation Transition Grant					9,714	9,714	9,714	4,566	-	-
Provincial Government:		-	-	-	12,365	14,065	14,065	16,702	15,699	17,092
Accreditation Grant					3,378	3,378	3,378	5,082	5,082	5,082
Museum Grant					344	344	344	350	368	386
Provincialisation of Libraries Grant					7,436	7,436	7,436	9,670	10,249	11,124
Community Library Service Grant					1,207	1,207	1,207	-	-	-
0						1,700	1,700	1,600	-	500
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	-	-	-	200,963	202,663	202,663	217,730	218,711	222,685

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

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement etc.

The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

4.7.5 PROPERTY RATES

National Treasury's MFMA Circular No. 58 and 59 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R85 000 and R50 000 reduction on the market value of a property for residential and vacant land categories respectively ,will be granted in terms of the municipality's own Property Rates Policy;
- 100 per cent rebate will be granted to registered indigents and child headed household in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons whose household income equal 2 state pensions, 4 state pensions and 6 state pensions will receive a rebate of 75%, 50% and 25 % respectively in terms of Rates policy.

Indigents, in terms of the indigent policy are exempt from paying rates if the value of the property is less than R320 000.00.

The categories of rate-able properties for purposes of levying rates the proposed rates increase for the 2017/18 financial year is 7 per cent and the table below reflect individual municipality tariff for rates since the new valuation and new tariffs will be implemented in 2017/18 budget year.

Table 40: Proposed rates increase

Description	Ref	Provide description of tariff structure where appropriate	2013/14	2014/15	2015/16	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
							Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Property rates (rate in the Rand)	1								
Residential properties						0.0254	0.0263	0.0272	0.0282
Residential properties - vacant land						0.0109	0.0113	0.0117	0.0121
Formal/informal settlements						-	-	-	-
Small holdings						0.0205	0.0212	0.0219	0.0227
Farm properties - used						0.0031	0.0032	0.0033	0.0034
Farm properties - not used						0.0023	0.0023	0.0024	0.0025
Industrial properties						0.0304	0.0314	0.0325	0.0337
Business and commercial properties						0.0304	0.0314	0.0325	0.0337
Communal land - residential						0.0005	0.0005	0.0005	0.0005
Communal land - small holdings						-	-	-	-
Communal land - farm property						0.0010	0.0011	0.0011	0.0011
Communal land - business and commercial						-	-	-	-
Communal land - other						0.0005	0.0005	0.0005	0.0005
State-owned properties						0.0050	0.0052	0.0054	0.0056
Municipal properties						-	-	-	-
Public service infrastructure						0.0038	0.0039	0.0041	0.0042
Privately owned towns serviced by the State trust land						0.0205	0.0212	0.0219	0.0227
Restitution and redistribution properties									
Protected areas									
National monuments properties									
Exemptions, reductions and rebates (Rands)									
Residential properties									
R15 000 threshold rebate			15,000	15,000	15,000	15,000	15,000	15,000	15,000

General residential rebate								
Indigent rebate or exemption								
Pensioners/social grants rebate or exemption								
Temporary relief rebate or exemption								
Bona fide farmers rebate or exemption								
Other rebates or exemptions	2							
Water tariffs								
Domestic								
Basic charge/ fixed fee (Rands/month)								
Service point - vacant land (Rands/month)								
Water usage - flat rate tariff (c/kl)								
Water usage - life line tariff	(describe structure)							
Water usage - Block 1 (c/kl)	(fill in thresholds)							
Water usage - Block 2 (c/kl)	(fill in thresholds)							
Water usage - Block 3 (c/kl)	(fill in thresholds)							
Water usage - Block 4 (c/kl)	(fill in thresholds)							
Other	2							
Waste water tariffs								
Domestic								
Basic charge/ fixed fee (Rands/month)								
Service point - vacant land (Rands/month)								
Waste water - flat rate tariff (c/kl)								
Volumetric charge - Block 1 (c/kl)	(fill in structure)							
Volumetric charge - Block 2 (c/kl)	(fill in structure)							
Volumetric charge - Block 3 (c/kl)	(fill in structure)							
Volumetric charge - Block 4 (c/kl)	(fill in structure)							
Other	2							
Electricity tariffs								
Domestic								
Basic charge/ fixed fee (Rands/month)								
Service point - vacant land (Rands/month)								
FBE	(how is this targeted?)							
Life-line tariff - meter	(describe structure)							
Life-line tariff - prepaid	(describe structure)							
Flat rate tariff - meter (c/kwh)								
Flat rate tariff - prepaid (c/kwh)								
Meter - IBT Block 1 (c/kwh)	(fill in thresholds)							
Meter - IBT Block 2 (c/kwh)	(fill in thresholds)							
Meter - IBT Block 3 (c/kwh)	(fill in thresholds)							
Meter - IBT Block 4 (c/kwh)	(fill in thresholds)							
Meter - IBT Block 5 (c/kwh)	(fill in thresholds)							
Prepaid - IBT Block 1 (c/kwh)	(fill in thresholds)							
Prepaid - IBT Block 2 (c/kwh)	(fill in thresholds)							
Prepaid - IBT Block 3 (c/kwh)	(fill in thresholds)							
Prepaid - IBT Block 4 (c/kwh)	(fill in thresholds)							
Prepaid - IBT Block 5 (c/kwh)	(fill in thresholds)							
Other	2							
Waste management tariffs								
Domestic								
Street cleaning charge								
Basic charge/ fixed fee								
80l bin - once a week								
250l bin - once a week								

4.7.6 SALE OF ELECTRICITY AND IMPACT OF TARIFF INCREASES

Considering the Eskom increases of 0.31%, the consumer tariff had to be increased by 6 per cent to offset the additional bulk purchase cost from 1 July 2017. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

4.7.7 WASTE REMOVAL AND IMPACT OF TARIFF INCREASES

The municipality has implemented a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to solid waste are maintenance on vehicles, increases in general

expenditure such as petrol and diesel and the cost of remuneration. Currently solid waste removal is operating at a surplus.

4.7.8 OTHER TARIFF OF CHARGES

Other tariff of charges such licenses and permits, town planning, fines and other revenue have been increased by 6 per cent and tariff of charges is attached as annexure.

It must be noted that the Town planning related tariffs were not increased in the 2017/18 financial year in order to promote economic development in Ray Nkonyeni Municipal area.

4.7.9 OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2017/18 budget and MTREF is informed by the following:

- Budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and

Table 41: Summary of operating expenditure

<u>Expenditure By Type</u>											
Employee related costs	2	-	-	-	337,347	359,690	359,690	-	349,616	370,593	392,829
Remuneration of councillors					25,448	25,448	25,448		26,974	28,593	30,308
Debt impairment	3				682	3,882	3,882		3,200	3,392	3,596
Depreciation & asset impairment	2	-	-	-	70,058	70,658	70,658	-	70,658	74,961	79,517
Finance charges					4,373	4,086	4,086		4,286	4,543	4,815
Bulk purchases	2	-	-	-	86,712	80,712	80,712	-	80,712	92,782	99,277
Other materials	8				50,167	50,139	50,139		43,496	46,105	48,872
Contracted services		-	-	-	38,179	49,168	49,168	-	50,412	53,440	56,646
Transfers and subsidies		-	-	-	10,393	10,393	10,393	-	9,945	10,481	11,050
Other expenditure	4, 5	-	-	-	213,035	251,990	251,990	-	255,425	252,656	267,816
Loss on disposal of PPE											
Total Expenditure		-	-	-	836,394	906,166	906,166	-	894,725	937,547	994,726

Table 42: Employee related costs details and Councillors

KZN216 Ray Nkonyeni - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages					23,580	23,580	23,580	23,736	25,160	26,669
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance										
Cellphone Allowance					1,374	1,374	1,374	1,637	1,735	1,839
Housing Allowances										
Other benefits and allowances					493	493	493	571	605	641
Sub Total - Councillors		-	-	-	25,448	25,448	25,448	25,943	27,500	29,150
% increase	4	-	-	-	-	-	-	1.9%	6.0%	6.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages					11,033	11,033	11,033	9,890	10,484	11,113
Pension and UIF Contributions					6	6	6	317	337	357
Medical Aid Contributions										
Overtime										
Performance Bonus					799	799	799			
Motor Vehicle Allowance	3									
Cellphone Allowance	3							114	121	128
Housing Allowances	3									
Other benefits and allowances	3				298	298	298	226	240	254
Payments in lieu of leave					74	74	74			
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		-	-	-	12,209	12,209	12,209	10,548	11,180	11,851
% increase	4	-	-	-	-	-	-	(13.6%)	6.0%	6.0%
Other Municipal Staff										
Basic Salaries and Wages					216,862	216,862	216,862	259,072	274,616	291,093
Pension and UIF Contributions					40,249	41,646	41,646	48,978	51,917	55,032
Medical Aid Contributions					20,860	20,992	20,992	26,050	27,613	29,269
Overtime					8,591	13,393	13,393	13,393	14,197	15,048
Performance Bonus					17,229	17,373	17,373	20,778	22,025	23,346
Motor Vehicle Allowance	3				11,525	11,996	11,996	13,908	14,743	15,627
Cellphone Allowance	3				1,937	2,073	2,073	701	743	787
Housing Allowances	3				3,043	3,128	3,128	2,409	2,554	2,707
Other benefits and allowances	3				7,598	8,388	8,388	11,495	12,184	12,915
Payments in lieu of leave					697	2,637	2,637	2,637	2,796	2,963
Long service awards					39	837	837	837	887	940
Post-retirement benefit obligations	6				161	10,278	10,278	10,278	10,895	11,548
Sub Total - Other Municipal Staff		-	-	-	328,791	349,602	349,602	339,069	359,392	380,935
% increase	4	-	-	-	-	6.3%	-	(3.0%)	6.0%	6.0%
Total Parent Municipality		-	-	-	366,448	387,258	387,258	375,560	398,072	421,936

The budgeted allocation for employee related costs, senior management and councillors for the 2017/18 financial year totals R349.6 million, which equals 39 per cent of the total operating expenditure. The salary increases have been factored into this budget at a percentage increase of 7 per cent for the 2017/18 financial year and also it must be noted that there are other line items within employee costs e.g. overtime, standby allowances, salaries temps, pension funds contributions which were not kept at 7 per cent increase as compared to basic salary increase.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the

Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R71 million for the 2016/17 financial and equates to 8 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (Cost of capital). Finance charges make up 0.5 per cent (R4.3 million) of operating expenditure budget excluding annual redemption.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The increase is 0.31 per cent as per NERSA Guidelines.

Repairs and maintenance comprises of amongst others the purchase of fuel, diesel, materials for maintenance, potholes, cleaning materials and chemicals. This group of expenditure has been prioritized to ensure sustainability of the municipality's infrastructure especially potholes. R43 million repairs and maintenance budgeted. Contracted services equal to 17.8 per cent of the expenditure budget and has been budgeted at R50.4 million. Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. The salient features of general expenses have been the following:

- Tertiary registration assistance R 750 thousand
- Insurance all assets R 2.7 million
- Subscriptions SALGA-R 700 000
- Ward committee allowance -2.2 million
- Back to School Campaign -R250 thousand
- Caucus Fees R204 thousand
- Youth Empowerment-R1.7 million
- Children's rights R120 thousand
- Senior Citizen R300 thousand
- People living with disability R139 thousand
- EPWP-R3.3 million
- Training and workshops R4.86 million
- Councilors training R250 thousand
- Security monitoring charges R12 million
- Refuse site disposal charges R5.9 million

- Refuse bags R2 million

10.8 Priority given to repairs and maintenance

During the compilation of the 2016/17 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the municipality's infrastructure and historic deferred maintenance especially roads . To this end, repairs and maintenance was R43 million. The municipality has an infrastructure maintenance plan to ensure that assets.

4.7.10 REPAIRS AND MAINTENANCE

The municipality currently stands at 4% in repairs and maintenance. This is due to the number of new projects that the municipality currently does and therefore no need for repairs

4.7.11 FREE BASIC SERVICES: BASIC SOCIAL SERVICE PACKAGE

The social package assists households that are poor or face circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy and the policy is reviewed annually. 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.

4.7.12 CAPITAL EXPENDITURE FRAMEWORK

Table 43: Capital expenditure by funding source

Funded by:											
National Government				57,817	57,817	57,817		62,615	66,187	69,956	
Provincial Government				68,681	83,885	83,885		35,587	36,693	60,147	
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	-	-	-	126,498	141,701	141,701	-	98,202	102,880	130,103
Public contributions & donations	5										
Borrowing	6										
Internally generated funds					19,930	11,610	11,610	34,586	37,875	19,097	
Total Capital Funding	7	-	-	-	146,428	153,311	153,311	-	132,788	140,755	149,201

The main source of funding of the 2017/18 Capital budget of R132.8 million is transfers recognized capital from National and provincial departments, followed by internally generated funds from reserves of R7.2 million. Capital projects are group per cluster, municipal wide and departmental. Ray Nkonyeni has 7 clusters and subject to review by new council total capital amounts to 129 million.

4.7.13 PART 2 MAIN BUDGET TABLES

- Annual Budget Tables

The following are the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations.

Table 44: MBRR Table 1 A1-Budget Summary

KZN216 Ray Nkonyeni - Table A1 Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands										
Financial Performance										
Property rates	-	-	-	345,276	345,102	345,102	-	358,959	380,551	403,384
Service charges	-	-	-	183,536	175,536	175,536	-	166,659	176,658	187,258
Investment revenue	-	-	-	6,822	4,535	4,535	-	3,400	3,604	3,820
Transfers recognised - operational	-	-	-	200,962	202,662	202,662	-	217,730	218,711	222,685
Other own revenue	-	-	-	100,630	94,450	94,450	-	83,259	63,504	67,314
Total Revenue (excluding capital transfers and contributions)	-	-	-	837,226	822,285	822,285	-	830,008	843,028	884,461
Employee costs	-	-	-	337,347	359,690	359,690	-	349,616	370,593	392,829
Remuneration of councillors	-	-	-	25,448	25,448	25,448	-	26,974	28,593	30,308
Depreciation & asset impairment	-	-	-	70,058	70,658	70,658	-	70,658	74,961	79,517
Finance charges	-	-	-	4,373	4,086	4,086	-	4,286	4,543	4,815
Materials and bulk purchases	-	-	-	136,879	130,851	130,851	-	124,208	138,887	148,149
Transfers and grants	-	-	-	10,393	10,393	10,393	-	9,945	10,481	11,050
Other expenditure	-	-	-	251,896	305,040	305,040	-	309,038	309,488	328,057
Total Expenditure	-	-	-	836,394	906,166	906,166	-	894,725	937,547	994,726
Surplus/(Deficit)	-	-	-	832	(83,881)	(83,881)	-	(64,717)	(94,519)	(110,265)
Transfers and subsidies - capital (monetary allocation)	-	-	-	121,838	82,280	82,280	-	98,202	102,880	130,103
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	-	-	122,669	(1,600)	(1,600)	-	33,485	8,361	19,838
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	-	-	122,669	(1,600)	(1,600)	-	33,485	8,361	19,838
Capital expenditure & funds sources										
Capital expenditure	-	-	-	146,428	153,311	153,311	-	132,788	140,755	149,201
Transfers recognised - capital	-	-	-	126,498	141,701	141,701	-	98,202	102,880	130,103
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	19,930	11,610	11,610	-	34,586	37,875	19,097
Total sources of capital funds	-	-	-	146,428	153,311	153,311	-	132,788	140,755	149,201
Financial position										
Total current assets	-	-	-	326,888	315,087	315,087	-	308,809	319,258	348,576
Total non current assets	-	-	-	1,505,796	1,512,500	1,512,500	-	1,573,691	1,638,342	1,707,897
Total current liabilities	-	-	-	166,571	166,571	166,571	-	169,740	179,460	188,741
Total non current liabilities	-	-	-	116,715	117,513	117,513	-	117,513	114,776	113,990
Community wealth/Equity	-	-	-	949,443	1,543,503	1,543,503	-	1,595,247	1,663,364	1,753,741
Cash flows										
Net cash from (used) operating	-	-	-	173,977	128,145	128,145	-	93,711	92,276	91,377
Net cash from (used) investing	-	-	-	(146,428)	(145,645)	(145,645)	-	(126,149)	(98,290)	(75,563)
Net cash from (used) financing	-	-	-	800	800	800	-	(5,722)	(4,724)	1,050
Cash/cash equivalents at the year end	-	-	-	28,349	(16,700)	(16,700)	-	57,145	46,407	63,271
Cash backing/surplus reconciliation										
Cash and investments available	-	-	-	103,906	95,305	95,305	-	57,145	46,407	63,271
Application of cash and investments	-	-	-	(109,599)	(102,162)	(102,162)	-	4,742	22,758	3,682
Balance - surplus (shortfall)	-	-	-	213,505	197,467	197,467	-	52,403	23,648	59,588
Asset management										
Asset register summary (WDV)	-	-	-	1,387,309	1,394,013	1,394,013	235,621	235,621	235,621	235,621
Depreciation	-	-	-	70,058	70,658	70,658	70,658	70,658	74,897	79,391
Renewal of Existing Assets	-	-	-	-	-	-	-	9,865	4,805	2,965
Repairs and Maintenance	-	-	-	54,052	50,139	50,139	43,959	43,959	46,596	49,392
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	44,403	47,375	47,375	87,064	87,064	92,288	97,825
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (financial performance, capital expenditure and funding sources, financial position, cash flow, MFMA funding compliance and asset management).

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

Table 45: MBRR Table A2-bUDGET AND FINANCIAL

KZN216 Ray Nkonyeni - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional										
<i>Governance and administration</i>		-	-	-	592,339	546,227	546,227	560,247	593,916	629,551
Executive and council		-	-	-	128,047	170,631	170,631	175,566	186,100	197,266
Finance and administration		-	-	-	464,291	375,596	375,596	384,681	407,816	432,285
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	62,645	24,001	24,001	46,599	63,956	88,997
Community and social services		-	-	-	10,199	9,956	9,956	10,523	11,150	12,075
Sport and recreation		-	-	-	146	146	146	50	53	56
Public safety		-	-	-	7	5	5	-	-	-
Housing		-	-	-	52,293	13,895	13,895	36,026	52,754	76,866
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	113,770	151,030	151,030	150,360	106,772	103,876
Planning and development		-	-	-	29,596	68,887	68,887	47,349	28,313	30,011
Road transport		-	-	-	82,516	81,984	81,984	102,831	78,268	73,662
Environmental protection		-	-	-	1,659	159	159	180	191	202
<i>Trading services</i>		-	-	-	185,301	178,199	178,199	166,659	176,658	187,258
Energy sources		-	-	-	124,401	118,351	118,351	105,028	111,330	118,010
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	60,900	59,848	59,848	61,631	65,329	69,248
<i>Other</i>	4	-	-	-	5,008	5,108	5,108	4,345	4,606	4,882
Total Revenue - Functional	2	-	-	-	959,063	904,565	904,565	928,210	945,908	1,014,564
Expenditure - Functional										
<i>Governance and administration</i>		-	-	-	322,541	350,332	350,332	309,030	327,572	347,226
Executive and council		-	-	-	140,790	148,755	148,755	131,044	138,906	147,241
Finance and administration		-	-	-	181,751	201,577	201,577	173,739	184,163	195,213
Internal audit		-	-	-	-	-	-	4,247	4,502	4,772
<i>Community and public safety</i>		-	-	-	66,580	85,552	85,552	62,196	65,928	69,883
Community and social services		-	-	-	20,958	21,848	21,848	20,770	22,016	23,337
Sport and recreation		-	-	-	6,918	16,020	16,020	91	97	103
Public safety		-	-	-	19,435	19,435	19,435	23,256	24,651	26,130
Housing		-	-	-	19,270	28,250	28,250	15,842	16,792	17,800
Health		-	-	-	-	-	-	2,237	2,371	2,513
<i>Economic and environmental services</i>		-	-	-	184,626	185,910	185,910	252,907	257,221	273,580
Planning and development		-	-	-	58,506	58,506	58,506	47,196	50,028	53,030
Road transport		-	-	-	126,120	127,404	127,404	181,800	192,708	204,270
Environmental protection		-	-	-	-	-	-	23,911	14,485	16,280
<i>Trading services</i>		-	-	-	255,598	277,352	277,352	263,823	279,652	296,432
Energy sources		-	-	-	103,483	97,793	97,793	106,610	113,007	119,787
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	152,115	179,559	179,559	157,213	166,645	176,644
<i>Other</i>	4	-	-	-	7,047	7,019	7,019	6,769	7,175	7,605
Total Expenditure - Functional	3	-	-	-	836,393	906,166	906,166	894,725	937,547	994,726
Surplus/(Deficit) for the year		-	-	-	122,669	(1,600)	(1,600)	33,485	8,361	19,838

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification

divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that both Electricity function and Waste management function are able to finance its services. As both service charges are reflecting a surplus.

Other functions that show a deficit between revenue and expenditure are being financed from rates revenues, other revenue sources and transfers recognized operational from both National and provincial departments.

Table 46: MBRR Table A3-

KZN216 Ray Nkonyeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Revenue by Vote	1									
Vote 1 - TREASURY		-	-	-	459,935	375,420	375,420	405,202	392,734	407,149
Vote 2 - STRATEGIC PLANNING AND GOVERNANCE		-	-	-	128,047	170,631	170,631	175,566	186,100	197,266
Vote 3 - ECONOMIC DEVELOPMENT AND TOWN PLANNING		-	-	-	12,754	50,591	50,591	31,055	32,919	34,894
Vote 4 - CORPORATE SERVICES		-	-	-	2,706	56	56	15	16	17
Vote 5 - COMMUNITY SERVICES		-	-	-	99,835	69,452	69,452	70,884	75,137	79,645
Vote 6 - TECHNICAL SERVICES		-	-	-	255,786	209,783	209,783	216,194	227,951	262,678
Vote 7 - PUBLIC SAFETY		-	-	-	-	28,633	28,633	29,294	31,052	32,915
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	-	-	959,063	904,565	904,565	928,210	945,908	1,014,564
Expenditure by Vote to be appropriated	1									
Vote 1 - TREASURY		-	-	-	128,108	124,822	124,822	71,844	76,154	80,724
Vote 2 - STRATEGIC PLANNING AND GOVERNANCE		-	-	-	142,141	150,106	150,106	145,059	153,763	162,989
Vote 3 - ECONOMIC DEVELOPMENT AND TOWN PLANNING		-	-	-	36,811	38,688	38,688	53,965	57,203	60,635
Vote 4 - CORPORATE SERVICES		-	-	-	39,426	80,198	80,198	79,108	83,854	88,886
Vote 5 - COMMUNITY SERVICES		-	-	-	297,776	142,547	142,547	204,222	205,615	218,878
Vote 6 - TECHNICAL SERVICES		-	-	-	192,131	193,397	193,397	180,802	191,651	203,150
Vote 7 - PUBLIC SAFETY		-	-	-	-	176,407	176,407	159,724	169,307	179,466
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	-	-	836,393	906,166	906,166	894,725	937,547	994,726
Surplus/(Deficit) for the year	2	-	-	-	122,669	(1,600)	(1,600)	33,485	8,361	19,838

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the

Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 47: MBRR Table A4

KZN216 Ray Nkonyeni - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Revenue By Source											
Property rates	2	-	-	-	345,276	345,102	345,102	-	358,959	380,551	403,384
Service charges - electricity revenue	2	-	-	-	122,889	116,889	116,889	-	105,028	111,330	118,010
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	60,648	58,648	58,648	-	61,631	65,329	69,248
Service charges - other											
Rental of facilities and equipment					3,384	3,194	3,194		3,266	3,462	3,669
Interest earned - external investments					6,822	4,535	4,535		3,400	3,604	3,820
Interest earned - outstanding debtors					10,485	10,235	10,235		10,235	10,849	11,500
Dividends received					-	-	-				
Fines, penalties and forfeits					10,494	15,448	15,448		16,016	16,976	17,995
Licences and permits					13,092	12,527	12,527		13,279	14,076	14,920
Agency services					49	39	39		30	32	34
Transfers and subsidies					200,962	202,662	202,662		217,730	218,711	222,685
Other revenue	2	-	-	-	60,358	53,005	53,005	-	40,434	18,109	19,196
Gains on disposal of PPE					2,768						
Total Revenue (excluding capital transfers and contributions)		-	-	-	837,226	822,285	822,285	-	830,008	843,028	884,461
Expenditure By Type											
Employee related costs	2	-	-	-	337,347	359,690	359,690	-	349,616	370,593	392,829
Remuneration of councillors					25,448	25,448	25,448		26,974	28,593	30,308
Debt impairment	3				682	3,882	3,882		3,200	3,392	3,596
Depreciation & asset impairment	2	-	-	-	70,058	70,658	70,658	-	70,658	74,961	79,517
Finance charges					4,373	4,086	4,086		4,286	4,543	4,815
Bulk purchases	2	-	-	-	86,712	80,712	80,712	-	80,712	92,782	99,277
Other materials	8				50,167	50,139	50,139		43,496	46,105	48,872
Contracted services		-	-	-	38,179	49,168	49,168	-	50,412	53,440	56,646
Transfers and subsidies		-	-	-	10,393	10,393	10,393	-	9,945	10,481	11,050
Other expenditure	4, 5	-	-	-	213,035	251,990	251,990	-	255,425	252,656	267,816
Loss on disposal of PPE											
Total Expenditure		-	-	-	836,394	906,166	906,166	-	894,725	937,547	994,726
Surplus/(Deficit)		-	-	-	832	(83,881)	(83,881)	-	(64,717)	(94,519)	(110,265)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)					121,838	82,280	82,280		98,202	102,880	130,103
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		-	-	-	122,669	(1,600)	(1,600)	-	33,485	8,361	19,838
Taxation											
Surplus/(Deficit) after taxation		-	-	-	122,669	(1,600)	(1,600)	-	33,485	8,361	19,838
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		-	-	-	122,669	(1,600)	(1,600)	-	33,485	8,361	19,838
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		-	-	-	122,669	(1,600)	(1,600)	-	33,485	8,361	19,838

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

- Total operating revenue is R830 million and total capital revenue is R125.6 million in 2017/18
- Total revenue for 2017/18 financial year is R 955 million.

- Revenue to be generated from property rates is R358, 1 million in the 2017/18 financial year therefore remains a main funding source for the municipality.

Transfers recognized - operating includes the local government equitable share and other operating grants from national and provincial government amounts to R 217, 7 million. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF. The municipality is not grant dependent since major part of revenue is own funding however we still has to ensure that we collect every single cent that is due to us.

Table 48:MBRR Table 5

Capital Expenditure - Functional											
Governance and administration		-	-	-	20,171	24,879	24,879	-	1,885	1,999	2,118
Executive and council					18,780	23,488	23,488		1,139	1,207	1,280
Finance and administration					400	400	400		746	791	839
Internal audit					991	991	991				
Community and public safety		-	-	-	75,843	35,785	35,785	-	45,657	48,396	51,300
Community and social services					11,741	11,241	11,241		21,728	23,032	24,414
Sport and recreation					8,606	8,606	8,606		1,720	1,823	1,932
Public safety					2,814	2,814	2,814		150	159	168
Housing					52,681	13,124	13,124		22,059	23,383	24,786
Health					-	-	-				
Economic and environmental services		-	-	-	46,385	88,885	88,885	-	58,899	62,433	66,179
Planning and development					10,502	55,502	55,502		19,709	20,891	22,145
Road transport					35,883	33,383	33,383		38,951	41,288	43,765
Environmental protection						-	-		239	253	269
Trading services		-	-	-	4,030	3,762	3,762	-	26,317	27,896	29,570
Energy sources					4,030	3,762	3,762		24,309	25,768	27,314
Water management											
Waste water management											
Waste management									2,008	2,129	2,256
Other									30	32	34
Total Capital Expenditure - Functional	3	-	-	-	146,428	153,311	153,311	-	132,788	140,755	149,201
Funded by:											
National Government					57,817	57,817	57,817		62,615	66,187	69,956
Provincial Government					68,681	83,885	83,885		35,587	36,693	60,147
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	-	-	-	126,498	141,701	141,701	-	98,202	102,880	130,103
Public contributions & donations	5										
Borrowing	6										
Internally generated funds					19,930	11,610	11,610		34,586	37,875	19,097
Total Capital Funding	7	-	-	-	146,428	153,311	153,311	-	132,788	140,755	149,201

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

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

The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.

Single-year capital expenditure has been appropriated at R129.4 million for the 2017/18 financial year.

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 municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

The capital programme is funded from capital and provincial grants and transfers and internally generated funds.

Table 49:MRR Table A6

KZN216 Ray Nkonyeni - Table A6 Budgeted Financial Position

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
ASSETS											
Current assets											
Cash					37,049	33,929	33,929		20,001	16,242	22,145
Call investment deposits	1	-	-	-	66,857	61,376	61,376	-	37,144	30,165	41,126
Consumer debtors	1	-	-	-	211,056	207,856	207,856	-	242,408	264,520	276,974
Other debtors					7,697	7,697	7,697		5,450	4,905	4,905
Current portion of long-term receivables					1,964	1,964	1,964		1,768	1,591	1,591
Inventory	2				2,265	2,265	2,265		2,038	1,835	1,835
Total current assets		-	-	-	326,888	315,087	315,087	-	308,809	319,258	348,576
Non current assets											
Long-term receivables					8,037	8,037	8,037		7,233	6,148	6,148
Investments					-	-	-		-	-	-
Investment property					235,621	235,621	235,621		235,621	235,621	235,621
Investment in Associate					-	-	-		-	-	-
Property, plant and equipment	3	-	-	-	1,261,425	1,268,129	1,268,129	-	1,330,259	1,396,053	1,465,737
Agricultural											
Biological											
Intangible					713	713	713		577	519	390
Other non-current assets											
Total non current assets		-	-	-	1,505,796	1,512,500	1,512,500	-	1,573,691	1,638,342	1,707,897
TOTAL ASSETS		-	-	-	1,832,684	1,827,587	1,827,587	-	1,882,500	1,957,600	2,056,473
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	-	-	-	7,728	7,728	7,728	-	7,728	7,042	7,820
Consumer deposits					21,920	21,920	21,920		22,520	23,220	24,220
Trade and other payables	4	-	-	-	100,233	100,233	100,233	-	100,233	107,191	114,695
Provisions					36,690	36,690	36,690		39,259	42,007	42,007
Total current liabilities		-	-	-	166,571	166,571	166,571	-	169,740	179,460	188,741
Non current liabilities											
Borrowing		-	-	-	20,486	20,486	20,486	-	20,486	13,444	5,624
Provisions		-	-	-	96,229	97,027	97,027	-	97,027	101,331	108,366
Total non current liabilities		-	-	-	116,715	117,513	117,513	-	117,513	114,776	113,990
TOTAL LIABILITIES		-	-	-	283,286	284,084	284,084	-	287,253	294,235	302,732
NET ASSETS	5	-	-	-	1,549,398	1,543,503	1,543,503	-	1,595,247	1,663,364	1,753,741
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)					270,657	1,222,263	1,222,263		1,491,958	1,527,877	1,527,877
Reserves	4	-	-	-	678,785	321,240	321,240	-	103,289	135,487	225,864
TOTAL COMMUNITY WEALTH/EQUITY	5	-	-	-	949,443	1,543,503	1,543,503	-	1,595,247	1,663,364	1,753,741

Explanatory notes to Table A6 - Budgeted Financial Position




Table A6 is consistent with international standards of good financial management practice, and improves understand ability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).

This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

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

The statement of financial position shows that the municipality is financially health as assets exceeds liabilities.

Table 50:MBRR Table A7

KZN216 Ray Nkonyeni - Table A7 Budgeted Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates					327,544	327,835	327,835		341,011	323,961	383,215
Service charges					174,359	160,915	160,915		153,075	140,695	171,995
Other revenue					77,913	68,033	68,033		59,142	48,385	45,463
Government - operating	1				200,962	202,662	202,662		217,730	218,711	222,685
Government - capital	1				121,838	82,280	82,280		98,202	102,880	130,103
Interest					11,104	8,117	8,117		6,982	4,654	7,845
Dividends									-	-	-
Payments											
Suppliers and employees					(725,860)	(708,258)	(708,258)		(769,196)	(734,669)	(855,168)
Finance charges					(4,373)	(4,086)	(4,086)		(4,286)	(4,286)	(4,815)
Transfers and Grants	1				(9,509)	(9,354)	(9,354)		(8,950)	(8,055)	(9,945)
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	-	-	173,977	128,145	128,145	-	93,711	92,276	91,377
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets					(146,428)	(145,645)	(145,645)		(126,149)	(98,290)	(75,563)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	(146,428)	(145,645)	(145,645)	-	(126,149)	(98,290)	(75,563)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits					800	800	800		1,000	900	1,050
Payments											
Repayment of borrowing									(6,722)	(5,624)	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	800	800	800	-	(5,722)	(4,724)	1,050
NET INCREASE/ (DECREASE) IN CASH HELD		-	-	-	28,349	(16,700)	(16,700)	-	(38,160)	(10,738)	16,864
Cash/cash equivalents at the year begin:	2								95,305	57,145	46,407
Cash/cash equivalents at the year end:	2				28,349	(16,700)	(16,700)	-	57,145	46,407	63,271

Table 51: MBRR Table A8

KZN216 Ray Nkonyeni - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and investments available											
Cash/cash equivalents at the year end	1	-	-	-	28,349	(16,700)	(16,700)	-	57,145	46,407	63,271
Other current investments > 90 days		-	-	-	75,556	112,005	112,005	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		-	-	-	103,906	95,305	95,305	-	57,145	46,407	63,271
Application of cash and investments											
Unspent conditional transfers		-	-	-	54	54	54	-	54	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	-	-	-	(109,653)	(102,216)	(102,216)	-	(131,598)	(120,580)	(148,256)
Other provisions									136,286	143,338	151,939
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		-	-	-	(109,599)	(102,162)	(102,162)	-	4,742	22,758	3,682
Surplus(shortfall)		-	-	-	213,505	197,467	197,467	-	52,403	23,648	59,588

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

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

- It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
- It can be seen that the cash levels of the Municipality are not stabilized over the MTREF and prior years.
- It can be seen that in 2017/18 the cash flow start to turn around and improves again.
- The 2017/18 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
- Cash flow reflects a positive balance of R103.6 million after defraying all the expenditure for the financial year.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 - Funding a Municipal Budget.

In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would

be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

From the table it can be seen that for the municipality is operating at a surplus.

Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2017/18 MTREF was funded as it reflect a positive balance in funding measurement.

This reflects that the budget will be able to pay it expenditure for the current year and also be able to pay it obligations. It is assumed that all grants will be spend 100% and if not it is cash backed since our budget reflect a positive after all the current years expenditure paid and it liabilities.

As part of the budgeting and planning guidelines that informed the compilation of the 2017/18 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.


Table 52: MBRR Table B9

TOTAL CAPITAL EXPENDITURE - Asset class		-	-	-	125,007	131,711	131,711	132,788	125,163	125,913
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Roads Infrastructure					855,851	853,851	853,851			
Storm water Infrastructure										
Electrical Infrastructure					9,084	8,816	8,816			
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		-	-	-	864,935	862,667	862,667	-	-	-
Community Facilities					145,595	196,139	196,139			
Sport and Recreation Facilities										
Community Assets		-	-	-	145,595	196,139	196,139	-	-	-
Heritage Assets					1,657	1,657	1,657			
Revenue Generating										
Non-revenue Generating					235,621	235,621	235,621	235,621	235,621	235,621
Investment properties		-	-	-	235,621	235,621	235,621	235,621	235,621	235,621
Operational Buildings					140,445	98,872	98,872			
Housing										
Other Assets		-	-	-	140,445	98,872	98,872	-	-	-
Biological or Cultivated Assets										
Servitudes										
Licences and Rights					713	713	713			
Intangible Assets		-	-	-	713	713	713	-	-	-
Computer Equipment										
Furniture and Office Equipment										
Machinery and Equipment										
Transport Assets										
Libraries										
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	-	1,387,309	1,394,013	1,394,013	235,621	235,621	235,621
EXPENDITURE OTHER ITEMS										
Depreciation	7	-	-	-	70,058	70,658	70,658	70,658	74,897	79,391
Repairs and Maintenance by Asset Class	3	-	-	-	54,052	50,139	50,139	43,959	46,596	49,392
Roads Infrastructure		-	-	-	16,300	16,300	16,300	14,000	14,840	15,730
Storm water Infrastructure		-	-	-	-	-	-	3,000	3,180	3,371
Electrical Infrastructure		-	-	-	1,475	1,475	1,475	3,273	3,470	3,678
Water Supply Infrastructure		-	-	-	755	755	755	863	915	970
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	18,530	18,530	18,530	21,137	22,405	23,749
Community Facilities		-	-	-	650	650	650	-	-	-
Sport and Recreation Facilities		-	-	-	550	550	550	-	-	-
Community Assets		-	-	-	1,200	1,200	1,200	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	13,641	9,728	9,728	6,047	6,409	6,794
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	13,641	9,728	9,728	6,047	6,409	6,794
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	968	968	968	-	-	-
Furniture and Office Equipment		-	-	-	370	370	370	1,617	1,714	1,817
Machinery and Equipment		-	-	-	1,535	1,535	1,535	197	208	221
Transport Assets		-	-	-	17,808	17,808	17,808	14,962	15,859	16,811
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		-	-	-	124,110	120,797	120,797	114,617	121,494	128,783

Explanatory notes to Table A9 - Asset Management

Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

National Treasury has recommended that municipalities should allocate at least 40 per cent of the capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. However due to the fact that



there is a lack of infrastructure in the municipality major part of funds are injected to new capital projects, it does not meet this recommendation and funds are directed to new and renewal of capital asset and 4.3% to repairs and maintenance.

Table 53: Basic Service Delivery Measurement

KZN216 Ray Nkonyeni - Table A10 Basic service delivery measurement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided										
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	44,403	47,375	47,375	87,064	92,288	97,825
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										

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

- The municipality does not provide services such as water, sanitation, energy and refuse removal.
- Water and sanitation is provided by Ugu District municipality, energy is supplied both by municipality and Eskom.
- Refuse removal is done in urban area the rural part of the municipality uses its own dump site.

Assumptions used in preparation of the budget over the MTREF

Table 54: Collection and expenditure rates

Property rates	95%
Penalties and Collection Charges	85%
Electricity	95%
Refuse Removal	95%
Rental of facilities	90%
Interest earned in investment	100%
Interest earned on outstanding debts	65%
Fines	70%
Licenses and Permits	95%
Agency Fees	100%
Transfers and Grants - operational	100%
Transfers and Grants - Capital	100%
Other revenue	80%
Expenditure	
Employee related cost	98%
Remuneration of councilors	100%
Debt impairment	100%
Depreciation and asset impairment	100%
Bulk Purchases	95%
Finance Charges	100%
Contracted services	95%
Transfers and Grants	90%
Other Expenditure	90%
Other Material	98%

Capital performance =100%

Year end accruals =10% of total operating budget

Provisions =15% of capital budget

Supporting Documentation =10%

4.7.14 OVERVIEW OF THE ANNUAL BUDGET PROCESS

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

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

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

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

Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2011) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 25 August 2011. Key dates applicable to the process were:

- **July 2016** - Prepare joint process plan for IDP, PMS and Budget and advertise draft IDFP review;
- **August 2016**-Submit process plan to IDP forum, portfolio committees and council. Liaise with national and provincial governments for planning and budgeting process;
- **September 2016**- Assessment of objectives, strategies and projects against cross cutting issues. Assessment of alignment of IDP strategies & projects for medium term in relation to NSDP and PGDF. Determine funding availability & requirements per sector plan and where relevant prepare business plan/ terms of reference and roll out accordingly;
- **October 2016** - Review and confirm objectives, strategies and projects at IDPRF workshop. Review capital, institutional, operational, maintenance projects. Estimate available resources and provide guidance for way forward for budgeting;

- **November 2016**-Submit revised projects to Treasury. Submit first Draft IDP to IDP steering committee and council for in principle approval
- **December 2016** - Submit budget instructions and 2016/17 budget framework to all relevant persons. Submit draft IDP to COGTA for assessment. Preparation of summary of available funds (internal and external);
- **January 2017** - Council considers the 2015/2016 Mid-year Review and Adjustments Budget;
- **February 2017**- Assess financial feasibility of proposed new projects based on existing and potential funds. Consideration of draft budget;
- **March 2017** - Tabling in Council of the draft 2016/17 IDP and 2016/17 Draft MTREF for public consultation;
- **April 2017**- Public consultation;
- **May 2017**-Finalisation of the 2016/17 IDP and 2017/18 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and tabling of the 2017/18 MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council. These are the IDP and Budget process schedule for individual municipalities and both municipality did not deviate from processes.

4.7.15 IDP AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fifth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2016/17 budget, based on the approved 2017/18 Budget, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2017/18 budget, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2017/18 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.

4.7.16 FINANCIAL MODELLING AND KEY PLANNING DRIVERS

As part of the compilation of the 2017/18 budget, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2017/18 budget:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation)
- Performance trends
- The approved 2016/17 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 78 and 79 has been taken into consideration in the planning and prioritisation process.

4.7.16.1 Community Consultation

The Table 2017/18 Budget as tabled before Council on 28 March 2017 for community consultation has been published on the municipality's website and hard copies has been made available at municipal offices and other community centres. In addition budget road shows will held in different municipal clusters. Inputs were also collected via suggestion box and e-mails.

All documents in the appropriate format (electronic and printed) will provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process during April. The applicable dates and venues were published in the local newspapers. Imbizo's will be held to further ensure transparency and interaction. Other

stakeholders involved in the consultation will include churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects will be addressed, and where relevant considered as part of the 2016/17 final budget.

10.13.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

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

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

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

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

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

- Green Paper on National Strategic Planning of 2009;

- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);
- Accelerated and Shared Growth Initiative (ASGISA);
- National Development Plan (NDP)
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's six strategic objectives for the 2016/17 Budget and further planning refinements that have directly informed the compilation of the budget:

order to ensure integrated and focused service delivery between all spheres of government it was important for the municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the municipality. The five-year programme responds to the development challenges and opportunities faced by the municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

The 2017/18 Budget has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 55:SA3 Detail financial position

KZN216 Ray Nkonyeni - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

KZN216 Ray Nkonyeni - Supporting Table SAS Supporting detail to Budgeted Financial Position											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
ASSETS											
Call investment deposits											
Call deposits					66,857	61,376	61,376		37,144	30,165	41,126
Other current investments											
Total Call investment deposits	2	-	-	-	66,857	61,376	61,376	-	37,144	30,165	41,126
Consumer debtors											
Consumer debtors					211,056	207,856	207,856		242,408	264,520	276,974
Less: Provision for debt impairment											
Total Consumer debtors	2	-	-	-	211,056	207,856	207,856	-	242,408	264,520	276,974
Debt impairment provision											
Balance at the beginning of the year					30,671	30,671	30,671		30,671	34,552	38,596
Contributions to the provision					682	3,882	3,882		3,882	4,044	4,333
Bad debts written off											
Balance at end of year		-	-	-	31,352	34,552	34,552	-	34,552	38,596	42,929
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)					2,372,041	2,378,744	2,378,744		2,511,532	2,652,287	2,801,488
Leases recognised as PPE	3				-	-	-				
Less: Accumulated depreciation					1,110,615	1,110,615	1,110,615		1,181,273	1,256,234	1,335,751
Total Property, plant and equipment (PPE)	2	-	-	-	1,261,425	1,268,129	1,268,129	-	1,330,259	1,396,053	1,465,737
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities					7,728	7,728	7,728		7,728	7,042	7,820
Total Current liabilities - Borrowing		-	-	-	7,728	7,728	7,728	-	7,728	7,042	7,820
Trade and other payables											
Trade and other creditors					100,179	100,179	100,179		100,179	107,191	114,695
Unspent conditional transfers					54	54	54		54	-	-
VAT						-	-		-		
Total Trade and other payables	2	-	-	-	100,233	100,233	100,233	-	100,233	107,191	114,695
Non current liabilities - Borrowing											
Borrowing	4				20,486	20,486	20,486		20,486	13,444	5,624
Finance leases (including PPP asset element)									-		
Total Non current liabilities - Borrowing		-	-	-	20,486	20,486	20,486	-	20,486	13,444	5,624
Provisions - non-current											
Retirement benefits					81,542	81,542	81,542		81,542	84,779	90,714
List other major provision items											
Refuse landfill site rehabilitation											
Other					14,687	15,485	15,485		15,485	16,552	17,652
Total Provisions - non-current		-	-	-	96,229	97,027	97,027	-	97,027	101,331	108,366
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance					147,989	1,223,863	1,223,863				
GRAP adjustments											
Restated balance		-	-	-	147,989	1,223,863	1,223,863	-	-	-	-
Surplus/(Deficit)		-	-	-	122,669	(1,600)	(1,600)	-	33,485	8,361	19,838
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments					122,668	(1,600)	(1,600)		31,864	35,919	
Accumulated Surplus/(Deficit)	1	-	-	-	393,327	1,220,662	1,220,662	-	65,349	44,280	19,838
Reserves											
Housing Development Fund											
Capital replacement					678,785	321,240	321,240		103,289	135,487	225,864
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	678,785	321,240	321,240	-	103,289	135,487	225,864
TOTAL COMMUNITY WEALTH/EQUITY	2	-	-	-	1,072,112	1,541,903	1,541,903	-	168,639	179,767	245,702

Table 56: Explanatory notes to table SA3

This table is a supporting table to table A6 and it has detailed information that is summarized in table A6.

KZN216 Ray Nkonyeni - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
ASSETS											
Call investment deposits											
Call deposits					66,857	61,376	61,376		37,144	30,165	41,126
Other current investments											
Total Call investment deposits	2	-	-	-	66,857	61,376	61,376	-	37,144	30,165	41,126
Consumer debtors											
Consumer debtors					211,056	207,856	207,856		242,408	264,520	276,974
Less: Provision for debt impairment											
Total Consumer debtors	2	-	-	-	211,056	207,856	207,856	-	242,408	264,520	276,974
Debt impairment provision											
Balance at the beginning of the year					30,671	30,671	30,671		30,671	34,552	38,596
Contributions to the provision					682	3,882	3,882		3,882	4,044	4,333
Bad debts written off											
Balance at end of year		-	-	-	31,352	34,552	34,552	-	34,552	38,596	42,929
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)					2,372,041	2,378,744	2,378,744		2,511,532	2,652,287	2,801,488
Leases recognised as PPE					-	-	-				
Less: Accumulated depreciation					1,110,615	1,110,615	1,110,615		1,181,273	1,256,234	1,335,751
Total Property, plant and equipment (PPE)	2	-	-	-	1,261,425	1,268,129	1,268,129	-	1,330,259	1,396,053	1,465,737
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)					7,728	7,728	7,728		7,728	7,042	7,820
Current portion of long-term liabilities											
Total Current liabilities - Borrowing		-	-	-	7,728	7,728	7,728	-	7,728	7,042	7,820
Trade and other payables											
Trade and other creditors					100,179	100,179	100,179		100,179	107,191	114,695
Unspent conditional transfers					54	54	54		54	-	-
VAT											
Total Trade and other payables	2	-	-	-	100,233	100,233	100,233	-	100,233	107,191	114,695
Non current liabilities - Borrowing											
Borrowing					20,486	20,486	20,486		20,486	13,444	5,624
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing	4	-	-	-	20,486	20,486	20,486	-	20,486	13,444	5,624
Provisions - non-current											
Retirement benefits					81,542	81,542	81,542		81,542	84,779	90,714
List other major provision items											
Refuse landfill site rehabilitation											
Other					14,687	15,485	15,485		15,485	16,552	17,652
Total Provisions - non-current		-	-	-	96,229	97,027	97,027	-	97,027	101,331	108,366
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance					147,989	1,223,863	1,223,863				
GRAP adjustments											
Restated balance		-	-	-	147,989	1,223,863	1,223,863	-	-	-	-
Surplus/(Deficit)		-	-	-	122,669	(1,600)	(1,600)	-	33,485	8,361	19,838
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments					122,668	(1,600)	(1,600)		31,864	35,919	
Accumulated Surplus/(Deficit)	1	-	-	-	393,327	1,220,662	1,220,662	-	65,349	44,280	19,838
Reserves											
Housing Development Fund											
Capital replacement					678,785	321,240	321,240		103,289	135,487	225,864
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	678,785	321,240	321,240	-	103,289	135,487	225,864
TOTAL COMMUNITY WEALTH/EQUITY	2	-	-	-	1,072,112	1,541,903	1,541,903	-	168,639	179,767	245,702

Table 57:SA4 Reconciliation of IDP strategic objectives and budget

KZN216 Ray Nkonyeni - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand													
Good Governance and public participation	Clean administration & sound public participation						99,772	99,772	99,772	105,758	112,104	118,830	
							-	-	-	-	-	-	
							-	-	-	-	-	-	
Service delivery and Infrastructure	Electricity, Roads , Housing and accelerate capital expenditure						119,013	119,013	119,013	126,153	133,723	141,746	
							-	-	-	-	-	-	
Social, Economic Development and Planning	Youth empowerment,LED strategy ,supporting SMMEs						7,804	7,804	7,804	8,272	8,769	9,295	
							-	-	-	-	-	-	
							-	-	-	-	-	-	
Municipal Financial viability	Sound financial management						394,898	394,898	394,898	404,440	390,712	426,056	
							-	-	-	-	-	-	
Spatial and Environment	Health hygienically safe environment						60,433	60,433	60,433	64,059	67,902	71,976	
	Public Safety						25,216	25,216	25,216	26,729	28,332	30,032	
	Community Facilities						11,863	11,863	11,863	12,575	13,330	14,129	
							83,591	83,591	83,591	88,607	93,923	99,559	
							86,431	86,431	86,431	91,617	97,114	102,941	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	-	-	-	889,021	889,021	889,021	928,210	945,908	1,014,564

Table 58: SA8Performance Indicators

KZN216 Ray Nkonyeni - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.0%	0.5%	0.5%	0.5%	0.0%	1.2%	1.1%	0.5%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.0%	0.7%	0.7%	0.7%	0.0%	1.8%	1.6%	0.7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	3.0%	6.4%	6.4%	0.0%	19.8%	9.9%	2.5%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	–	–	–	2.0	1.9	1.9	–	1.8	1.8	1.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	–	–	–	2.0	1.9	1.9	–	1.8	1.8	1.8
Liquidity Ratio	Monetary Assets/Current Liabilities	–	–	–	0.6	0.6	0.6	–	0.3	0.3	0.3
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	94.9%	93.9%	93.9%	0.0%	94.0%	83.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	0.0%	94.9%	93.9%	93.9%	0.0%	94.0%	83.4%	94.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0.0%	0.0%	0.0%	27.3%	27.4%	27.4%	0.0%	30.9%	32.9%	32.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old								25.0%	20.0%	15.0%
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))								100.0%	100.0%	100.0%
Creditors to Cash and Investments		0.0%	0.0%	0.0%	353.4%	-599.9%	-599.9%	0.0%	175.3%	231.0%	181.3%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (k?)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	40.3%	43.7%	43.7%	0.0%	42.1%	44.0%	44.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	43.8%	47.1%	47.1%		45.2%	47.2%	47.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	6.5%	6.1%	6.1%		5.3%	5.5%	5.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	8.9%	9.1%	9.1%	0.0%	9.0%	9.4%	9.5%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	–	–	–	78.4	78.4	78.4	–	59.6	79.6	84.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.0%	0.0%	0.0%	41.5%	41.5%	41.5%	0.0%	47.2%	48.3%	47.7%
iii. Cost coverage	(Av ailable cash + Investments)/monthly fixed operational expenditure	–	–	–	0.6	(0.3)	(0.3)	–	1.1	0.8	1.1

Table 59:SA13b Service Tarrifs by category

KZN216 Ray Nkonyeni - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2013/14	2014/15	2015/16	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
							Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Exemptions, reductions and rebates (Rands)									
<i>Rebates and Exemptions</i>						10,652,831	22,525,449	23,313,839	24,129,824
<i>Rebates, exemptions - indigent</i>						2,645,860	-		
<i>Rebates Residential Land</i>						25,845,000	26,098,493	27,011,940	27,957,358
<i>Impermissible and Reduction</i>						7,314,629	38,440,018	39,785,419	41,177,908

Table 60:SA14 Household bills

KZN216 Ray Nkonyeni - Supporting Table SA14 Household bills

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18 % incr.	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates					#####	#####	#####		#####	#####	#####
Electricity: Basic levy											
Electricity: Consumption					267,640.36	267,640.36	267,640.36		277,007.78	286,703.05	296,737.65
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal					2,651,131.90	2,651,131.90	2,651,131.90		2,743,921.51	2,839,958.76	2,939,357.32
Other											
sub-total		-	-	-	#####	#####	#####	3.5%	#####	#####	#####
VAT on Services											
Total large household bill:		-	-	-	#####	#####	#####	3.5%	#####	#####	#####
% increase/decrease			-	-	-	-	-		3.5%	3.5%	3.5%

Table 61:SA15 Investment particulars

KZN216 Ray Nkonyeni - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank					66,857	61,376	61,376	37,144	30,165	41,126
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	-	-	-	66,857	61,376	61,376	37,144	30,165	41,126

Table 62:SA17 Borrowings

KZN216 Ray Nkonyeni - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Parent municipality										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)					20,486	20,486	20,486	13,444	5,624	-
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	20,486	20,486	20,486	13,444	5,624	-

Table 63:SA18 Transfers and Grants Receipts

KZN216 Ray Nkonyeni - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		-	-	-	188,598	188,598	188,598	201,028	203,012	205,593
Local Government Equitable Share					165,774	165,774	165,774	175,556	184,983	191,993
Finance Management					3,450	3,450	3,450	3,600	3,600	3,600
Integrated National Electrification Programme					7,000	7,000	7,000	14,000	14,429	10,000
EPWP Incentive					2,660	2,660	2,660	3,306	-	-
Municipal Demarcation Transition Grant					9,714	9,714	9,714	4,566	-	-
Provincial Government:		-	-	-	12,365	14,065	14,065	16,702	15,699	17,092
Accreditation Grant					3,378	3,378	3,378	5,082	5,082	5,082
Museum Grant					344	344	344	350	368	386
Provincialisation of Libraries Grant					7,436	7,436	7,436	9,670	10,249	11,124
Community Library Service Grant					1,207	1,207	1,207	-	-	-
0					1,700	1,700	1,700	1,600	-	500
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	-	-	-	200,963	202,663	202,663	217,730	218,711	222,685
Capital Transfers and Grants										
National Government:		-	-	-	60,156	60,156	60,156	62,615	66,187	69,956
Municipal Infrastructure Grant (MIG)					60,156	60,156	60,156	62,615	66,187	69,956
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	52,681	13,124	13,124	35,587	36,693	60,147
Human Settlement and Treasury					52,681	13,124	13,124	35,587	36,693	60,147
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	-	-	-	112,837	73,280	73,280	98,202	102,880	130,103
TOTAL RECEIPTS OF TRANSFERS & GRANTS		-	-	-	313,800	275,943	275,943	315,932	321,591	352,788

Explanatory notes to Table SA18 Grants and subsidies Receipts

1. This table reflects all expected grants receipts from national, provincial and other organization.
2. National treasury and provincial treasury grants are gazette in DORA and provincial gazette.
3. Other grant funding are through the memorandum of agreement are housing grant and Technology Hub grant of 20,5 million and 15 million respectively. These grants are usually not gazette in the bill or provincial gazette.

Table 64:SA19 Grants and subsidies Expenditure

KZN216 Ray Nkonyeni - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		-	-	-	188,598	188,598	188,598	201,028	203,012	205,593
Local Government Equitable Share					165,774	165,774	165,774	175,556	184,983	191,993
Finance Management					3,450	3,450	3,450	3,600	3,600	3,600
Integrated National Electrification Programme					7,000	7,000	7,000	14,000	14,429	10,000
EPWP Incentive					2,660	2,660	2,660	3,306	-	-
Municipal Demarcation Transition Grant					9,714	9,714	9,714	4,566	-	-
0										
Provincial Government:		-	-	-	12,365	14,065	14,065	16,702	15,699	17,092
Accreditation Grant					3,378	3,378	3,378	5,082	5,082	5,082
Museum Grant					344	344	344	350	368	386
Provincialisation of Libraries Grant					7,436	7,436	7,436	9,670	10,249	11,124
Community Library Service Grant					1,207	1,207	1,207	-	-	-
0						1,700	1,700	1,600	-	500
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants		-	-	-	200,963	202,663	202,663	217,730	218,711	222,685
Capital expenditure of Transfers and Grants										
National Government:		-	-	-	60,156	60,156	60,156	62,615	66,187	69,956
Municipal Infrastructure Grant (MIG)					60,156	60,156	60,156	62,615	66,187	69,956
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	52,681	13,124	13,124	35,587	36,693	60,147
Human Settlement and Treasury					52,681	13,124	13,124	35,587	36,693	60,147
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		-	-	-	112,837	73,280	73,280	98,202	102,880	130,103
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	-	-	313,800	275,943	275,943	315,932	321,591	352,788

Table 65:SA21 Grants and Subsidy made by the municipality

KZN216 Ray Nkonyeni - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash Transfers to other municipalities											
<i>Insert description</i>	1										
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2										
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
<i>Insert description</i>	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
<i>Insert description</i>											
Ugu S C Tourism & HC Development Agency					3,609	3,609	3,609		2,774	2,940	3,116
Total Cash Transfers To Organisations		-	-	-	3,609	3,609	3,609	-	2,774	2,940	3,116
Cash Transfers to Groups of Individuals											
<i>Insert description</i>											
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	-	-	-	3,609	3,609	3,609	-	2,774	2,940	3,116
Non-Cash Transfers to other municipalities											
<i>Insert description</i>											
Africa Bike Week	1				450	450	450		500	500	500
Ugu Jazz					500	500	500		500	500	500
Total Non-Cash Transfers To Municipalities:		-	-	-	950	950	950	-	1,000	1,000	1,000
Non-Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2										
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
<i>Insert description</i>											
Grants and Donations (Douglas Michel , SPCA and ETC	3				1,041	1,041	1,041		1,114	1,181	1,251
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	1,041	1,041	1,041	-	1,114	1,181	1,251
Non-Cash Grants to Organisations											
<i>Insert description</i>											
Free Basic Services, indigent support and Refuse Removal	4				4,794	4,794	4,794		5,057	5,361	5,682
Total Non-Cash Grants To Organisations		-	-	-	4,794	4,794	4,794	-	5,057	5,361	5,682
Groups of Individuals											
<i>Insert description</i>	5										
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	6,784	6,784	6,784	-	7,171	7,541	7,934
TOTAL TRANSFERS AND GRANTS	6	-	-	-	10,393	10,393	10,393	-	9,945	10,481	11,050

Table 66: SA Councillors and staff benefits

KZN216 Ray Nkonyeni - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages					23,580	23,580	23,580	23,736	25,160	26,669
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance										
Cellphone Allowance					1,374	1,374	1,374	1,637	1,735	1,839
Housing Allowances										
Other benefits and allowances					493	493	493	571	605	641
Sub Total - Councillors		-	-	-	25,448	25,448	25,448	25,943	27,500	29,150
% increase	4				-	-	-	1.9%	6.0%	6.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages					11,033	11,033	11,033	9,890	10,484	11,113
Pension and UIF Contributions					6	6	6	317	337	357
Medical Aid Contributions										
Overtime										
Performance Bonus					799	799	799			
Motor Vehicle Allowance	3									
Cellphone Allowance	3							114	121	128
Housing Allowances	3									
Other benefits and allowances	3				298	298	298	226	240	254
Payments in lieu of leave					74	74	74			
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		-	-	-	12,209	12,209	12,209	10,548	11,180	11,851
% increase	4				-	-	-	(13.6%)	6.0%	6.0%
Other Municipal Staff										
Basic Salaries and Wages					216,862	216,862	216,862	259,072	274,616	291,093
Pension and UIF Contributions					40,249	41,646	41,646	48,978	51,917	55,032
Medical Aid Contributions					20,860	20,992	20,992	26,050	27,613	29,269
Overtime					8,591	13,393	13,393	13,393	14,197	15,048
Performance Bonus					17,229	17,373	17,373	20,778	22,025	23,346
Motor Vehicle Allowance	3				11,525	11,996	11,996	13,908	14,743	15,627
Cellphone Allowance	3				1,937	2,073	2,073	701	743	787
Housing Allowances	3				3,043	3,128	3,128	2,409	2,554	2,707
Other benefits and allowances	3				7,598	8,388	8,388	11,495	12,184	12,915
Payments in lieu of leave					697	2,637	2,637	2,637	2,796	2,963
Long service awards					39	837	837	837	887	940
Post-retirement benefit obligations	6				161	10,278	10,278	10,278	10,895	11,548
Sub Total - Other Municipal Staff		-	-	-	328,791	349,602	349,602	339,069	359,392	380,935
% increase	4				-	6.3%	-	(3.0%)	6.0%	6.0%
Total Parent Municipality		-	-	-	366,448	387,258	387,258	375,560	398,072	421,936

Explanatory notes to Table SA22 Councilors and Staff Benefits

1. The remuneration of councilors and staff are as per the councilor's upper limit approved by the MEC and staff as per SALGA respectively.

Table 67:SA24 Summary of personnel numbers

KZN216 Ray Nkonyeni - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2015/16			Current Year 2016/17			Budget Year 2017/18		
Number	1,2		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)						69	–	69	69	–	69
Board Members of municipal entities	4					–	–	–	–	–	–
Municipal employees											
Municipal Manager and Senior Managers	3					11	–	11	11	–	11
Other Managers	7					3	3	–	3	3	–
Professionals			–	–	–	171	148	12	171	148	12
Finance						100	82	12	100	82	12
Spatial/town planning						26	23	–	26	23	–
Information Technology						1	1	–	1	1	–
Roads						7	7	–	7	7	–
Electricity						28	28	–	28	28	–
Water						–	–	–	–	–	–
Sanitation						–	–	–	–	–	–
Refuse						2	2	–	2	2	–
Other						7	5	–	7	5	–
Technicians			–	–	–	1,058	1,012	7	1,058	1,012	7
Finance						17	7	5	17	7	5
Spatial/town planning						–	–	–	–	–	–
Information Technology						8	8	–	8	8	–
Roads						141	118	–	141	118	–
Electricity						–	–	–	–	–	–
Water						–	–	–	–	–	–
Sanitation						–	–	–	–	–	–
Refuse						538	494	–	538	494	–
Other						354	385	2	354	385	2
Clerks (Clerical and administrative)						21	19	–	21	19	–
Service and sales workers						–	–	–	–	–	–
Skilled agricultural and fishery workers						–	–	–	–	–	–
Craft and related trades						–	–	–	–	–	–
Plant and Machine Operators						6	5	1	6	5	1
Elementary Occupations						–	–	–	–	–	–
TOTAL PERSONNEL NUMBERS	9		–	–	–	1,339	1,187	100	1,339	1,187	100
% increase						–	–	–	–	–	–
Total municipal employees headcount	6, 10					1,250	1,139	7	1,250	1,139	7
Finance personnel headcount	8, 10					83	75	1	83	75	1
Human Resources personnel headcount	8, 10					17	15	1	17	15	1

Table 68: Capital Expenditure: SA Capital expenditure

R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital Expenditure - Functional	1															
<i>Governance and administration</i>		157	157	157	157	157	157	157	157	157	157	157	157	1,885	1,999	2,118
Executive and council		95	95	95	95	95	95	95	95	95	95	95	95	1,139	1,207	1,280
Finance and administration		62	62	62	62	62	62	62	62	62	62	62	62	746	791	839
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		3,805	3,805	3,805	3,805	3,805	3,805	3,805	3,805	3,805	3,805	3,805	3,805	45,657	48,396	51,300
Community and social services		1,811	1,811	1,811	1,811	1,811	1,811	1,811	1,811	1,811	1,811	1,811	1,811	21,728	23,032	24,414
Sport and recreation		143	143	143	143	143	143	143	143	143	143	143	143	1,720	1,823	1,932
Public safety		12	12	12	12	12	12	12	12	12	12	12	12	150	159	168
Housing		1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	22,059	23,383	24,786
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	4,908	58,899	62,433	66,179
Planning and development		1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	19,709	20,891	22,145
Road transport		3,246	3,246	3,246	3,246	3,246	3,246	3,246	3,246	3,246	3,246	3,246	3,246	38,951	41,288	43,765
Environmental protection		20	20	20	20	20	20	20	20	20	20	20	20	239	253	269
<i>Trading services</i>		2,193	2,193	2,193	2,193	2,193	2,193	2,193	2,193	2,193	2,193	2,193	2,193	26,317	27,896	29,570
Energy sources		2,026	2,026	2,026	2,026	2,026	2,026	2,026	2,026	2,026	2,026	2,026	2,026	24,309	25,768	27,314
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		167	167	167	167	167	167	167	167	167	167	167	167	2,008	2,129	2,256
<i>Other</i>		3	3	3	3	3	3	3	3	3	3	3	3	30	32	34
Total Capital Expenditure - Functional	2	11,066	11,066	11,066	11,066	11,066	11,066	11,066	11,066	11,066	11,066	11,066	11,066	132,788	140,755	149,201
Funded by:																
National Government		8,752	8,752	8,752	8,752	8,752	8,752	8,752	8,752	8,752	8,752	8,752	(33,659)	62,815	66,187	69,956
Provincial Government		1,716	1,716	1,716	1,716	1,716	1,716	1,716	1,716	1,716	1,716	1,716	16,716	35,587	36,693	60,147
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		10,468	10,468	10,468	10,468	10,468	10,468	10,468	10,468	10,468	10,468	10,468	(16,943)	98,202	102,880	130,103
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		598	598	598	598	598	598	598	598	598	598	598	28,009	34,586	37,875	19,097
Total Capital Funding		11,066	11,066	11,066	11,066	11,066	11,066	11,066	11,066	11,066	11,066	11,066	11,066	132,788	140,755	149,201

Table 69:SA30 Budgeted cash flow

KZN216 Ray Nkonyeni - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand															
Cash Receipts By Source													1		
Property rates	28,418	28,418	28,418	28,418	28,418	28,418	28,418	28,418	28,418	28,418	28,418	28,418	341,011	323,961	383,215
Service charges - electricity revenue	7,877	7,877	7,877	7,877	7,877	7,877	7,877	7,877	7,877	7,877	7,877	7,877	94,525	85,073	106,209
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	4,879	4,879	4,879	4,879	4,879	4,879	4,879	4,879	4,879	4,879	4,879	4,879	58,549	55,622	65,786
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	245	245	245	245	245	245	245	245	245	245	245	245	2,939	2,645	3,302
Interest earned - external investments	283	283	283	283	283	283	283	283	283	283	283	283	3,400	3,400	3,820
Interest earned - outstanding debtors	299	299	299	299	299	299	299	299	299	299	299	299	3,582	1,254	4,025
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	934	934	934	934	934	934	934	934	934	934	934	934	11,211	7,848	12,597
Licences and permits	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	12,615	11,984	14,174
Agency services	3	3	3	3	3	3	3	3	3	3	3	3	30	30	34
Transfer receipts - operational	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	217,730	218,711	222,685
Other revenue	2,696	2,696	2,696	2,696	2,696	2,696	2,696	2,696	2,696	2,696	2,696	2,696	32,347	25,878	15,356
Cash Receipts by Source	64,828	64,828	64,828	64,828	64,828	64,828	64,828	64,828	64,828	64,828	64,828	64,828	777,940	736,405	831,203
Other Cash Flows by Source															
Transfer receipts - capital	8,184	8,184	8,184	8,184	8,184	8,184	8,184	8,184	8,184	8,184	8,184	8,184	98,202	102,880	130,103
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	83	83	83	83	83	83	83	83	83	83	83	83	1,000	900	1,050
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	73,095	73,095	73,095	73,095	73,095	73,095	73,095	73,095	73,095	73,095	73,095	73,095	877,143	840,185	962,356
Cash Payments by Type															
Employee related costs	28,552	28,552	28,552	28,552	28,552	28,552	28,552	28,552	28,552	28,552	28,552	28,552	342,624	335,772	384,972
Remuneration of councillors	2,248	2,248	2,248	2,248	2,248	2,248	2,248	2,248	2,248	2,248	2,248	2,248	26,974	26,974	30,308
Finance charges	357	357	357	357	357	357	357	357	357	357	357	357	4,286	4,286	4,815
Bulk purchases - Electricity	6,390	6,390	6,390	6,390	6,390	6,390	6,390	6,390	6,390	6,390	6,390	6,390	76,677	72,843	94,313
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	3,552	3,552	3,552	3,552	3,552	3,552	3,552	3,552	3,552	3,552	3,552	3,552	42,626	41,773	47,894
Contracted services	4,201	4,201	4,201	4,201	4,201	4,201	4,201	4,201	4,201	4,201	4,201	4,201	50,412	50,412	56,646
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	746	746	746	746	746	746	746	746	746	746	746	746	8,950	8,055	9,945
Other expenditure	19,157	19,157	19,157	19,157	19,157	19,157	19,157	19,157	19,157	19,157	19,157	19,157	229,883	206,895	241,034
Cash Payments by Type	65,203	65,203	65,203	65,203	65,203	65,203	65,203	65,203	65,203	65,203	65,203	65,203	782,432	747,010	869,929
Other Cash Flows/Payments by Type															
Capital assets	10,512	10,512	10,512	10,512	10,512	10,512	10,512	10,512	10,512	10,512	10,512	10,512	126,149	98,290	75,563
Repayment of borrowing	2,241	-	-	-	-	2,241	-	-	-	2,241	-	-	6,722	5,624	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	77,956	75,715	75,715	75,715	75,715	77,956	75,715	75,715	75,715	77,956	75,715	75,715	915,303	850,924	945,492
NET INCREASE/(DECREASE) IN CASH HELD	(4,860)	(2,620)	(2,620)	(2,620)	(2,620)	(4,860)	(2,620)	(2,620)	(2,620)	(4,860)	(2,620)	(2,620)	(38,160)	(10,738)	16,864
Cash/cash equivalents at the month/year begin:	95,305	90,444	87,824	85,205	82,585	79,965	75,105	72,485	69,865	67,245	62,385	59,765	95,305	57,145	46,407
Cash/cash equivalents at the month/year end:	90,444	87,824	85,205	82,585	79,965	75,105	72,485	69,865	67,245	62,385	59,765	57,145	57,145	46,407	63,271

Table 70:SA34a Capital expenditure on new assets

KZN216 Ray Nkonyeni - Supporting Table SA34a Capital expenditure on new assets by asset class

2017/18 Medium Term Revenue & Expenditure Framework											
Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure			–	–	–	45,462	43,194	43,194	51,287	36,622	19,326
Roads Infrastructure			–	–	–	30,348	30,348	30,348	21,362	17,950	8,800
Roads						30,348	30,348	30,348	8,800	10,400	1,250
Road Structures									12,562	7,550	7,550
Road Furniture									–		
Capital Spares											
Storm water Infrastructure			–	–	–	6,030	4,030	4,030	7,500	13,417	5,650
Drainage Collection						6,030	4,030	4,030	7,500	13,417	5,650
Storm water Conveyance											
Attenuation											
Electrical Infrastructure			–	–	–	9,084	8,816	8,816	22,425	5,255	4,876
Power Plants											
HV Substations											
HV Switching Station											
HV Transmission Conductors						3,472	3,472	3,472			
MV Substations											
MV Switching Stations									650	650	650
MV Networks											
LV Networks						5,612	5,344	5,344	21,775	4,605	4,226
Capital Spares											
Water Supply Infrastructure			–	–	–	–	–	–	–	–	–
Dams and Weirs											
Boreholes											
Reservoirs											
Pump Stations											
Water Treatment Works											
Bulk Mains											
Distribution											
Distribution Points											
PRV Stations											
Capital Spares											
Sanitation Infrastructure			–	–	–	–	–	–	–	–	–
Pump Station											
Reticulation											
Waste Water Treatment Works											
Outfall Sewers											
Toilet Facilities											
Capital Spares											
Solid Waste Infrastructure			–	–	–	–	–	–	–	–	–
Landfill Sites											
Waste Transfer Stations											
Waste Processing Facilities											
Waste Drop-off Points											
Waste Separation Facilities											
Electricity Generation Facilities											
Capital Spares											
Rail Infrastructure			–	–	–	–	–	–	–	–	–
Rail Lines											
Rail Structures											
Rail Furniture											
Drainage Collection											
Storm water Conveyance											
Attenuation											
MV Substations											
LV Networks											
Capital Spares											
Coastal Infrastructure			–	–	–	–	–	–	–	–	–
Sand Pumps											
Piers											
Revetments											
Promenades											
Capital Spares											
Information and Communication Infrastructure			–	–	–	–	–	–	–	–	–
Data Centres											
Core Layers											
Distribution Layers											

Table 71: SA36 List of Capital Projects

KZN216 Ray Nkonyeni - Supporting Table SA36 Detailed capital budget

Rate 10.123 - 10.123 - Supporting Table 1 - 10.123 - 10.123 - 10.123																
Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information	
R thousand	4			2	6	3	3	5		Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
Parent municipality: List all capital projects grouped by Municipal Vote																
Cluster 1					Yes	Roads Infrastructure	Roads					10,300			ward 30, 31, 32, 33	
Cluster 2					Yes	Roads Infrastructure	Roads					7,000			ward 7, 8, 9, 29	
Cluster 3					Yes	Electrical Infrastructure	Power Plants					6,000			ward 1, 2, 6, 10, 11, 19	
Cluster 4					Yes	Electrical Infrastructure						28,021			ward 3, 5, 25, 26, 27, 28	
Cluster 5					Yes	Roads Infrastructure						5,362			Ward 21, 22, 23, 24	
Cluster 6					Yes	Electrical Infrastructure						30,555			Ward 4, 17, 18, 20	
Cluster 7					Yes	Roads Infrastructure						7,900			Ward 12, 13, 14, 15, 16	
Municipal Wide					Yes							34,265			all wards	
Parent Capital expenditure	1											129,403	-	-		

Table 72: Prioritized Capital Projects

2017/18 CAPITAL BUDGET	MIG	INTERNAL	PT	DOT	PROJECT STATUS
1 000 000	1 000 000				CONSTRUCTION
500 000	500 000				CONSTRUCTION
300 000	300 000				CONSTRUCTION
2 000 000	2 000 000				CONSTRUCTION
1 000 000	1 000 000				CONSTRUCTION
1 500 000	1 500 000				PLANNING AND DESIGN
1 500 000	1 500 000				PLANNING AND DESIGN
250 000	250 000				PLANNING AND DESIGN
250 000	250 000				PLANNING AND DESIGN
250 000	250 000				PLANNING AND DESIGN
250 000	250 000				PLANNING AND DESIGN
250 000	250 000				PLANNING AND DESIGN
250 000	250 000				PLANNING AND DESIGN
250 000	250 000				PLANNING AND DESIGN
250 000	250 000				PLANNING AND DESIGN
250 000	250 000				PLANNING AND DESIGN

250 000	250 000				PLANNING AND DESIGN
250 000	250 000				PLANNING AND DESIGN
10 800 000	10 800 000	0	0	0	
1 000 000	1 000 000				CONSTRUCTION
500 000	500 000				CONSTRUCTION
300 000	300 000				CONSTRUCTION
100 000	100 000				CONSTRUCTION
1 500 000	1 500 000				CONSTRUCTION
200 000	200 000				PLANNING AND DESIGN
200 000	200 000				PLANNING AND DESIGN
200 000	200 000				PLANNING AND DESIGN
1 500 000	1 500 000				DESIGN AND CONSTRUCTION
1 500 000	1 500 000				DESIGN AND CONSTRUCTION
7 000 000	7 000 000	0	0		
500 000	500 000				CONSTRUCTION
1 500 000	1 500 000				CONSTRUCTION
1 000 000	1 000 000				CONSTRUCTION
1 000 000	1 000 000				CONSTRUCTION
800 000		800 000			DESIGN AND CONSTRUCTION
1 000 000	1 000 000				DESIGN AND CONSTRUCTION
200 000		200 000			PLANNING AND DESIGN
6 000 000	5 000 000	1 000 000	0		
175 000		175 000			CONSTRUCTION
500 000	500 000				CONSTRUCTION
1 000 000	1 000 000				CONSTRUCTION
1 000 000	1 000 000				CONSTRUCTION
4 000 000	4 000 000				CONSTRUCTION
1 000 000	1 000 000				CONSTRUCTION
17 332 066					CONSTRUCTION
1 263 456					CONSTRUCTION
1 500 000	1 500 000				DESIGN AND CONSTRUCTION
250 000	250 000				PLANNING AND DESIGN
28 020 522	9 250 000	175 000	0	0	
500 000	500 000				DESIGN AND CONSTRUCTION
1 062 350	1 062 350				CONSTRUCTION
400 000	400 000				CONSTRUCTION
200 000	200 000				PLANNING AND DESIGN

200 000	200 000				PLANNING AND DESIGN
500 000	500 000				PLANNING AND DESIGN
2 000 000	2 000 000				DESIGN AND CONSTRUCTION
5 862 350	5 862 350	0	0	0	
1 847 313					PLANNING AND DESIGN
250 000	250 000				CONSTRUCTION
250 000	250 000				PLANNING AND DESIGN
500 000	500 000				PLANNING AND DESIGN
4 100 000					CONSTRUCTION
1 000 000	1 000 000				CONSTRUCTION
1 000 000		1 000 000			CONSTRUCTION
4 000 000				4 000 000	CONSTRUCTION
15 000 000			15 000 000		CONSTRUCTION
1 108 000					REGISTRATION AND TRANSFERS
500 000	500 000				
500 000	500 000				
1 500 000	1 500 000				DESIGN AND CONSTRUCTION
31 555 313	4 500 000	1 000 000	15 000 000	4 000 000	
500 000	500 000				CONSTRUCTION
500 000	500 000				CONSTRUCTION
500 000	500 000				CONSTRUCTION
1 800 000	1 800 000				CONSTRUCTION
300 000					REGISTRATION AND TRANSFERS
1 500 000	1 500 000				DESIGN AND CONSTRUCTION
1 000 000	1 000 000				CONSTRUCTION
300 000		300 000			PLANNING AND DESIGN
6 400 000	5 800 000	300 000	0	0	
2 500 000	2 500 000				CONSTRUCTION
2 500 000		2 500 000			CONSTRUCTION
1 500 000		1 500 000			CONSTRUCTION
2 000 000	2 000 000				DESIGN AND INSTALLATION
1 000 000	1 000 000				CONSTRUCTION
1 000 000		1 000 000			DESIGN AND CONSTRUCTION
500 000	500 000				DESIGN AND CONSTRUCTION
4 000 000	4 000 000				CONSTRUCTION

800 000		800 000			CONSTRUCTION
14 000 000					DESIGN AND INSTALLATION
650 000	650 000				DESIGN AND INSTALLATION
1 000 000	1 000 000				DESIGN AND INSTALLATION
265 000		265 000			DESIGN AND INSTALLATION
400 000		400 000			DESIGN AND INSTALLATION
1 000 000		1 000 000			DESIGN AND INSTALLATION
650 000		650 000			DESIGN AND INSTALLATION
33 765 000	11 650 000	8 115 000	0	0	
129 403 185	59 862 350	10 590 000	15 000 000	4 000 000	
3 385 000		3 385 000			
132 788 185	59 862 350	13 975 000	15 000 000	4 000 000	

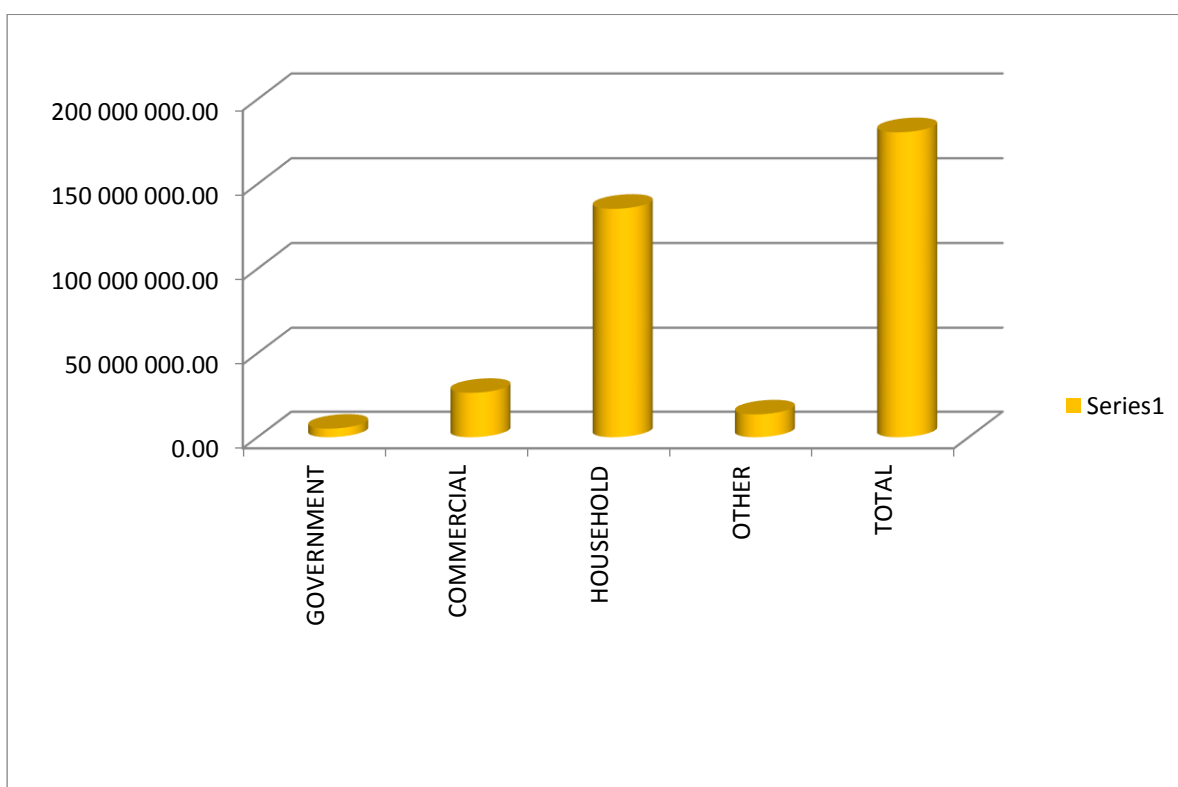
4.7.17 DEBT MANAGEMENT

The following tables and graph show the different types of debtors within the municipality

Table 73:Debtors per type-31 May 2017

GOVERNMENT	5 090 782,27
COMMERCIAL	26 457 843,76
HOUSEHOLD	135 385 207,80
OTHER	13 622 668,92
TOTAL	180 556 502,75

Graph 18: Debt Management



Source: RNM Treasury 2017

Table 74: Account Type

ACCOUNT_TYPE	Total
GOVERNMENT	5 090 782,27
COMMERCIAL	26 457 843,76
HOUSEHOLD	135 385 207,80
OTHER	13 622 668,92
TOTAL	180 556 502,75

Table 75: Debtors per service

DEBTORS PER SERVICE - 31 MAY 2017							
	Current	30 Days	60 Days	90 Days	120 Days	150+ Days	
Type of Service	May-17	Apr-17	Mar-17	Feb-17	Jan-17	Remaining Balance	Total
V.A.T.	1 278 428,30	642 689,80	204 972,47	196 913,98	177 823,08	2 895 406,20	5 396 233,83
Deposit Electricity	15 744,75	-174,31	-2 804,94	-292,16	-3 180,12	-186 608,85	-177 315,63
Interest	1 095 391,52	1 067 534,74	1 016 038,84	991 263,95	944 207,78	27 380 487,79	32 494 924,62
Adjustments	28 917,71	64 709,01	-88 610,46	-7 901,98	-15 540,29	-236 354,76	-254 780,77
Elec. Consumption	8 483 973,40	2 673 636,37	267 832,10	222 109,00	153 860,41	2 010 956,49	13 812 367,77
Elec. Basic	353 221,20	137 539,60	35 012,18	20 246,96	15 812,29	186 404,41	748 236,64
Water Consumption	81 321,50	9 385,70	7 153,91	5 720,56	3 618,62	160 282,37	267 482,66
Refuse	-1 947,55	1 602 771,53	1 057 996,06	875 184,71	740 737,78	14 543 006,55	18 817 749,08
VTs	0	0	0	0	0	4 892,04	4 892,04
Rates General	247 455,90	11 044 105,94	6 681 307,66	5 457 958,86	4 559 701,81	85 279 868,82	113 270 398,99
U.I.P.S/Broom	-2 148,60	40 829,88	21 228,06	16 670,62	13 384,69	170 067,66	260 032,31
Sewer Rates	0	0	0	0	0	168 803,68	168 803,68

Road & Drain Man	0	0	0	0	0	54 873,52	54 873,52
Rentals	142 293,97	80 764,35	78 240,57	68 961,82	55 001,64	1 793 595,42	2 218 857,77
Basic Refuse	0	0	0	0	0	125 653,98	125 653,98
Penalties	0	0	0	0	0	3 444 975,66	3 444 975,66
Coll. Fees	0	0	0	0	0	668 954,59	668 954,59
Legal Fees	112 348,84	101,46	12 958,22	75 433,68	0	4 213 021,65	4 413 863,85
Sundry Charge	41 245,40	33 723,39	257 058,80	247 516,18	286 536,97	1 672 195,54	2 538 276,28
Interim/B. Cl	0	0	0	0	0	49 007,36	49 007,36
Payment	-4 695 197,48	-2 102 277,33	-2 177 734,05	-1 130 272,02	-927 927,65	-7 256 207,11	-18 289 615,64
Airport	40 844,69	22 767,30	18 041,56	16 361,66	17 169,48	327 878,50	443 063,19
Uip Ramsgate	0	0	0	0	0	2 344,88	2 344,88
Deposit-Valuation Query	0	0	0	0	0	10 216,27	10 216,27
Uip Marina Beach	0	10 489,98	6 438,78	4 950,00	4 402,91	40 724,15	67 005,82
Report Total	7 221 893,55	15 328 597,41	7 395 129,76	7 060 825,82	6 025 609,40	137 524 446,81	180 6 502,75

4.8 COMBINED SWOT ANALYSIS (STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS ANALYSIS)

4.8.1 Local Economic Development and Social Development

Table 76: Local Economic Development

Strengths	Weaknesses
<ul style="list-style-type: none"> • Good number of formal jobs in the Ugu DM family of municipalities • Tourism industry as one of the prominent economic drivers • The coast stretching from Hibberdene to Port Edward consisting of 29 beaches • Located along the Tourism and Agricultural corridor in terms of the PSEDs • Increase in the property and construction industry and vehicle sales data • Operational Margate Airport weekly scheduled flights to OR Tambo airport. 	<ul style="list-style-type: none"> • High youth unemployment • Limited coastal-hinterland linkage • Narrow roads, increasing traffic congestion. • Generally poor road network • There is a general lack of market infrastructure.
Opportunities	Threats
<ul style="list-style-type: none"> • Intermodal Transport Facility at advanced planning • Margate Airport scheduled flights growing daily -Major tourism and entertainment events- Ugu Jazz festival, and SA Women Open European Tour Golf Tournament. 	<ul style="list-style-type: none"> • The perception of the south coast as a retirement area • Most traders are not authorized to undertake street trading • Pressure on the available infrastructure due to informal trading causing chaos • Current infrastructure not coping with growing population

4.8.2 MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

Table 77: Municipal Transformation and Organizational Development

Strengths	Weaknesses
<ul style="list-style-type: none"> • Inter-governmental Relation structures in place and functioning • Workplace skills Plan in place • Employment Equity Plan as well as the Human Resource Plan <p>Resignation rate is low</p> <ul style="list-style-type: none"> • There is an intern programme which runs for a period of 12months within the Municipality <p>The Municipality is run in a democratic and transparent manner</p> <ul style="list-style-type: none"> • All posts have been filled • The Council is fully functional • Effective portfolio committees • Diverse representation of political parties in Council (ANC, DA, IFP, VV and EFF) • All 7 Departments are fully operational • The Labour Forum is well functional <p>Line 1 Managers are being capacitated to effectively run their units</p>	<ul style="list-style-type: none"> • 2 of the 7 Heads of Departments, section 56/57 are females • 10 of the 40 managers are females
Opportunities	Threats
<ul style="list-style-type: none"> • Most Communities have access to basic services supplied by the different powers 	<p>Failure to attract and retain females at management level</p>

4.8.3 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Table 78: Good Governance and Public Participation

Strengths	Weaknesses
<ul style="list-style-type: none"> • Ward committees are fully functional • Effective Municipal structures • Excellent task team Management • Internal audit and Risk Management in place 	<ul style="list-style-type: none"> • Little alignment of IDP and the other Ugu Municipality family
Opportunities	Threats
<ul style="list-style-type: none"> • Improved flagship program • Improve the functionality of the District's Planners Forum 	<ul style="list-style-type: none"> • Poor participation of sector Departments • Slow pace of service delivery

4.8.4 BASIC SERVICE DELIVERY AND INFRASTRUCTURE

Table 79: Basic Service Delivery and Infrastructure

Strengths	Weaknesses
<ul style="list-style-type: none"> • The municipal area is generally covered with well-developed bulk infrastructure and networks • Relative high levels of service provision with relatively low backlogs to RDP standards. • Partnering with Government in enhancing EPWP and CWP • The implementation of the IWMP 	<ul style="list-style-type: none"> • Staff and skills shortages in key positions. • Overstretched technical services / PMU • An ageing fleet of vehicles • An ageing infrastructure • Absence of a multi-wide building maintenance plan in line with the asset register • No transport plan and roads maintenance plan • Backlog is electricity provision in some

Opportunities	Threats
<ul style="list-style-type: none"> • The existence of a number of sector plans. • Ensuring there lease of public land for low and affordable housing. • Reviving the Airport through LED projects. • Proximity to the N2 corridor. • Vast undeveloped land in urban corridor as well as rural hinterland 	<ul style="list-style-type: none"> • The need to reduce electricity revenue losses due to technical losses, illegal connections, tampering leading to unbilled usage. • Backlog in accessibility to roads by the general public in the rural areas of the municipality. • Storm water backlog caused by densities not considered original infrastructure layout • Most roads are in a deteriorating state, provincial and local • Illegal waste dumping

4.8.5 MUNICIPAL FINANCIAL AND VIABILITY

Table 80: Municipal Transformation and Viability

Strengths	Weaknesses
<ul style="list-style-type: none"> -83% of income generated internal and sources being rates, electricity and refuse income grant funding -Unqualified Audit Report consecutively for the last 5 years Annual financial statements developed internal Robust PMS System 	<ul style="list-style-type: none"> Collection is not always 100% Ageing infrastructure resulting in disgruntled ratepayers who are threatening to withhold rates which is the Municipality's main source of income Amendments of the AFS which resulted in the none achievement of clean audit
Opportunities	Threats

<p>Being one of the most financial stable Municipalities in KZN and South Africa</p> <p>Introduction of the case ware reporting system which will assist in addressing the issue of quality of AFS</p>	<p>Ratepayers threatening to withhold rates</p> <p>Irregularities within the procurement prices</p> <p>Fixed asset register system have some weaknesses</p> <p>Poor fleet management</p> <p>Non planning for future replacement of capital items</p> <p>Currently solid waste removal is operating at a deficit</p>
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4.8.6 CROSS CUTTING ISSUES

Table 81: Cross cutting Issues

Strengths	Weaknesses
<ul style="list-style-type: none"> • Being able to develop a sound vision statement that talks to both urban and rural developments • SDF is aligned to all the planning principles • Corridors with vibrant economic activities have been identified • Being able to plan with communities at large • HCM makes provision for the development of community centres within a cluster of settlements □ Cross Boundary Potentials 	<ul style="list-style-type: none"> • The need to develop the full suite of plans for the municipality □ Key spatial plans have not been fully developed
Opportunities	Threats

- Meeting land use needs and identification of economic development potentials through
- Job opportunities in the newly developed nodes and economic corridors
- An extensive range of natural assets for preserving the biodiversity for future

- Slow development in the hinterland Organic and illegal thus a great need for the implementation of the SDF
- Slow development of a wall to wall scheme as per the PDA regulations

5. CAPITAL INVESTMENT FRAMEWORK



5. CAPITAL INVESTMENT FRAMEWORK

Capital Investment Framework (CIF) is considered to be a very important component of the Spatial Development Framework (SDF). The CIF is a sound step towards a more systematic approach to infrastructure planning and coordination.

CAPITAL INVESTMENT PLAN : RAY NKONYENI LOCAL MUNICIPALITY - 2017-2022

PROGRAMME/PROJECTS							PHASED ANNUAL INVESTMENT COSTS								FUNDING			
NUMBER	ANNEXURE	PRIORITY		LOCALISATION OF NSSD1 (2011)	DOCUMENT REFERENCE	LOCATION	TOTAL ESTIMATED COST	2018/19	2019/20	2020/21	2021/22	2022/23	CAP COSTS	OPERATION & MAINT COST	GOVERNMENT SOURCE OF FUNDING	AVAILABLE	INTERNAL	EXTERNAL
S1: AREA/WARD BASED MANAGEMENT SYSTEM							R -	R -	R -	R -	R -	R -						
S2: SUSTAINING THE NATURAL AND BUILT ENVIRONMENT							R 1 500 000,00	R 30 000,00	R 30 000,00	R 30 000,00	R 30 000,00	R 30 000,00	R 1 185 000,00	R 315 000,00				
2,1			Implementation of Strategic Environmental Assessment	Goal 1		Entire Municipality	R 1 000 000,00	R 20 000,00	R 20 000,00	R 20 000,00	R 20 000,00	R 20 000,00						
2,2			Environmental Conservation Awareness Campaigns	Goal 2,3		Entire Municipality	R 500 000,00	R 10 000,00	R 10 000,00	R 10 000,00	R 10 000,00	R 10 000,00						
S3: CORRIDOR DEVELOPMENT								R 21 723 385,00	R 23 895 724,00	R 26 225 296,00	R 36 101 225,00	R 31 809 708,00	R -	R -				
3,1			ROADS				R 139 755	R 21 723	R 23 895	R 26 225	R 36 101	R 31 809	R 110 406	R 29 348	DoT			

						338,00	385,00	724,00	296,00	225,00	708,00	717,02	620,98					
3.1.1		N2 Toll Road	Goal 1, 4,7			R -												
		Safety Maintenance				R 51 292 347,00	R 8 41 38 5,00	R 9 25 52 4,00	R 10 11 77 6,00	R 11 19 55 3,00	R 12 31 10 9,00	R 40 520 954,13	R 10 771 392,87	DoT				
		Safety Maintenance - Guardrails : Installation			P77, P1 97, P3, P22	R 15 262 750,00	R 2 50 0 0,00	R 2 75 0 0,00	R 3 02 5 0,00	R 3 32 7 0,00	R 3 66 25 0,00	R 12 057 572,50	R 3 205 177,50	DoT				
		Safety Maintenance - Roadmarking and Studs			Entire Municipality	R 15 262 750,00	R 2 50 0 0,00	R 2 75 0 0,00	R 3 02 5 0,00	R 3 32 7 0,00	R 3 66 25 0,00	R 12 057 572,50	R 3 205 177,50	DoT				
		Regulatory and Warning Signs			Entire Municipality	R 3 367 312,00	R 56 1 38 5,00	R 61 7 52 4,00	R 61 9 27 6,00	R 74 7 20 3,00	R 82 1 92 4,00	R 2 660 176,48	R 707 135,52	DoT				
		Blading			Entire Municipality	R 9 157 650,00	R 1 50 0 0,00	R 1 65 0 0,00	R 1 81 5 0,00	R 1 99 6 0,00	R 2 19 6 15 0,00	R 7 234 543,50	R 1 923 106,50	DoT				
		Drain Cleaning and Verges Maintenance			Entire Municipality	R 8 241 885,00	R 1 35 0 0,00	R 1 48 5 0,00	R 1 63 3 50 0,00	R 1 79 6 85 0,00	R 1 97 6 53 5,00	R 6 511 089,15	R 1 730 795,85	DoT				
		Bridge Joints Repair/ Replace			Entire Municipality	R 4 578 825,00	R 75 0 0 0,00	R 82 5 0 0,00	R 90 7 50 0,00	R 99 8 25 0,00	R 1 09 8 07 5,00	R 3 617 271,75	R 961 553,25	DoT				
3.1.2		Gravelling/ Blacktop				R 88 462 991,00	R 13 31 2 0 0,00	R 14 64 3 20 0,00	R 16 10 7 52 0,00	R 24 90 5 67 2,00	R 19 49 4 59 9,00	R 69 885 762,89	R 18 577 228,11	DoT				

			Drainage Improvement - Blacktop Patching P395			P395	R 47 082 531,00	R 7 712 000,00	R 8 483 200,00	R 9 331 520,00	R 10 264 672,00	R 11 291 139,00	R 37 195 199,49	R 9 887 331,51	DoT				
			Patch Graveling			Entire Municipality	R 10 850 460,00	R 60 000,00	R 66 000,00	R 72 600,00	R 7 986 000,00	R 8 878 460,00	R 8 571 863,40	R 2 278 596,60	DoT				
			Betterment and Regraveling			D916,D1091,D902,D1095,P58,D252	R 30 530 000,00	R 5 000,00	R 5 500,00	R 6 050 000,00	R 6 655 000,00	R 7 325 000,00	R 24 118 700,00	R 6 411 300,00	DoT				
3.1.3			R61 Upgrade																
S4: NODAL DEVELOPMENT/SERVICE CENTRES							R 177 650 000,00	R 26 000,00	R 23 500,00	R 19 000,00	R 32 500,00	R 16 650 000,00	R 140 343 500,00	R 37 306 500,00					
4,1			Port Shepstone Urban Regeneration Implementation										R -	R -					
4.1.1			Upgrade Nelson Mandela drive to accommodate the proposed multimodal				R 5 000 000,00	R 5 000 000,00											

4.1 .29		Mahlaba thini roads, sidewal ks, streetli ghts and stormw ater infrastr ucture				R 10 000 000, 00	R 1 00 0 00 0,00	R 1 00 0 00 0,00	R 1 00 0 00 0,00	R 1 00 0 00 0,00	R 1 00 0 00 0,00						
4.1 .30		Oribi Flats roads, sidewal ks, streetli ghts and stormw ater infrastr ucture				R 10 000 000, 00	R 1 00 0 00 0,00	R 1 00 0 00 0,00	R 1 00 0 00 0,00	R 1 00 0 00 0,00	R 1 00 0 00 0,00						
S5: CONTINUUM OF SUSTAINABLE HUMAN SETTLEMENTS						R 56 936 081, 00	R 2 83 5 10 0,00	R 29 45 6 62 0,00	R 52 6 05 0,00	R 54 1 88 0,50	R 57 6 43 0,50	R 2 346 284, 99	R 623 696,0 1				
5,1		HOUSIN G AND HUMAN SETTLE MENT															
5.1 .1		Rural Project s															
		KwaNd walane (Rural)				R 23 000 000, 00											
5.1 .2		New Rural Project s															
		Gamalak h				R 2 835 100, 00	R 2 83 5 10 0,00										
5.1 .3		Slums Clearan ce Project s															

S7: SERVICE AND SOCIAL INFRASTRUCTURE																			
7,1		WATER SERVICES AND MANAGEMENT	Goal 3			R 202 189 000,00	R 31 037 800,00	R 5 037 800,00	R 5 037 800,00	R 5 037 800,00	R 5 037 800,00	R 40 439 310,00	R 10 749 690,00						
7.1.1		Water scheme : Msikaba			Msi kab a	R 26 000 000,00	R 26 000 000,00	R -	R -	R -	R -	R 20 540 000,00	R 5 460 000,00	Ugu DM					
7.1.2		KwaNyuswa Water Scheme Phase 3				R 13 333 500,00	R 2 666 700,00	R 2 666 700,00	R 2 666 700,00	R 2 666 700,00	R 2 666 700,00	R 10 533 465,00	R 2 800 035,00	Ugu DM					
7.1.3		Umtamvuna Water Works				R 11 855 500,00	R 2 371 100,00	R 2 371 100,00	R 2 371 100,00	R 2 371 100,00	R 2 371 100,00	R 9 365 845,00	R 2 489 655,00	Ugu DM					
7.1.4		Gamalakhe Bulk Water Supply Project: Security of Supply			Ga mal akhe	R 31 000 000,00													
7.1.5		Umzimkhulu Bulk Water Augmentation Scheme			Um zim khu lu	R 30 000 000,00													
7.1.6		Water Pipeline Replacements				R 90 000 000,00													
7.1.7		Bulk Water Infrastructure in Murchison																	

[illegible]

						000 000, 00	80 0 0, 00	80 0 0, 00	80 0 0, 00	80 0 0, 00	80 0 0, 00	880 000, 00	120 000,0 0					
7.4 .1. 1		Hibberd ene Clinic				R 18 000 000, 00	R -	R -	R -	R -	R 18 00 0 00, 00	R 14 220 000, 00	R 3 780 000,0 0					
7.4 .1. 2		Kwa Nikwe				R 18 000 000, 00	R 3 60 0 0, 00	R 3 60 0 0, 00	R 3 60 0 0, 00	R 3 60 0 0, 00	R 3 60 0 0, 00	R 14 220 000, 00	R 3 780 000,0 0	Dep Of Healt h				
7.4 .1. 3		Mdlazi				R 18 000 000, 00	R 3 60 0 0, 00	R 3 60 0 0, 00	R 3 60 0 0, 00	R 3 60 0 0, 00	R 3 60 0 0, 00	R 14 220 000, 00	R 3 780 000,0 0	Dep Of Healt h				
7.4 .1. 4		Thornda le Mahlaba thini				R 18 000 000, 00	R 3 60 0 0, 00	R 3 60 0 0, 00	R 3 60 0 0, 00	R 3 60 0 0, 00	R 3 60 0 0, 00	R 14 220 000, 00	R 3 780 000,0 0	Dep Of Healt h				
7.4 .2		Matern al Obstetr ic Units				R 22 000 000, 00	R 4 40 0 0, 00	R 4 40 0 0, 00	R 4 40 0 0, 00	R 4 40 0 0, 00	R 4 40 0 0, 00	R 17 380 000, 00	R 4 620 000,0 0					
7.4 .2. 1		Izingolw eni				R 22 000 000, 00	R 4 40 0 0, 00	R 4 40 0 0, 00	R 4 40 0 0, 00	R 4 40 0 0, 00	R 4 40 0 0, 00	R 17 380 000, 00	R 4 620 000,0 0	Dep Of Healt h				
7.4 .2		Matern al Obstetr ic Units				R -	R -	R -	R -	R -	R -	R -	R -	Depar tment of Healt h				
		Ntabeni										R -	R -					
7.4 .3		Commu nity Health Centers				R 120 000 000, 00	R 24 00 0 00	R 24 00 0 00	R 24 00 0 00	R 24 00 0 00	R 24 00 0 00	R 94 800 000, 00	R 25 200 000,0 0					

							0,00	0,00	0,00	0,00	0,00								
7.4.3.1		Gamalakhe Phase 2				R 120 000 000,00							R 94 800 000,00	R 25 200 000,00					
7.5		EDUCATION AND SKILLS DEVELOPMENT	Goal 3	Strategy 7 (section 7.7 of SDF Strategy document)															
7.5.1		Creche																	
7.5.1.1		Ward 2 Creche			Ward 2	R 639 350,00		R 639 350,00								MIG			
7.5.1.2		Ward 6 Creche			Ward 6	R 517 837,84		R 517 837,84								MIG			
7.6		SPORT, RECREATION & COMMUNITY FACILITIES																	X
7.6.1		Sportsfields																	
7.6.1		Kwanyiswa Sports Center			Ward 1	R 3 000 000,00	R 600 000,00	R 600 000,00	R 600 000,00	R 600 000,00	R 600 000,00	R 2 370 000,00	R 630 000,00	Ezingoleni					
7.6.2		Bhuka (Munga) Sports Field			Ward 6	R 2 100 000,00	R 420 000,00	R 420 000,00	R 420 000,00	R 420 000,00	R 420 000,00	R 1 659 000,00	R 441 000,00	Ezingoleni					
7.6.3		Mpuzi Sports Field				R 3 100 000,00						R 2 449 000,00	R 651 000,00	MIG					

S8: UNLOCKING ECONOMIC POTENTIAL																				
8,1		Upgrade of Margate Airport and Runway (phase 1 and 2)				R 20 000 000, 00											KZNC OGTA	X		X
		KwaXolo Rock Art Project															KZNC OGTA	X		
		The Implementation of an integrated beach precinct in Margate South, North and Central beach															KZNC OGTA	X		
8,2		Margate Urban Renewal detailed planning and design				R 1 000 000, 00														
		Tea Tree Farming Venture			ALL	R 6 152 000, 00	R 1 230 400, 00	R 1 230 400, 00	R 1 230 400, 00	R 1 230 400, 00	R 1 230 400, 00	R 4 860 080, 00	R 1 291 920, 00	COGTA						
		LED Strategy			ALL	R 400 000, 00	R 400 000, 00	R -	R -	R -	R -	R 316 000, 00	R 84 000, 00	COGTA						
		Village Landscaping, Community Park, Street Lighting, Trade			ALL	R 2 482 000, 00	R 496 400, 00	R 496 400, 00	R 496 400, 00	R 496 400, 00	R 496 400, 00	R 1 960 780, 00	R 521 220, 00							

9.2.2		MPRA			Entire	R 8 000,00		R 8 000,00				R 7 440,00	R 560,00	KZNC OGTA	X				
9.2.3		Business Intelligence			Entire	R 83 000,00		R 83 000,00				R 77 190,00	R 5 810,00	KZNC OGTA	X				
9.2.4		Municipal Websites			Entire	R 83 000,00		R 83 000,00				R 77 190,00	R 5 810,00	KZNC OGTA	X				
9.2.5		PSEDS			Entire	R 83 000,00		R 83 000,00				R 77 190,00	R 5 810,00	KZNC OGTA	X				
9.3		Justice Park in Port Shepstone			Port Shepstone									Department of Public Works					
9.4		Intermodal Public Transport Facility			Port Shepstone									Department of Transport					
9.5		Regional Technology Hub			Port Shepstone									Office of the Premier					
9.6		Margate Beachfront Redevelopment			Margate									CoGTA					
9.7		Parking Block in Dick Kings Parking			Port Shepstone														
9.8		Municipal Office Precinct			Port Shepstone														
9.9		Ocean Upmarket Restaurant			Port Shepstone														
9.10		Uvongo Hotel and			Uvongo														

Table 82: Sector Departmental Projects

SECTOR DEPARTMENTAL PROJECTS		
ORGANISATION	PROJECT DESCRIPTION	Budget
ESKOM	Ward 5,7,8, 28.10,11 electrification and landfills 1/293 connections	R 33 622 124.00
	Wards 30 31 32 33 34 35 36 Electrification/ Infills (1 716 Connections)	
DEPT. OF HUMAN SETTLEMENT	Mkholombe – Ward 20 (1000 units)	
	Bhobhoyi Phase 2 – Ward 20 (1098 units)	
	Kwa Ndwalane (Peri-urban) – Portions of Wards 20, 21, 22, and 23 (1000 units)	

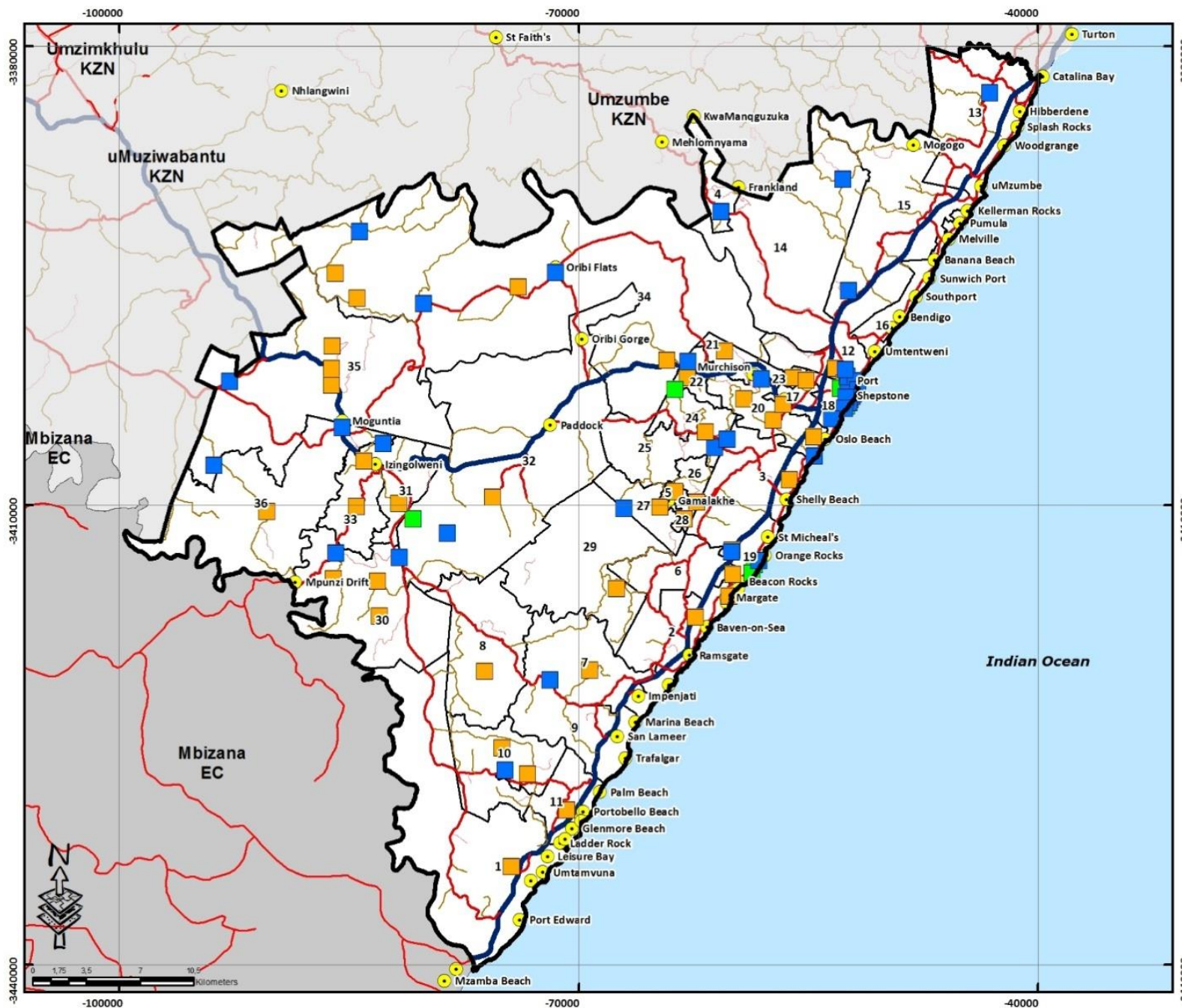
SECTOR DEPARTMENTAL PROJECTS		
Organization	Project Description	Budget
Department of Human Settlement	Gamalakhe (institute-upgrade)- Portions of wards 25,26,27, and 28(2000 units)	
	Kwa-Nyuswa Phase2- WoSiyane/Nkulu-Ward 34(1000 units)	
	Kwa-Nyuswa Phase 2-Blose-Ward 35(1000 units)	
	Mthimude Phase 2 Hlomedini/Bhosiki-Ward 35(1000 units)	
	Mthimude Phase 2-Shibe-Ward 35(1000 units)	
	Vukuzithathe Phase 3 Ngawusheni/Bdlazi-Ward 30(1000 units)	
	Vukuzithathe Phase 3- Bاندلانا/Shobashobane-Ward 30,31, and 33	
	Lot 7 Albersville (40 units)	
	Merlewood Middle Income (177 units)	
	Marburg Settlement (164 units)	
	Lot 1561- Shelly Beach (300 units)	
	Portion 15(of 17)portion 16(of 7) and the remainder of 7 of the farm Success no 7108(281 units)	R360 000 000.00
Department of Public Works	Justice Park in Port Shepstone	
Department of Transport	Intermodal Public Transport Facility	
Office of the Premier	Regional Technology Hub	
CoGTA	Margate Beachfront Redevelopment	R30 000 000.00
SANRAL	R61 Upgrade	
Ugu DM	Ugu Agri-Park (Ezinqoleni)	
	Gamalakhe Bulk Water Supply Project :Security of Supply	R31 000 000.00

	KwaNyuswa Water Scheme - Phase 3 (AFA) MIS 194753	R10 000 000.00
	Umtamvuna Water Works Raw Water Upgrade	R2 000 000.00
	Umzimkhulu Bulk Water Augmentation Scheme	R30 000 000.00
	Msikaba and Surrounds Water Supply Scheme	R7 000 000.00
	Water Pipeline Replacements	R90 000 000.00
	Margate Sewer Pipeline Replacement	R9 000 000.00
	Masinenge /Uvongo Sanitation Project	R1 000 000.00
	KwaLatshoda Low-cost housing Sanitation Services	Still in planning
	Rural Sanitation (VIPs)	R6 200 000.00

Table 85: Preferred Capital Investment Framework

Area	Project Description	Budget
Port Shepstone	Upgrade Nelson Mandela drive to accommodate the proposed multimodal facility. This should include proper access and egress into the facility, pedestrian crossings, walkways, sidewalks and general public realm upgrades.	R5 000 000.00
	Activity streets will benefit from general public realm upgrade, which aims at creating an aesthetically pleasing, attractive and functional urban environment. Ultimately, it aims at creating a 'walkable' town, with a safe, clean and green public environment in a good state of repair streets (Aikin, Bazley, Nelson Mandela, Connor And Reynolds Streets)	R5 000 000.00
	Railway Station Development	
	Improved Pedestrian Crossings along The R102 at the Main Intersection Points	R2 000 000.00
	Propose New Intersection On R102 and Reynolds Street	R5 000 000.00
	Settlers Park Office Park Development	
	Parking Meter System	
	Beachfront Promenade	R5 000 000.00
	Development of Entrance Features	R500 000.00
	Bus Terminal (Coach Operators) With a Taxi Facility	
	Redevelopment of Beachfront Node	R3 000 000.00

	Development of the Block and Lighthouse Node	R12 000 000.00
	Eco Park Along Umzimkulu Riverfront	R4 500 000.00
	Formalise Coastal Access Points	
	Periodic Market	
	Realign Entrance to the Beachfront From R102	
	Feasibility of Revitalisation of the Narrow-Gauge Line to Paddock	R650 000.00
	Upgrading of the Mbango WWTP	
<i>Murchison</i>	Bulk Water and Sanitation	
<i>Gcilima</i>	Water and Sanitation Supply	
<i>Louisiana</i>	Electrification	
<i>Ingwemabala</i>	Electrification	
<i>Ezinqoleni</i>	Roads, sidewalks, streetlights and stormwater infrastructure	R30 000 000.00
<i>Nqabeni</i>	Roads, sidewalks, streetlights and stormwater infrastructure	R10 000 000.00
<i>Thonjeni</i>	Roads, sidewalks, streetlights and stormwater infrastructure	R10 000 000.00
<i>Mtateni</i>	Roads, sidewalks, streetlights and stormwater infrastructure	R10 000 000.00
<i>Lushaba</i>	Roads, sidewalks, streetlights and stormwater infrastructure	R10 000 000.00
<i>KwaMadlala</i>	Roads, sidewalks, streetlights and stormwater infrastructure	R10 000 000.00
<i>Ndimeni</i>	Roads, sidewalks, streetlights and stormwater infrastructure	R10 000 000.00
<i>Nkumbini</i>	Roads, sidewalks, streetlights and stormwater infrastructure	R10 000 000.00
<i>Mogontia</i>	Roads, sidewalks, streetlights and stormwater infrastructure	R10 000 000.00
<i>KwaNzimakwe</i>	Roads, sidewalks, streetlights and stormwater infrastructure	R10 000 000.00
<i>Mahlabathini</i>	Roads, sidewalks, streetlights and stormwater infrastructure	R10 000 000.00
<i>Oribi Flats</i>	Roads, sidewalks, streetlights and stormwater infrastructure	R10 000 000.00
Total		



Spatial Development Framework 2017/2022

SDF CIF Map

Economic Development, Tourism and Planning Spatial Planning Unit
666 Crescent Avenue
Uvongo 4270
Tel: 039 315 9240
Date: 2017

Legend

- LM Boundary
- IDP CIF Project
- Preferred CIF Project
- Sector Departmental Project
- Places
- ocean
- National Road
- Provincial Road
- District Road
- Local Road
- Wards

DATA SOURCES:
Towns: Cogta
Roads: DOT
Municipal/Ward Boundaries: MDB
Stats: STATSSA
Agric Land Cover: DAG
Environmental Data: KZN Wildlife 2016
Land Reform: DRDLR
Cadastral: KZN SGO

6. IMPLEMENTATION FRAMEWORK



6. IMPLEMENTATION FRAME WORK

6.1 Organizational Performance Management Framework

Introduction

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

The municipality has developed its SDBIP to fulfil both the requirements of the Municipal Systems Act and the Municipal Finance management Act. In this section the policy framework for performance management system is summarized and the draft 2015-16 SDBIP and complete policy framework attached as an Annexure. The Municipal Planning and Performance Management Regulations stipulate that a municipality's Organisational Performance Management System (OPMS) must entail a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players. In line with the said legal requirement this framework should be seen as a policy document that will set out:

The requirements that the Ray Nkonyeni Municipality's OPMS will need to fulfil:

- The principles that must inform its development and subsequent implementation,
- The preferred performance management model of the Municipality,
- The process by which the system will work,
- The delegation of responsibilities for different roles in the process and
- A plan for the implementation of the system.

6.1.1 The Legislative Framework for Performance Management

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

The Municipal System Act requires all municipalities to:

- Develop a performance management system
- Set targets and monitor and review the performance of the Municipality based on indicators linked to their Integrated Development Plan (IDP)

- Publish an annual performance report on performance of the Municipality forming part of its annual report as per the Municipal Finance Management Act (MFMA).
- Incorporate and report on a set of general (sometimes also referred to as national) indicators prescribed by the Minister responsible for local government
- Conduct, on a continuous basis, an internal audit of all performance measures
- Have their annual performance report audited by the Auditor-General
- Involve the community in setting indicators and targets and reviewing municipal performance

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

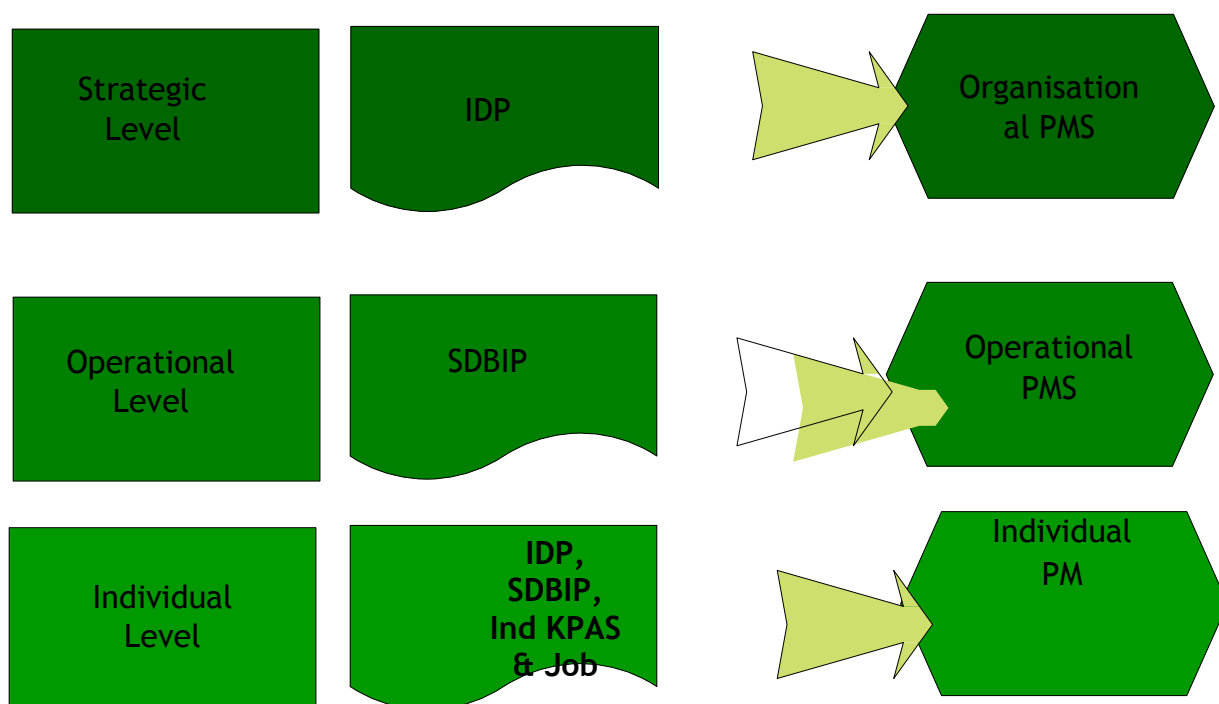
It is also important to note that the MFMA contains various important provisions related to municipal performance management. For instance, the MFMA requires municipalities to annually adopt a Service Delivery and Budget Implementation Plan (SDBIP) with service delivery targets and performance indicators;

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

6.1.2 Managing and measuring performance at various levels

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

Illustration: Strategic (Organisational) Performance linked to the integrated development plan (IDP) of a municipality



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

- i. Facilitate increased accountability

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

6.1.3 Support Municipal Oversight

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

Facilitate learning and improvement

The OPMS should facilitate learning in order to enable the Municipality to improve delivery.

Provide early warning signals

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

i. Facilitate decision making

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

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

6.1.4 Performance Reporting and Review

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

6.1.5 In-year Performance Reporting and Review

The submission of the scorecard to the Executive Committee for consideration and review of the performance of the Municipality as a whole is the next step in the process. The first such report is a major milestone in the implementation of any OPMS and it marks the beginning of what should become a regular event, namely using the performance report as a tool to assess and review the Municipality’s performance and to make important political and management decisions on how the municipality can improve its performance.

As indicated earlier it is recommended that the organisational scorecard be submitted to the Executive Committee for consideration and review on a quarterly basis. The reporting should therefore take place in October (for the period July to end of September) January (for the period October to the end of December), April (for the period January to end of March) and July (for the period April to the end of June).

The review in January will coincide with the mid-year performance assessment as per Section 72 of the MFMA. This Section determines that the must, by 25 January of each year, assess the performance of the municipality and report to the Executive Committee via the Mayor on, inter alia, its service delivery performance during the

first half of the financial year and the service delivery targets and performance indicators as set out in its SDBIP.

Performance review is the process whereby the leadership of an organisation, after the performance of the organisation has been measured and reported to it, reviews the results and decides on appropriate action to be taken. The Executive Committee, when reviewing the organisational score card submitted to it, will have to ensure that the targets committed to in the score card have been met, and where they have not, that satisfactory and sufficient reasons for this have been provided by senior management and that the sufficient and appropriate corrective action has been proposed to address the reasons for poor performance. If satisfied with the corrective action as proposed these must be adopted as formal resolutions of Council and must be minuted and actioned accordingly.

Section 44 (4) of the Municipal Structures Act 1998 (Act 117 of 1998) as amended requires that the Executive Committee must report to Council on all its decisions taken. The outcome of the quarterly performance reviews by the Executive Committee must, in line with this requirement, be reported to the full Council for it to perform its oversight function over the performance of the Municipal Executive and Administration. In doing so Council must review the decisions taken and resolve whether it is satisfied with the corrective action adopted by the Executive Committee. If they are not then the Executive Committee recommendation must be amended accordingly and the amendments minuted and actioned.

6.1.6 Annual Performance Reporting and Review

A comprehensive report on the performance of the Municipality also needs to be compiled on an annual basis. The requirements for the compilation, consideration and review of such an annual report are set out in chapter 12 of the MFMA. In summary the MFMA requires that: All municipalities for each financial year compile an annual report which report must include the municipal performance report

The annual report be tabled within seven months after the end of the financial year. The annual report be made public immediately after it has been tabled and that the local community be invited to submit representations thereon. The municipal Council considers the annual report within nine months of the end of the financial year and adopts an oversight report containing the Council's comments on the annual report

The oversight report as adopted be made public. The annual report as tabled and the Council's oversight report be forwarded to the Auditor-General, the Provincial Treasury and the Department responsible for local government in the Province. The annual report as tabled and the Council's oversight report be submitted to the Provincial legislature.

It is important to note that the municipal performance report of a municipality is only one element of the annual report. To ensure that the annual report compilation, tabling and review process is completed in time to inform the next cycle of performance planning in accordance with the IDP compilation/review process, it is recommended that the annual performance report be compiled and completed as soon after the end of each financial year as possible but ideally not later than two months after financial-year end.

The oversight report to be adopted provides the opportunity for the full Council to review the performance of the Municipality in line with its oversight role. The requirement that the annual report, once tabled, and the oversight report be made public also provides a mechanism for the general public to review the performance of the Municipality in line with the community's oversight role.

In order to facilitate the oversight process it is recommended that a municipal oversight committee be established consisting of a selected number of Councillors not serving on the Executive Committee. Council should also consider in line with oversight best practice that the chairperson of the oversight committee be a member of an opposition party.

The oversight committee will be responsible for the detailed analysis and review of the annual report and the drafting of the oversight report. In doing so the committee must establish mechanisms to receive and review representations made by the public on the annual report and also seek inputs from other and Council portfolio committees. Such mechanisms could involve all or any combination of the following:

- Producing a user-friendly citizens' report in addition to the annual report for public consumption. The citizens' report should be a simple, easily readable and attractive document that translates the annual report for public consumption.
- Using of various forms of media including radio, newspapers and billboards to convey the annual report.
- Inviting the public to submit comments on the annual report via
- Telephone, fax and email.
- Holding public hearings in a variety of locations to obtain their input on the annual report.
- Making use of existing structures such as ward and/or development committees to disseminate the annual report and invite comments.
- Debating the annual report at a meeting of the IDP Representative Forum
- Hosting a number of public meetings or road-shows at which the annual report could be discussed and input invited.
- Producing a special issue of the municipal newsletter in which the annual report is highlighted and the public are invited to comment.

- Posting the annual report on the council website and inviting input
- Conducting Customer Satisfactory Surveys on annual basis as means of community consultation and involvement.

It is further proposed that the oversight committee functions as a MPAC. As such the committee must examine the performance of the municipality.

6.6.7 Reporting requirements

The following table, based on the legislative framework for performance management and this OPMS framework, provides a summary of the various performance reporting deadlines which apply to the Municipality:

Table 83: OPMS Framework

Report	Frequency	Submitted for consideration and/ or review to	Remarks	Responsibility
SDBIP's	Quarterly	Executive Committee	Refer to MFMA Circular 13 of National Treasury for	MM
Monthly budget Statements	Monthly	Mayor (in consultation with Exco)	Refer to sections 71 and 54 of the MFMA	CFO
Organisational Scorecard	Quarterly	Executive Committee and then in terms of an Exco report to full	OPMS framework (see section above)	MM
Implementation of the budget and financial state of affairs of the Municipality	Quarterly	Council	Refer to section 52 of the MFMA	CFO

SDBIP mid-year budget and performance assessment	Annually during January of each year	Mayor (in consultation with Exco)	Refer to sections 72 and 54 of the MFMA	MM / CFO
Performance report (including Customer Satisfactory Surveys)	Annually	Council	Refer to section 46 of the Municipal Systems Act as amended. Said report to form part of the annual	MM
Annual report	Annually	Council	Refer to chapter 12 of the MFMA	MM