



**INTEGRATED DEVELOPMENT  
PLAN 2017/2018-**

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## **SECTION A: EXECUTIVE SUMMARY**

### **CHAPTER 1: IDP OVERVIEW**

#### **1.1. Who this municipality is?**

Nkandla Municipality is one of the municipalities in the province of KwaZulu-Natal that prides itself with rich and opulent history. The richness of its history starts from its name “**Nkandla**” which has got its origin from the Zulu word (khandla) meaning ‘**extremely exhaustion**’. The man behind the popular name ‘Nkandla’ is none other than the founder himself of the Zulu Nation, the King Shaka. Thus, telling any success stories of the Zulu Nation without mentioning the name Nkandla is entirely incomplete. It is worth mentioning that, the area was named by King Shaka himself after having gone through the hills, valleys and mountains with his warriors and got

tired. It is within the geographical boundaries of Nkandla municipality where the graves of, among others, Inkosi Sgananda and King Cetshwayo are found and other most important historical sites.

## **1.2. Spatial Location and Regional Context of Nkandla Local Municipality**

Nkandla Local Municipality forms part of King Cetshwayo District (DC28). The district consists of five local municipalities namely:

- Mfolozi                    KZ281
- Umhlathuze              KZ282
- Umlalazi                  KZ284
- Mthonjaneni             KZ285
- Nkandla                    KZ286

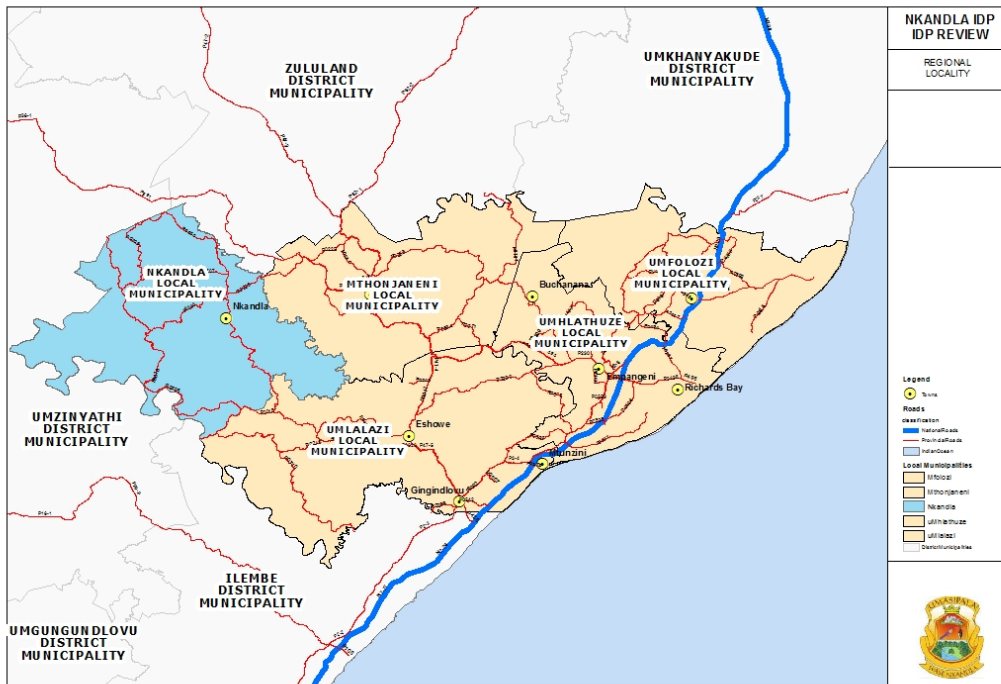
Nkandla Municipality is surrounded by the following local municipalities: Ulundi to the north, Nquthu in the north-west, Msinga in the west, uMvoti in the south-west, Maphumulo in the south, Umlalazi in the south east and UMthonjaneni in the east.

The Nkandla municipality is situated in western side of King Cetshwayo District (DC28). It is positioned close to the country's two largest ports, lying about 130 kilometers inland from Richards Bay and 250 km north of Durban. Nkandla Town is classified as a Rural Service Centre (RSC) and a Provincial Rural Administrative Centre (PRAC), is the only formalized urban area located within Nkandla situated approximately 50 kilometers south-west of Melmoth and 65 kilometers from Eshowe. It is isolated from the major economic development corridors: access is via a main tar road from Melmoth, and tar road from Eshowe, Kranskop and Nquthu.

The area is approximately located 50 km south west of UMthonjaneni Local Municipality, 70 km's from Umlalazi Local Municipality, and approximately 50 km away from Isandlwane battle fields. Situated 140 km from UMhlathuze Local

Municipality and 250 km from EThekweni Metropolitan Municipality. Nkandla Local Municipality is a home to the famous high quality Ntingwe Tea which is traded all over the world. The tea is affectionately called Zulu tea abroad.

**1.2.1. Regional Map**



**REGIONAL CONTEXT**

**Map 2: REGIONAL CONTEXT MAP**

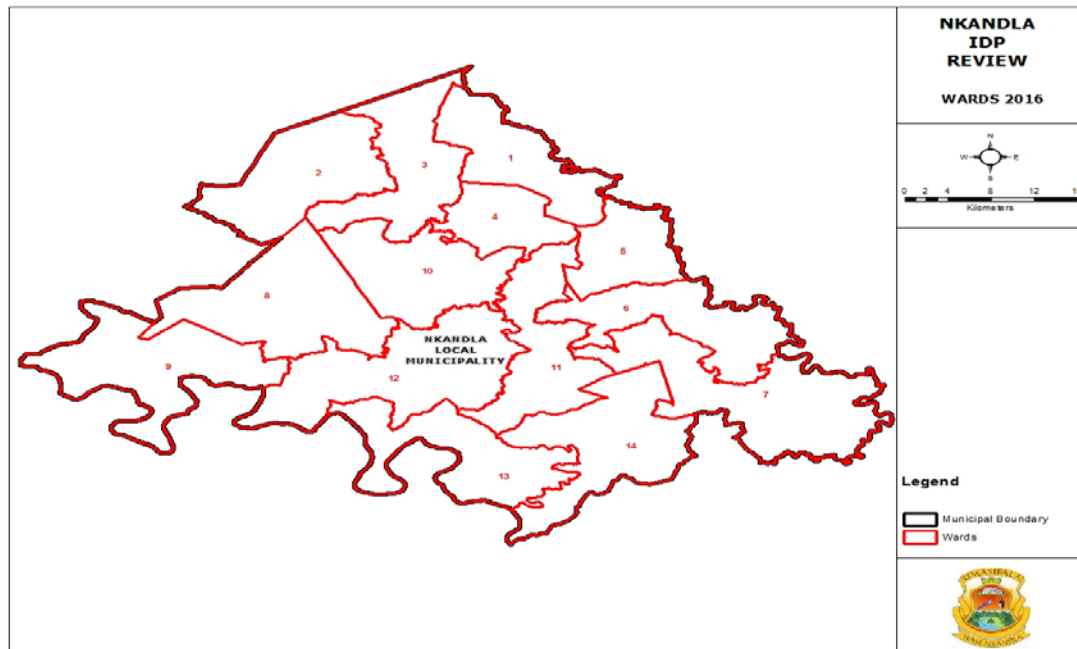
The Map below shows the Regional Context of Nkandla Local Municipal.

**1.2.2. Municipal Wards**

The municipality consists of 14 large wards. Most of economic activities take place in ward 5 of the municipality which forms the urban node. The famous Nkandla Indigenous Forest and Amatshezimpisi Game Reserve is located in Ward 6. The municipality does not have any National Routes that traverse the municipality. The

area is divided into five primary and secondary nodes being Nkandla (ward 01), Qhudeni (ward 08), Lindela (Ward 13), Dolwane (Ward 12) and Chwezi (Ward 01).

**Map 2: Ward Map**



### 1.3. Demographics

The total population currently in the Municipality is 114 286 as indicated by Statistics South Africa, 2016. The table below presents the population for the entire district of King Cetshwayo and compares figures from 2011 and 2016. Nkandla Local Municipality indicates a decline in population and this can be attributed to the lack of Job Opportunities, attrition due to various reasons, migration of people to other parts of the District especially to the City of Umhlathuze to look for employment opportunities, the inability of the municipality to provide a range of elite services and amenities to the affording communities. The table below indicates the latest statistics of the population of the municipality.

Municipality	2011		2016	
	Population	%	Population	%

<b>Umhlatuze</b>	<b>334 459</b>	<b>36.9</b>	<b>410 465</b>	<b>42.2</b>
<b>Nkandla</b>	<b>114 416</b>	<b>12.6</b>	<b>114 284</b>	<b>11.7</b>
<b>Mfolozi</b>	<b>122 889</b>	<b>13.5</b>	<b>144 363</b>	<b>14.8</b>
<b>Umlalazi</b>	<b>213 601</b>	<b>23.5</b>	<b>223 140</b>	<b>22.9</b>
<b>Mthonjaneni</b>	<b>47 818</b>	<b>5.3</b>	<b>78 883</b>	<b>8.1</b>
<b>King Cetshwayo</b>	<b>907 519</b>	<b>100.0</b>	<b>971 135</b>	<b>100.0</b>

*Source: Statistics South Africa, Census 2011 and 2016*

#### **1.4. Current Economic Activities**

Nkandla Local Municipality remains as one of poorest local municipalities within King Cetshwayo district Municipality. The dominating economic activities in Nkandla are subsistence Agriculture and trading of Livestock. The majority of people in Nkandla rely solely on Government social grants for survival. The following statistics gives the clear indication on the state of economic activities.

<b>ECONOMIC ACTIVITY</b>	<b>PERCENTAGE</b>
Subsistence Agriculture	16%
Informal Sector	13%
Local Wages	0,5 %
Migrant Remittances	20%
Government Grants	50 %
No Income	42,1 %

*Source: Statistics South Africa, Census 2001 and 2011*

The above diagram indicates that 42, 1 % of the population have no income at all. One can conclude by stating that most of the people in Nkandla are faced with poverty. 50% of the population depends on social grants and other government grants. Despite the bleak outlook of the current economic conditions of the municipality there is immense potential for growth in the economy in Nkandla owing to the innumerable opportunities that are available to investors in the tourism and services sectors respectively.

Local economic development and education should be the focal point to overcome the above statistics on the diagram.

### **1.5. How the 2017/2018 IDP was developed**

The section intends to describe how the Integrated Development Plan 2017/2018 was developed. Integrated Development Plan process commenced with the adoption of the Process Plan in September 2016. The Process Plan defined the legislative background to Integrated Development Plan, the responsible individuals and committees involved in the process, the Process Plan also detailed how community participation would be taken into place. Alignment to various pieces of legislation, provincial priorities and district priorities was also stated. The Process Plan is critical in informing the budgetary process of Nkandla Local Municipality. Stakeholders Forums were held, Public Meetings and road shows were held in compliance with chapter 4 of Municipal Systems Act – Public Participation.

In order to produce a credible Integrated Development Plan these mechanisms were used to channel the IDP review accordingly.

- Internal IDP Action Plan
- Auditor-General's Findings and Recommendations
- Internal Auditor's Report
- IDP Forums recommendations
- District Forums

- Alignment of Sector Plans
- Compliance with the IDP regulation Guidelines
- Council Strategic Plans
- Management Committee Contributions
- Public Comments
- Previous IDP's Information

#### **1.6. Public Participation, Integrated Development Plan, Budget and Performance Management Systems Community Program**

As part of intensive public participation program, road shows were planned to give the public an opportunity to make contributions on the decision making of the municipality. An IDP Forum Meeting was held on 13 December 2016 where all stakeholders were present, the development of the 2017/2018 IDP was discussed. IDP Imbizos were held in all 14 Wards of the Municipality. Comprehensive presentations on Integrated Development Plan, Budget Processes and Performance management processes were made by the municipality. The public was given an opportunity to make contributions on the affairs of the municipality. Constructive submissions were received and are included in this review.

Various meetings are held by the municipality with community in order to address queries and to give explanations about the operations of the municipality. Activities of the municipality are communicated to the public using different media channels in order to inform the public about the plans and programs of the municipality.

#### **IDP Meetings**



Table 1: IDP Meetings

<b>Meeting</b>	<b>Date</b>	<b>Venue</b>	<b>Participants</b>
<b>IDP Representative Forum</b>	13 December 2016	Council Chamber	Government departments, Traditional Leaders, Ward Committees, Management,
<b>Strategic Planning</b>	17 – 18 January 2017	Nkandla CSC	Council & Management
<b>IDP Representative Forum</b>	16 March 2017	Council Chamber	Government departments, Ward-Committees, Management, NGO's

WARD	IZIGODI/SUBWARD	DATE	TIME
1	THALA	09 FEBRUARY 2017	09H00
2	MCHUNU TRIABAL COURT ZONDI TRIABAL COURT	01 FEBRUARY 2017	09H00 12H00
3	NONGAMLANE SIDASHI	07 FEBRUARY 2017	9H00 13H00
4	NGWENGWENI THALANENI EKUKHANYENI	08 FEBRUARY 2017	09H00 12H00 15H00
5	MATSHEZIMPISI NQUNDU	18 DECEMBER 2016 06 JANUARY	10H00 10H00
6	MATHOLAMPUNGA MABENGELA MANDABA PHEZULU MAKHENDLE NDWENI VUMANHLAMVU MATHIYA	23 FEBRUARY 2017 7 JANUARY   01 MARCH 2017 24 FEBRUARY 2017 19 FEBRUARY 2017	09H00 09H00 12H00 15H00 09H00 11H30 15H00 12H00
7	MANGIDINI ESIBHUDENI	10 FEBRUARY 2017	09H00 13H00
8	DLOLWANE BALOYI	11 FEBRUARY 2017	09H00 12H00
9	NHLOSHANA NGONO	14 FEBRUARY 2017	09H00 13H00
10	KWAXULU TRIBAL COURT MBHELE TRIAL COURT	01 MARCH 2017 15 FEBRUARY 2017	09H00 12H00
11	NGOMANKULU OPHINDWENI	16 FEBRUARY 2017	09H00 13H00
12	INTINGWE GODIDE T/C MAGWAZA TRIBAL COURT	17 FEBRUARY 2017	09H00 13H00 13H00
14	KING CETSHWAYO LINDELA	22 FEBRUARY 2017	09H00 12H00

## **1.7. Community Involvement Mechanisms**

### **Community Involvement**

Involving communities in developing the IDP budgeting and developing Municipal KPIs increases the accountability of the municipality. Some communities may prioritize the amount of time it takes a municipality to answer a query, others will prioritize the cleanliness of an area or the provision of water to a certain number of households. Whatever the priorities, by involving the communities in setting KPIs and reporting back to communities on performance, accountability is increased, and public trust in the local government system is enhanced.

### **Current core mechanisms for community consultation in Nkandla Municipality**

As stated in the Systems Act, a municipality should utilise the mechanism, processes and procedure established in terms of Chapter 4 of the Act to involve the community participation in all processes of the municipalities. Below is listed some of the key public participation mechanism/processes of Nkandla Municipality

#### **Ward Committees**

The primary vehicle utilised to drive community participation by Nkandla Municipalities is the “ward committee”. Nkandla municipality is the ward participatory type and it is envisaged that the ward committee as a mechanism be utilised to encourage and improve community involvement in IDP, Budget processes and performance management.

#### **Community Development Workers (Cdws)**

CDWs are a programme of government which was introduced to bring government closer to the people. CDWs are in the community to provide assistance in encouraging the communities to participate in the affairs of local government and to assist in making the community aware of service delivery initiatives and implementation.

#### **Operation Sukuma Sakhe**

**Is a programme initiated in the Province to address the provincial priority of the “War on Poverty”. Structures are established at the ward level to assist in**

**integration of services to** provide comprehensive, integrated and transversal services to communities through effective and efficient partnerships.

Operation Sukuma-Sakhe aims to rebuild the fabric of society by promoting human values, fighting poverty, crime, diseases, deprivation and social ills, ensuring moral regeneration, by working together through effective partnerships. Partnerships include civil society, development partners, communities and government departments, to provide a comprehensive integrated service package to communities.

### **Batho Pele Principles**

The Batho Pele White Paper is the national governments' White Paper for Transforming Public Service Delivery. It is all about giving good customer service to the users of government services. All public servants are required to practice Batho Pele. Batho Pele was conceived with the intention of transforming service delivery in the public sector. Good service delivery leads to happy consumers and employee satisfaction for a job well done. Nkandla Municipality in implementation of these principles has committed to develop the Batho Pele policy and procedure manual, Municipal Service delivery charter and service delivery improvement plan and all to be implemented in 2017/2018 financial year. This will be also incorporated in in the 2017/2018 score card and SDBIP for all section 54/56 Managers as stated in the Batho Pele White Paper of 1997 states that heads of departments (HODs) are responsible for Service Delivery Improvement Plans (SDIPs) and that this responsibility will be clearly assigned to a person accountable directly to the Municipal Manager. The Municipality will adopt and implement eleven principles and for the purpose of service delivery implementation plan the citizen orientated approach to service delivery will be informed by the eight principles of consultation, service Standards, access, courtesy, information, openness and transparency, redress and value for Money.

#### **1. Consultation**

This is about asking our customers what they want and finding out how we can best meet their needs. This may be done by questionnaires, or by talking to

customers. It's important to consult as many of our customers as we can and to use the information we receive to help improve our service to them. It's important to report back to customers so they know what to expect, and to our staff so they know what is expected from us.

## **2. Service Standards**

While we should continually try to improve the service we give, it's also about how well we promise to deliver our service at any time. If we already know what is important to our customers then we can set service standards which must be realistic depending on the resources we have. We should also be able to measure these standards so that everyone can see if they are being met.

## **3. Access**

Access applies especially to the previously disadvantaged sectors of the community and to people with special needs. These needs may include access to our Municipality for the physically disabled, or having services which are too far away for people to visit. Good staff attitudes and addressing customers in their own language makes access easier.

## **4. Courtesy**

Courtesy is not only being polite to customers, but being friendly, helpful and treating everyone with dignity and respect. We should write down a code of conduct and we should train and assess our staff in customer care. Our managers should monitor the relationship between front line staff and customers and help staff to give a warm and friendly service to everyone.

## **5. Information**

Information is about reaching all our customers to make sure they are well informed about the services our Municipality provides. This may be done in a number of ways-for example through newspapers, radio, posters and leaflets. It's important to remember that different customers have different needs and they do not all speak the same language. We should disseminate a Service Commitment Charter to inform customers about the services we offer.

## **6. Openness and Transparency**

This Batho Pele principle encourages our departments to be open and honest about every aspect of our work. We should publish an annual report to tell citizens how our resources were used, how much everything cost, including costs for staff, equipment delivery, services and so on. It should also include how well our Municipality performed-did we keep our promises-deliver on time and so on. If we did not meet our standards, we should list the reasons and find ways to improve our service. We should hold "open days," and invite members of the public to show them how we run our business.

## **7. Redress**

Redress is making it easy for people to tell us they are unhappy with our service. We should train staff to deal with complaints in a friendly, helpful manner. We should apologise and put the problem right as quickly as possible. We should tell Customers how and where to complain and we should keep a record of all complaints and how we dealt with them. We should understand that complaints can help us to improve our service as they tell us what our customers want.

## **8. Best Value**

This principle includes giving our customers the best service we can using all our resources. It also means eliminating waste, fraud and corruption and finding new ways of improving services at little or no cost. This might include us forming partnerships with other service providers and the community. If we work efficiently and maximise our skills we will add value and produce service excellence to give our customers the best value for their money.

## **9. Innovation and Reward**

This Batho Pele principle was an addition to the original list as a result of many of the participating municipalities innovative and creative ways of "doing things better." Innovation can be new ways of providing better service, cutting costs, improving conditions, streamlining and generally making changes which tie in with the spirit of Batho Pele. It is also about rewarding the staff who "go the extra mile" in making it all happen.

## **10. Customer Impact**

This is a new principle which has been added in for 2002. It focuses on the changes and consequences that result from our implementing Batho Pele in our work. It was noticed that some departments/Municipalities had concentrated more on some of the principles and had forgotten others. Impact means looking at the benefits which we have provided for our customers both internal and external -it's how the nine principles link together to show how we have improved our overall service delivery.

## **11. Leadership and Strategic direction**

The municipality must create an atmosphere which allows for creativity. Management must ensure that goals are set and that planning is done.

## **1.8. Key Elements Addressed in the IDP**

When preparing for the Integrated Development Plan process various activities were embarked on to produce a credible and reliable IDP document, this included consultation with internal and external role players. The IDP process considered the following:

### **1.8.1. Legal and Policy Context**

The Constitution of the Republic of South Africa, 1996 stipulates that the local sphere of government consists of municipalities which were established for the whole of the territory of South Africa-the so called wall-to-wall municipalities. The objects of local government are set in Section 152 of the Constitution. Accordingly the objectives are:-

- a) To provide democratic and accountable government for local communities;

- b) To ensure the provision of services to communities in a sustainable manner;
- c) To promote social and economic development; and
- d) To encourage the involvement of communities and community organizations in the matters of local government.

The constitution commits government to take reasonable measures, within its Available resources, to ensure that all South Africans have access to adequate housing, health care, education, food water and social security.

The development of the integrated development plan (IDP) in municipalities is manifested in different legislations that govern local government. The Legislative framework that the IDP is vastly discussed in includes the Municipal Systems Act of 2001, as amended and the Municipal Structures Act of 1997, as amended. Another piece of legislation which has a tremendous impact on the IDP is the Municipal Finance Management Act 56 of 2003, as amended, as it outlines the alignment of the budget and IDP.

Other legislations and other policy document which contain reference to integrated development planning are:-

- The Constitution of the Republic of South Africa 2000 of 1993, as amended;
- Tourism Act of 1993, as amended;
- Development Facilitation Act , Act 67 of 1995;as amended
- The Municipal Finance Management Act 56 of 2003, as amended
- The housing Act 107 of 1997
- White paper on Local Government of 1998;
- The Municipal Structures Act 117 of 1998, as amended;
- Disaster Management Act 52 of 2002, as amended;
- Spatial Planning and Land use Management Act 16 of 2013 (SPLUMA)

The following Environmental legislations have been taken into consideration:



- National Environment Act, Act 107 of 1998;
- Environmental Conservative Act, 73 of 1989;
- National Environment Management: Biodiversity Act 10 of 2004;
- National Environment Management: Waste Management Bill (Notice 1832 of 2007)
- National Environment Management: Environmental impact assessment Regulations (Notice R385 of 2006)

### 1.8.2. Nkandla Municipality Powers and Functions

In terms of the Constitution, Municipal Structures Act and other policy framework Nkandla Municipality is responsible for the following functions:

Municipal Powers and Functions (Chapter 7, Section 156 Of Constitution)	Executed by Nkandla LM	
	YES	NO
1. Integrated Development Plan	✓	
2. Section 71 Reports and AFS	✓	
3. Water Service Authority		✓
4. Regulation of passenger transport services	✓	
5. Sanitation		✓
6. Bulk Electricity	✓	
7. Solid Waste Disposal	✓	
8. Roads		✓
9. Municipal Roads	✓	
10. Health Services		✓
11. Fire Fighting	✓	
12. Cemeteries	✓	
13. Tourism	✓	
14. Receive Grants and MIG	✓	
15. Impose, Collect taxes and levies	✓	

<b>16. Disaster Management</b>	✓	
<b>17. Accountability</b>	✓	
<b>18. Community participation</b>	✓	
<b>19. Equitable Access to Municipal Services</b>	✓	
<b>20. Local Economic development</b>	✓	
<b>21. Gender Equity</b>	✓	
<b>22. Performance Management Systems</b>	✓	
<b>23. Sound Financial Management</b>	✓	

Their existence and functions of the municipality is informed by both bottom up and downward approaches to development. The next paragraph will look at National and Provincial policy framework that influenced the development of IDPs in municipalities.

### **1.8.3. 2016/2017 MEC Comments Progress Report**

After the adoption of IDP 2016-2017, the document was submitted to Department of Corporative Affairs (COGTA) as per regulation requirement. Soon after the submission a letter with comments on the IDP was received from COGTA and the action plan was developed by Nkandla Management to address matters raised on that particular letter. Summary of the action plan was as follows:

<b>Comments</b>	<b>Activity</b>	<b>Progress</b>
The Municipality to Development of separate IT Policy, IT Government and Framework policy indicate adoption and implementation date	The municipality will review all IT police and adopted by council	These policies are now in place and will be reflected on the next IDP 2017/2018. On previous review these policies were

		on the finalization stage.
<b>Review of the current LED Strategy</b>	The LED strategy is available and will be incorporated in 2017/2018 IDP	Alignment of the strategy to National LED Framework and recent government economic development policies.
<b>Review of the organogram of LED &amp; Monitoring of LED programs</b>	The Municipality will adopt an organogram that will incorporate the LED 2016/2017 financial year	The unit organogram will be reviewed on the next financial year. The monitoring tool will be developed & reflected on the next IDP 2017/2018
<b>Updated Municipal maps showing different infrastructure on separate maps.</b>	The maps will be revised on GIS to indicate all developments	This will be attended to in the next IDP review 2017/2018
<b>Implementation of Energy Sector Plans, waste management, Housing Sector Plan and Operations &amp; Maintenance Plan</b>	The IDP forums will be held to discuss all sector plans	All plans will be given special attention in the next review.
<b>Skills Transfer by consultants</b>	The policy on use of consultants has been developed. The consultants are monitored to make sure that skills are transferred. The policy will be included in the next IDP	Implementation of skills transfer policy will be monitored by management on all outsourced services. Reports thereof will be indicated on the IDP 2017/2018
<b>Financial Plan Lack details, level of skills transferred by service provider.</b>	The plan will be revised to accommodate the lacking information of the skills transfer.	The plan will be reviewed in order to reflect all funded projects for other stakeholders
<b>Risk Management committee and Bid Committees committee.</b>	Risk committees and bid committees are functional and will be reported in 2017/2018 IDP	In progress

<b>Section 81 (MSA) Report and By-laws</b>	The municipality is in the process of gazetting Bylaws. All gazetted bylaws will be included in 2017/2018 IDP	In progress
<b>Reporting on participation status of Amakhosi in council meetings</b>	Amakhosi are effectively participating on Council meetings. The status will be included in the next 2017/2018 IDP	
<b>The SDF is not in compliance with MSA regulations and spluma</b>	The compliance issue will be addressed in the SDF review.	SDF currently under review. Will be included in the IDP.

#### **1.8.4. What are our key challenges?**

The development challenges that need to be addressed by Nkandla municipality revolve around the fact that the area is too rural and the communities residing in it are severely affected by poverty and service backlogs than urban communities.

The following infrastructural characteristics, issues and challenges impact on the future development of the Nkandla municipality and need to be taken forward in the IDP Process:

- The provision of basic infrastructure is hampered by the topographic constraints, low densities and low affordability levels, particularly in rural and traditional areas.
- Service infrastructure in Nkandla areas needs upgrading and maintenance.
- The area is severely affected by a lack of basic services and continued service delivery backlogs.
- The municipality currently experiences a severe drought condition which further inhibits access to water by residents.

Other key challenges that the municipality is still facing are summarized as follows: d

Key Challenges	Response to Development Challenge
<ul style="list-style-type: none"> <li>▪ <b>Lack of attraction of potential investors</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ The municipality has developed and adopted the Revenue Enhancement Strategy.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Nkandla is a landlocked municipality with poor road networks</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Local Economic Development Strategy has been reviewed and relations and engagements with DOT has started on road networks development.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>High unemployment Rate</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Sustainable Labour Intensive Projects through capital projects and Intensification of EPWP programme. In addition to that the municipality has received more grants to finance these programmes.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Grant Dependency</b></li> </ul>	<p>The municipality has developed and adopted Revenue Enhancement strategy and further the municipality is in the process of finalizing the investment Strategy.</p>
<ul style="list-style-type: none"> <li>▪ <b>Majority of land is privately owned which makes it difficult to develop</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Development of a strategy to engage with private land owners to develop the land. However, there are private owners of land who have started to release their land and the municipality will always encourage other private land owners to follow suit.</li> </ul>

<ul style="list-style-type: none"> <li>▪ <b>Attraction and retention of skilled personnel e.g. engineers, accountants etc</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ The draft of the Human Resource Strategy is in the process and the municipality is in the process of doing the comprehensive job evaluation to improve the retention rate of its personnel.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Lack of transfer of skills by Consultants</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ The Skills Transfer policy has been developed by the municipality to compel all the consultants to transfer skills as and when they are solicited to assist the municipality.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Limited employment opportunities</b></li> <li>▪ <b>Low education and skills levels</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ The municipality is promoting local businesses, because 80% of its suppliers is local based and indirectly creates opportunities for employment. It further compels contractors to appoint local members of the community in capital intensive projects.</li> <li>▪ Facilitation of Basic Education Programs with the relevant department</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Unplanned and poorly coordinated development programmes/projects/ sector department's fiscal Dumping municipality.</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Improvement on Inter Governmental Relations.</li> </ul>

#### **1.8.5. Long term Vision?**

To be a high performing rural municipality driven by continuous improvement of quality of life for Nkandla Citizens

#### **1.8.6. Our Mission Statement**

Nkandla Municipality renders effective service delivery encompassing nature and heritage to ensure poverty alleviation, sustainable economic growth and development through self-help and self-reliance.

#### **1.8.7. Our Goals and Objectives?**

The table below lists all Municipal Goals per each Key Performance Area.

# INTEGRATED DEVELOPMENT PLAN 2017/2018-

## A. GOOD GOVERNANCE, COMMUNITY PARTICIPATION, AND WARD COMMITTEE SYSTEMS

STRATEGIC OBJECTIVES	STRATEGIES	REF	KEY PERFORMANCE INDICATORS	UNIT OF MEASURE	RESPONSIBLE DEPARTMENT
To decrease municipal risk through risk management	Development and Implementation of Risk management plan		Approved risk management plan	Date	OMM
To ensure efficient and effective internal and external communication	hold quarterly IGR forums		Number of Sukuma Sakhe Local Task teams established	Number	OMM
			Number of Sukumasakhe Local task team meetings held	Number	OMM
To create a conducive environment for socio economic growth	establishment of functional ward committees		Number of ward committees established	Number	OMM
			Number of ward committee meetings held	Number	OMM
	To develop an effective and fully functional Municipal HIV/AIDS council		Number of Local AIDS Council meetings held	Number	OMM
			HIV/AIDS Campaign held	Date	OMM



			<i>community awareness events held</i>	<i>Number</i>	<i>OMM</i>
		<i>To develop/review HIV/AIDS Strategy/plan</i>	<i>Approved HIV/AIDS Strategy/plan</i>	<i>Date</i>	<i>OMM</i>
		<i>To develop a functional disability forum</i>	<i>No of disability awareness events held</i>	<i>Date</i>	<i>OMM</i>
			<i>Date t of Nkandla Disability Forum Established</i>	<i>Date</i>	<i>OMM</i>
			<i>Approved Local Plan of disabled/ Strategy/plan</i>	<i>Date</i>	<i>OMM</i>
		<i>To empower youth through Sports</i>	<i>Development/implementation of Sports programmes</i>	<i>Date</i>	<i>OMM</i>
				<i>Date</i>	<i>OMM</i>
				<i>Date</i>	<i>OMM</i>
				<i>Date</i>	<i>OMM</i>
		<i>To implement youth empowerment program</i>	<i>Develop/Review youth development policy</i>	<i>Date</i>	<i>OMM</i>
			<i>Date of Nkandla youth summit held</i>	<i>Date</i>	<i>OMM</i>
			<i>Number of youth supported with tertiary registration program</i>	<i>Number</i>	<i>OMM</i>
			<i>No of youth provided with skills</i>	<i>Number</i>	<i>OMM</i>

			<i>Review Nkandla youth forum</i>	<i>Date</i>	<i>OMM</i>	
	<i>To provide gender empowerment</i>		<i>Number of gender awareness events held</i>	<i>Date</i>	<i>OMM</i>	
			<i>Approved Local Plan of gender empowerment/ Strategy/plan</i>	<i>Date</i>	<i>OMM</i>	
		<i>To have a functional Senior citizen forum and programs</i>		<i>Approved Senior citizen Strategy/plan</i>	<i>Date</i>	<i>OMM</i>
			<i>Number of senior citizen awareness events held</i>	<i>Date</i>	<i>OMM</i>	
			<i>Establish/review senior citizen forum</i>	<i>Date</i>	<i>OMM</i>	
	<i>Attain effective and efficient municipal administration</i>	<i>To Develop/review Audit Plan</i>		<i>Adopted Audit Plan</i>	<i>Date</i>	<i>OMM</i>
				<i>Number of Audit Committee meetings held</i>	<i>Number</i>	<i>OMM</i>
	<i>administration</i>	<i>To Develop/review PMS policy framework</i>		<i>PMS Framework/Policy reviewed and adopted</i>	<i>Date</i>	<i>OMM</i>
		<i>To Submit quarterly performance reports to Internal audit</i>		<i>Number of PMS reports submitted</i>	<i>Number</i>	<i>OMM</i>
		<i>To Hold quarterly Performance Audit Committee meetings</i>		<i>Number of PAC meetings</i>	<i>Number</i>	<i>OMM</i>

		<i>To Submission of annual report to AG</i>		<i>Annual report submitted</i>		<i>Date</i>	<i>OMM</i>
		<i>To Develop/review communication framework/strategy</i>		<i>Adopted communication framework/strategy</i>		<i>Date</i>	<i>OMM</i>
		<i>To implement effective risk management</i>		<i>Establish/review of risk committee</i>		<i>Date</i>	<i>OMM</i>
				<i>Quarterly update risk register</i>		<i>Date</i>	<i>OMM</i>
		<i>To prevent fraud and corruption activities within Municipality.</i>		<i>Develop/Review fraud prevention strategy</i>		<i>Date</i>	<i>OMM</i>
				<i>Establish fraud and corruption committee</i>		<i>Date</i>	<i>OMM</i>

**B. MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT**

	<i>To improve service delivery and the image of the municipality</i>	<i>To fill all identified critical vacant posts as per the revised organogram</i>		<i>No. of critical posts filled</i>		<i>Number</i>	<i>Corporate service</i>
				<i>No. of critical posts filled</i>		<i>Number</i>	<i>Corporate service</i>
		<i>To Development employees training program</i>		<i>Developed training program</i>		<i>Date</i>	<i>Corporate service</i>

<i>Organizational skills development and capacity building</i>	<i>To develop/review Skills development plan</i>		<i>Adopted skills development plan</i>	<i>Date</i>	<i>Corporate service</i>
	<i>Implementation of Skills Development Plan</i>		<i>% of budget spent on implementation of WSP</i>	<i>Percent</i>	<i>Corporate service</i>
<i>Strengthen and improve employment equity in the municipality</i>	<i>To develop Employment equity plan adopted and implementation</i>		<i>% of women appointed in S54/56 posts</i>	<i>Percent</i>	<i>Corporate service</i>
<i>Attain effective and efficient municipal administration</i>	<i>To decrease Municipal risk through risk management</i>		<i>Establish/review IT steering committee</i>	<i>Date</i>	<i>Corporate service</i>
	<i>To develop/review IT polices</i>		<i>Developed/review I.T. Security Policy and back procedure</i>	<i>Date</i>	<i>Corporate service</i>
			<i>Develop/review I.T. Governance Framework</i>	<i>Date</i>	<i>Corporate service</i>
			<i>Develop and review change management control</i>	<i>Date</i>	<i>Corporate service</i>
	<i>To Administer council portfolio committee meetings</i>		<i>Number of portfolio committee meetings</i>	<i>Number</i>	<i>Corporate service</i>

		<i>To Administer Executive committee meetings</i>		<i>Number of Executive committee meetings held</i>		<i>Number</i> <i>Corporate service</i>
		<i>To Administer council meetings</i>		<i>Number of council meetings held</i>		<i>Number</i> <i>Corporate service</i>
		<i>To Administer councillor oversight committee meetings</i>		<i>Number of Municipal Public Accounts committee meetings</i>		<i>Number</i> <i>Corporate service</i>
<b>C. LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT</b>						
	<i>To improve the quality of life through social infrastructure development</i>	<i>To effectively manage contract Management</i>		<i>Number of resolutions/projects</i>		<i>Number</i> <i>Community service</i>
		<i>To Update indigent register</i>		<i>Approved Indigent Register</i>		<i>Date</i> <i>Community service</i>
	<i>To create a conducive environment for</i>	<i>To Establish/review a LED Forum</i>		<i>Established LED Forum</i>		<i>Date</i> <i>Community service</i>
		<i>To Establish /review a Tourism Forum</i>		<i>Established Tourism Forum</i>		<i>Date</i> <i>Community service</i>

<i>socio -economic growth</i>	<i>To ensure the functionality of LED Forum</i>		<i>Number of meetings</i>	<i>Number</i>	<i>Community service</i>
	<i>To ensure the functionality of Tourism Forum</i>		<i>Number of meetings</i>	<i>Number</i>	<i>Community service</i>
	<i>To Develop/review LED Strategy</i>		<i>Adopted LED strategy</i>	<i>Date</i>	<i>Community service</i>
	<i>To Implement LED Strategy</i>		<i>Number of SMME's supported</i>	<i>Number</i>	<i>Community service</i>
	<i>To Job creation through LED projects</i>		<i>Number of projects established</i>	<i>Number</i>	<i>Community service</i>
	<i>To Create Number of jobs</i>		<i>Number of Jobs created</i>	<i>Number</i>	<i>Community service</i>
	<i>To Develop/review LED Strategy</i>		<i>Adopted LED strategy</i>	<i>date</i>	<i>Community service</i>
	<i>To Implement Tourism Strategy</i>		<i>Number of projects implemented</i>	<i>Number</i>	<i>Community service</i>
			<i>Established agency</i>	<i>Date</i>	<i>Community service</i>
<b>D. INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICE DELIVERY</b>					
<i>To improve quality of life through social</i>	<i>To Provide free basic services to all indigent households</i>		<i>Number of existing households with access to free basic services in terms of the indigent register</i>	<i>NUMBER</i>	<i>Technical service</i>

<i>infrastructure development</i>	<i>To implement Effective expenditure of infrastructure grants (100%)</i>		<i>% of Infrastructure Grants spend</i>	<i>PERCENT</i>	<i>Technical service</i>
	<i>To implement Effective expenditure of infrastructure grants (100%)</i>		<i>% of Infrastructure Grants spend</i>	<i>PERCENT</i>	<i>Technical service</i>
	<i>To Develop Municipality Basic infrastructure</i>		<i>Reviewed and adopted Municipal infrastructure master plan</i>	<i>DATE</i>	<i>Technical service</i>
	<i>To facilitate roads infrastructure Through monitoring of implementation of the RRUP</i>		<i>Operations and maintenance Plan</i>	<i>DATE</i>	<i>Technical service</i>
			<i>Number of Km completed</i>	<i>NUMBER</i>	<i>Technical service</i>
	<i>To conduct waste Awareness campaigns</i>		<i>Number of communities waste awareness campaigns covered</i>	<i>NUMBER</i>	<i>Technical service</i>
	<i>To development and implementation of an</i>		<i>Completed/approved infrastructure refurbishment plan</i>	<i>DATE</i>	<i>Technical service</i>
			<i>Develop Developed business plan</i>	<i>DATE</i>	<i>Technical service</i>

		<i>infrastructure refurbishment plan</i>					
		<i>To source funding to implement the infrastructure refurbishment</i>		<i>Amount of funding sourced</i>		<i>AMOUNT</i>	<i>Technical service</i>
<b>E. FINANCIAL VIABILITY AND MANAGEMENT</b>							
	<i>1.Advance and maintain the financial viability of the municipality</i>	<i>To enhancing revenue collection Improve debt management</i>		<i>Percentage of annual collectors rate/debt coverage (reg 10(g)(i))</i>		<i>PERCENT</i>	<i>Budget and treasury</i>
		<i>To Maintain acceptable norm of municipal liquidity management</i>		<i>Ratio of cash/cost coverage of monthly fixed operating commitments (reg 10(g)(iii))</i>		<i>RATIO</i>	<i>Budget and treasury</i>
		<i>To Raise the amount of invoices billed to customers</i>		<i>Amount value of invoices billed</i>		<i>AMOUNT</i>	<i>Budget and treasury</i>
		<i>To decrease wasteful expenditure</i>		<i>Amount of irregular, fruitless and wasteful expenditure</i>		<i>AMOUNT</i>	<i>Budget and treasury</i>



<i>To improve institutional efficiency through adequate systems and effective internal controls</i>	<i>To Minimise service delivery distribution losses</i>		<i>Percentage loss of potential revenue of services delivered</i>	<i>PERCENT</i>	<i>Budget and treasury</i>
	<i>To Develop/update SCM Policy</i>		<i>Approved SCM Policy</i>	<i>DATE</i>	<i>Budget and treasury</i>
	<i>To Develop/update Investment Policy</i>		<i>Approved Investment Policy</i>	<i>DATE</i>	<i>Budget and treasury</i>
	<i>To Develop/update Budget Policy</i>		<i>Approved budget policy</i>	<i>DATE</i>	<i>Budget and treasury</i>
	<i>To Develop/update Indigent Policy</i>		<i>Approved Indigent Policy</i>	<i>DATE</i>	<i>Budget and treasury</i>
	<i>To Risk conduct risk assessment</i>		<i>To conduct risk assessment on quarterly</i>	<i>DATE</i>	<i>Budget and treasury</i>
<i>Improve the financial performance of the municipality</i>	<i>Increase/maximise the budget amount spent in the municipality</i>		<i>Percentage of total municipal budget spent</i>	<i>PERCENT</i>	<i>Budget and treasury</i>
<i>Optimize budget implementation</i>	<i>Increase/maximise the capital budget amount spent in the</i>		<i>Percentage of total municipal budget spent</i>	<i>PERCENT</i>	<i>Budget and treasury</i>

	<i>in the municipality</i>	<i>municipality (asset management)</i>					
<b>F. CROSS CUTTING MEASURES</b>							
	<i>To promote a safe and healthy environment for Nkandla community</i>	<i>establishment a functional Disaster Management Centre</i>		<i>Reviewed management plan</i>		<i>DATE</i>	<i>Community service</i>
				<i>Established disaster management Centre</i>		<i>DATE</i>	<i>Community service</i>
		<i>swift response to incidents of disaster</i>		<i>Percentage/number disaster equipment procured</i>		<i>PERCENT</i>	<i>Community service</i>
				<i>Number of staff recruited</i>		<i>NUMBER</i>	<i>Community service</i>
		<i>To ensure the functionality of the Disaster Management Advisory Forum</i>		<i>Number of meetings convened within 24hrs after the disaster</i>		<i>NUMBER</i>	<i>Community service</i>
		<i>To capture all infrastructure on GIS</i>		<i>Percentage infrastructure captured</i>		<i>PERCENT</i>	<i>Technical service</i>
				<i>Percentage infrastructure captured</i>		<i>PERCENT</i>	<i>Technical service</i>
				<i>Number of identified Environmental Management //</i>		<i>NUMBER</i>	<i>Technical service</i>
		<i>To Implement the Environment Management Framework</i>		<i>Plans/programmes implemented</i>		<i>DATE</i>	<i>Technical service</i>

### 1.9. How will the Performance be measured?

The attainments of key performance areas will be measured through the adopted Performance Management Framework policy. The aim will be to enforce a performance driven municipality. This will be done through the enforcement of performance key performance areas of the municipality as an element of the Performance Management System, this includes Service Delivery and Budget Implementation Plan and the individual Performance Plans for Section 57 Management and all other Senior Managers. The performance of the Municipality is therefore dependent on the performance of management committee. Key performance areas are aligned with responsible manager or HOD, as directors of each directorate as stipulated in the Integrated Development Plan. Development and adoption of SDBIP's is followed by strict monitoring and reporting on monthly and quarterly basis. Mid-Year report forms part of half yearly assessment on targets set at the beginning of that particular year together with Mid-Year Budget Adjustment.

<b>Key Performance Area</b>	<b>Responsible Unit</b>
Monitoring , Evaluation, Compliance and Reporting -	Office of the Municipal Manager
Municipal Transformation and Institutional Development	Corporate Services
Service Delivery and Infrastructure Development	Technical Services
Local Economic Development	Community and Social Services
Financial Viability and Management	Budget and Treasury
Good Governance and Public Participation	Office of the Municipal Manager

## **CHAPTER 2: PLANNING AND DEVELOPMENT PRINCIPLES**

### **2.1. GOVERNMENT POLICIES AND IMPERATIVES**

#### **2.1.1. Millennium Development Goals**

The United Nations MDGs declaration aims to promote a comprehensive approach and a coordinated strategy, tackling many problems simultaneously across a broad front. It is a critical document whereby all signatory countries and development organizations have committed to aligning themselves with achieving the targets set by 2015. The goals are as follows:

- **Goal 1:** Eradicate extreme poverty and hunger
- **Goal 2:** Achieve universal primary education
- **Goal 3:** Promote gender equality and empower women
- **Goal 4:** Reduce child mortality
- **Goal 5:** Improve maternal health
- **Goal 6:** Combat HIV/Aids, malaria and other diseases
- **Goal 7:** Ensure environmental sustainability
- **Goal 8:** Develop a global partnership for development.

#### **2.1.2. National Development Plan Vision 2030**

National Government has released a National Development Plan which is commonly referred to as Vision 2030. The aim of the plan is to improve the lives of the citizens of South Africa. Within the plan there are key priority areas which are listed below:

- An economy that will create more jobs: 11 million jobs will be created by 2030 through sustainable employment, promotion of labour absorbing industries, inclusive economic growth and export competitiveness;
- Improving economic infrastructure, through freight and logistics, industrial and economic development infrastructure;

- Transition to a low carbon economy, through installation of 5 carbon budgeting, installing 5 million solar water heaters by 2030 and creating an energy efficient economy;
- An inclusive and integrated rural economy where South African rural communities will be provided with opportunities to participate fully in the social and political life of the country that are underpinned by quality education, health, transport and other basic services;
- Reversing the spatial effects of apartheid through the transformation of human settlements by the provision of reliable public transport, moving jobs and investment towards dense townships and improving liveability of Cities;
- Improving the quality of education, training and innovation by focusing on early childhood education, competitive secondary education, FET"s and higher education that will contribute to knowledge intense economy;
- Quality healthcare for all;
- Social protection, through social protection coverage such as retirement savings, public employment that will create work opportunities, especially youth and women and expansion of social welfare services;
- Building safer communities, through building confidence to the criminal justice system, enhancement of CPF"s, making police services professional, demilitarizing the service as well as building community participation element in community safety;
- Reforming and professionalizing the public service, by enhancing the administrative section of the public service and ensuring that the heads of department perform both their administrative and social duties diligently;
- Fighting corruption through deterrence, education as well as prevention;
- Transforming the society and uniting the country through economic inclusion, education and skills development, promotion of mutual respect, inclusiveness and cohesion by acting on constitutional standing that South Africa is for all who belong to it.

The National Development Plan provides a paradigm shift whose focus is to involve communities, youth, workers, the unemployed, and business partnerships with each other, so as to develop a more capable state, to develop capabilities of individuals and the country, as well as to create opportunities for the whole of South Africa. The importance of alignment with National Planning Commission and National Development Plan and elements of the plan are included in the strategic objectives of our key performance areas of the municipality.

### **2.1.3. National Outcomes of Government-Outcome 9**

The 14 National Outcomes are a product of the ruling parties manifesto. This manifesto identified 5 priority areas which are: decent work and sustainable livelihoods, education, health, rural development; food security and land reform and the fight against crime and corruption. Out of the priority areas identified 14 outcomes with specific outputs and strategic activities. Of the 14 National Outcomes local government needs to respond to Outcome 9.

The aim of Outcome 9 is to ensure a responsive, accountable, effective and efficient local government system so as to restore the confidence of citizens in the local government sphere. As such municipalities need to ensure that the basic needs of communities are met; build clean, effective, efficient, responsive and accountable local government; improve performance and professionalism and strengthen partnerships between local government, communities and civil society.

The Outcome consists of seven outputs which need to be achieved viz.:

- Implement a differentiated approach to municipal financing, planning and support;
- Improve access to basic services;
- Implementation of the Community Work Programme;
- Actions supportive of the human settlement outcome;
- Deepen democracy through a refined Ward Committee Model;

- Improve administrative and financial capability;
- A single window of coordination.

The outputs consist of targets, indicators and key activities which need to be achieved. The achievement of these outputs will go a long way in improving the lives of residents whilst at the same time improving the processes within government so they are able to operate more effectively and efficiently

#### **2.1.4. State of the Nation Address 2016**

The State of the nation address was delivered by President JG Zuma on the <sup>th</sup> February 2017. The president hinted many challenges and successes that the country is facing, among the list, are economic challenges:

- The interaction between government, business and labour, known as the CEO Initiative, has been able to address some domestic challenges. As a result, the country successfully avoided credit ratings downgrades, which would have had a significant impact on the economy,
- The successful execution of Eskom’s Build and Maintenance programmes helped to ensure stability and an end to load-shedding. Work is continuing to ensure energy security. Renewable energy forms an important part of the energy mix, which also includes electricity generation from gas, nuclear, solar, wind, hydro and
- To mitigate the drought, government has provided R2.5 billion for livestock feed, water infrastructure, drilling, equipping and refurbishment of boreholes, auction sales and other interventions.
- In an effort to curb high water losses, which in some municipalities far exceed the national average which is at 37%, about 10 000 unemployed youth are being trained as plumbers, artisans and water agents. More will be recruited this year to reach the total of 15 000.
- Because our economy is relatively small and open, it is affected by all of these developments. Our economy is also affected by domestic factors such as the electricity constraints and industrial relations which are sometimes unstable.

- In addition, the State of the nation address, 2017, also reflected on the progress made thus far regarding the Nine-point plan in response to the sluggish growth of the South African Economy.
- The impact of the state of the South African economy will ultimately have a positive impact on the Nkandla in with regards to Agriculture as the community relies a lot on livestock and ploughing.

#### **2.1.5. Back to Basics Programme**

Nkandla Municipality is embracing Back to Basics approach in addressing the challenges faced by the municipality, in strengthening municipalities, in instilling a sense of urgency towards improving citizens' lives. Since, this approach is also based on the recent review on all 278 Municipalities, which established three groups of municipalities. **The top group** which comprises municipalities, which, in most cases, have the basics right and performing their functions adequately, even though they still have much to do. **The middle group** which comprise of municipalities that are fairly functional, and overall performance is average. **The bottom third group** which is made up of municipalities that are dysfunctional, endemic corruption and face serious challenges in meeting their constitutional obligation and require urgent intervention and support to get them to get the basics right.

It is on the basis of this approach that Nkandla municipality is striving to be counted with the top group in the provision of service delivery. Because, our understanding is that, the **Back to Basics approach** supports a transformation agenda which is premised on the need to ensure functional municipalities. It is informed by the constitution, legislation and programmes, intended at ushering a new agenda aimed at changing government's approach and strategic orientation especially at a local level towards serving the people whilst ensuring service delivery. Planning and implementation is reflective of the programme.



### 2.1.6. Provincial Growth and Development Strategy

When the Province of KwaZulu-Natal adopted its first Provincial Growth and Development Strategy (PGDS) in 2011, it undertook to ensure that growth and development of the Province will at all times be guided and directed by a long term Vision and Strategy. It is for this reason that a 20 year vision was adopted in moving KZN towards 2030. With the 2011 PGDS now having been in implementation for the last 5 years and 25% of the vision period having passed, it is essential to undertake a strategic review so as to reconfirm or adjust the Vision and related strategies. At the same time it is now necessary to maintain a 20 year rolling Vision for the Province and, therefore, to extrapolate Vision 2030 to Vision 2035.

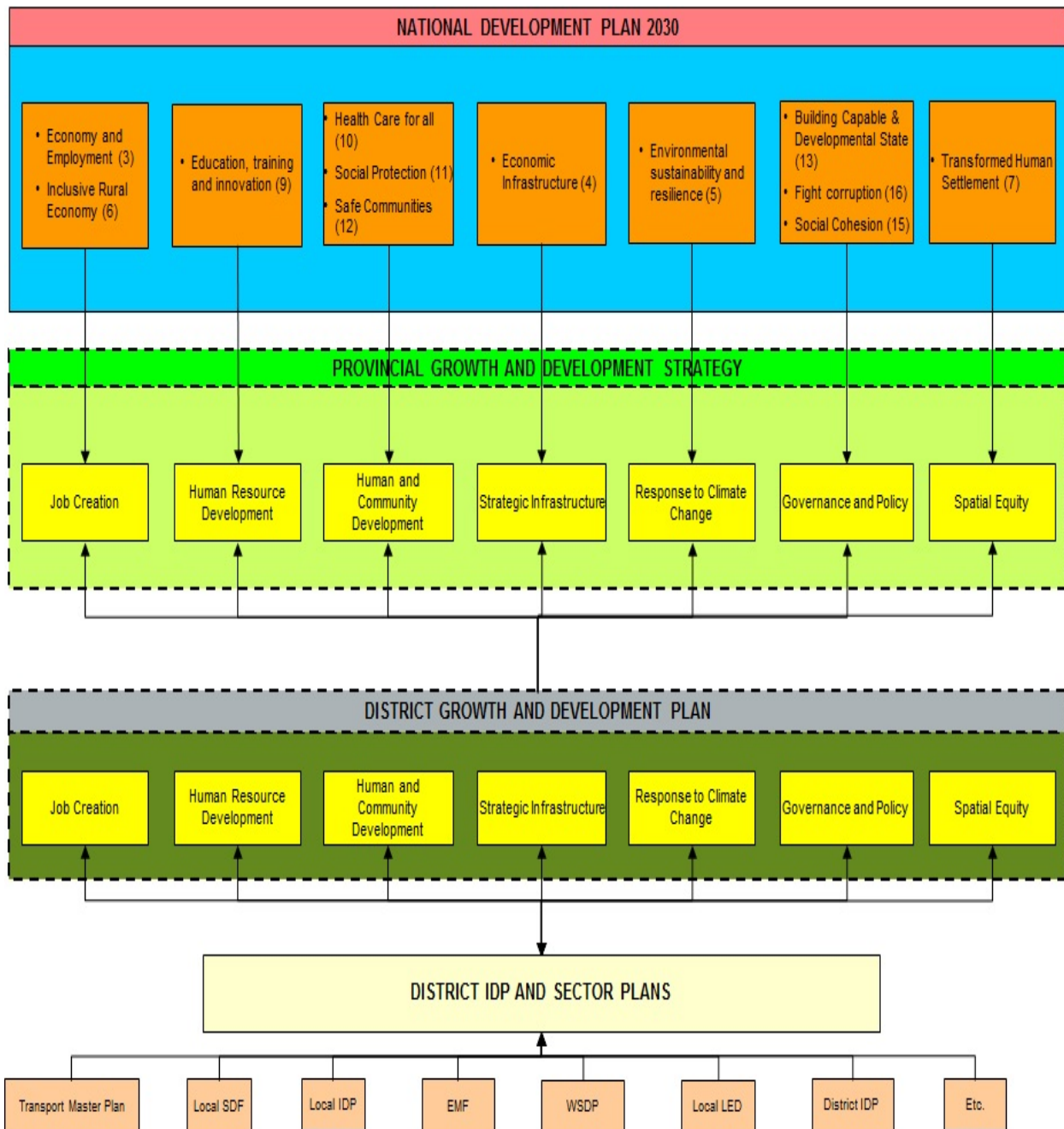
The Revised 2016 KwaZulu-Natal Provincial Growth and Development Strategy (KZNPGDS) bolsters the Province's commitment to achieving the vision of KwaZulu-Natal (KZN) as a **“Prosperous Province with a healthy, secure and skilled population, living in dignity and harmony, acting as a gateway to Africa and the world”**. The PGDS aims to build this gateway by growing the economy for the continued development and the continued improvement of the quality of life of all people living in the Province whilst ensuring that those currently marginalized have broader socio-economic opportunities. Whilst the Provincial Government of KZN is leading this process, its success depends on the partnership and full buy-in from labour, civil society and business. It is critical for all stakeholders to be engaged in the single-minded pursuit of shifting KZN's growth path towards shared and inclusive growth and integrated, sustainable development, aimed at improving the lives of all KZN Citizens.

**Diagram 1: PGDS 7 Strategic Goals**



### 2.1.7. District Growth and Development Plan

The King Cetshwayo District Growth and Development Plan is a development plan developed by the District Municipality of King Cetshwayo. It was subsequently agreed that for the province to realise the goals as identified and detailed within the PGDP,



### 3.1. Introduction

## **2.2. HOW DOES OUR IDP CONTAIN AN INDICATION OF HOW THE ABOVE POLICIES ARE ADDRESSED AND APPLIED IN THE MUNICIPAL AREA.**

All the planning processes of Nkandla municipality are aligned with all the relevant planning and development principles and government policies and imperatives. The whole process of the IDP is driven and is developed in full cognizance of the planning mandates as promulgated in the State of the Nation Address and on the government imperatives.

The following section provides a detailed analysis of the demographic profile at Nkandla with the aim of providing an in-depth understanding of the people and at the same time indicating what needed to be done to ensure that development takes place that responds to the current situation. Besides referring to demography in this section we have also responded to the six key performance areas that have identified to ensure that development takes place holistically.

Situational Analysis informs the identification of key issues in doing spatial analysis. These key issues are the focus areas for municipal, public (and private) investment for the next Integrated Development Plan cycle. Over the years Nkandla Municipality has focused the operations, actions and interventions according to the following five Key Performance Areas and they are in line with the National Key Performance Areas.

## SECTION C : SITUATIONAL ANALYSIS

### 3.2. Regional Context

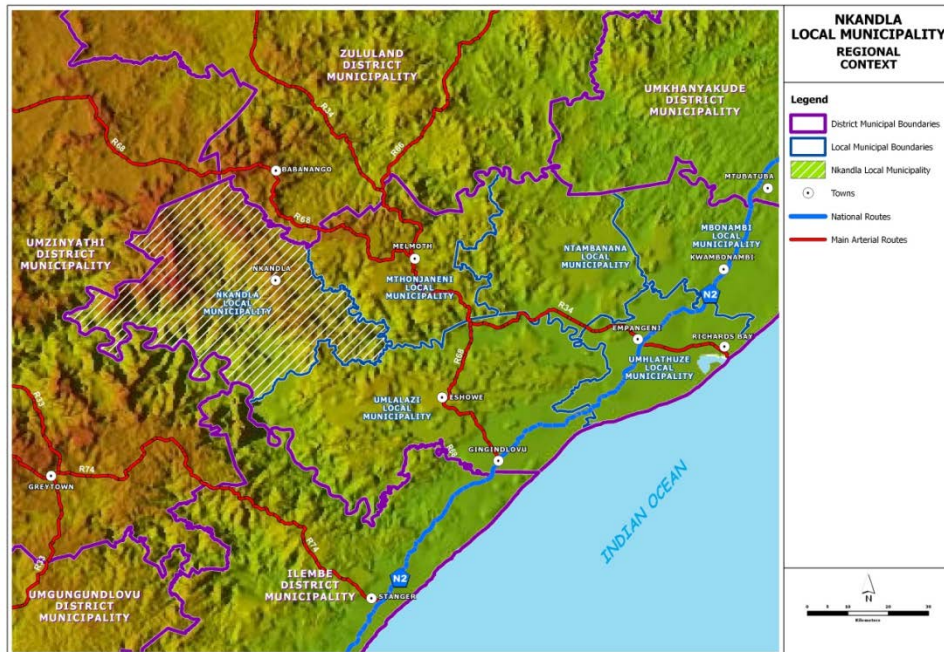
Nkandla LM forms part of King Cetshwayo District (DC28). The district consists of six local municipalities namely: The municipality is surrounded by the following local municipalities: Ulundi to the north, Nquthu in the north-west, Msinga in the west, uMvoti in the south-west, Maphumulo in the south, Umlalazi in the south east and UMthonjaneni in the east.

- Mfolozi KZ281
- Umhlathuze KZ282
- Umlalazi KZ284
- Mthonjaneni KZ285
- Nkandla KZ286

The municipality is in western area of King Cetshwayo District (DC28). It is situated close to the country's two largest ports, lying about 130 kilometers inland from Richards Bay and 250 km north of Durban. Nkandla Town is classified as a Rural Service Centre (RSC) and a Provincial Rural Administrative Centre (PRAC), is the only formalized urban area located within Nkandla situated approximately 50 kilometers south-west of Melmoth and 65 kilometers from Eshowe. It is isolated from the major economic development corridors: access is via a main tar road from Melmoth, and tar road from Eshowe, Kranskop and Nquthu.

### 3.2.1. Map: Regional Context Map

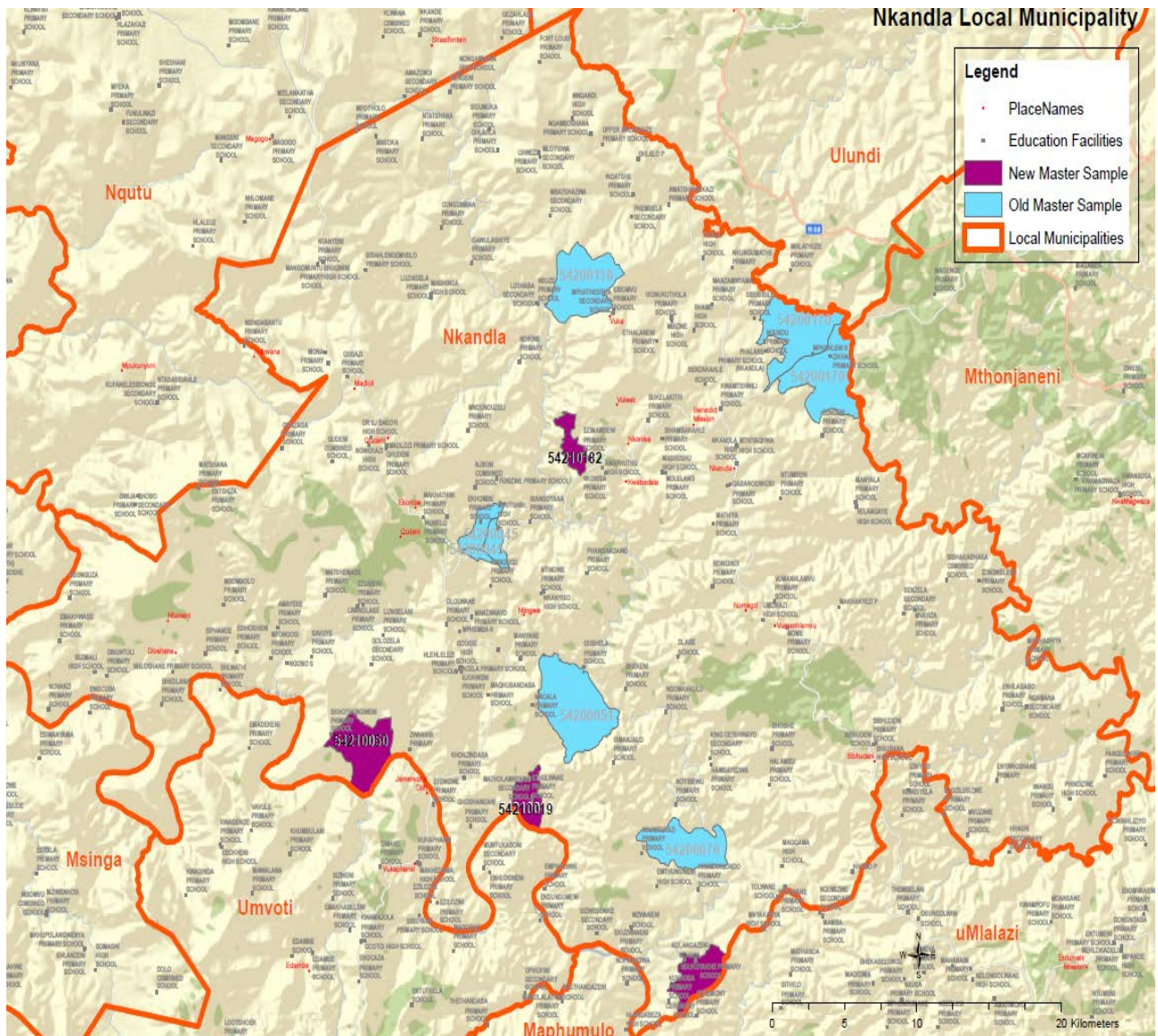
The Map below shows the Regional Context of Nkandla Local Municipal.



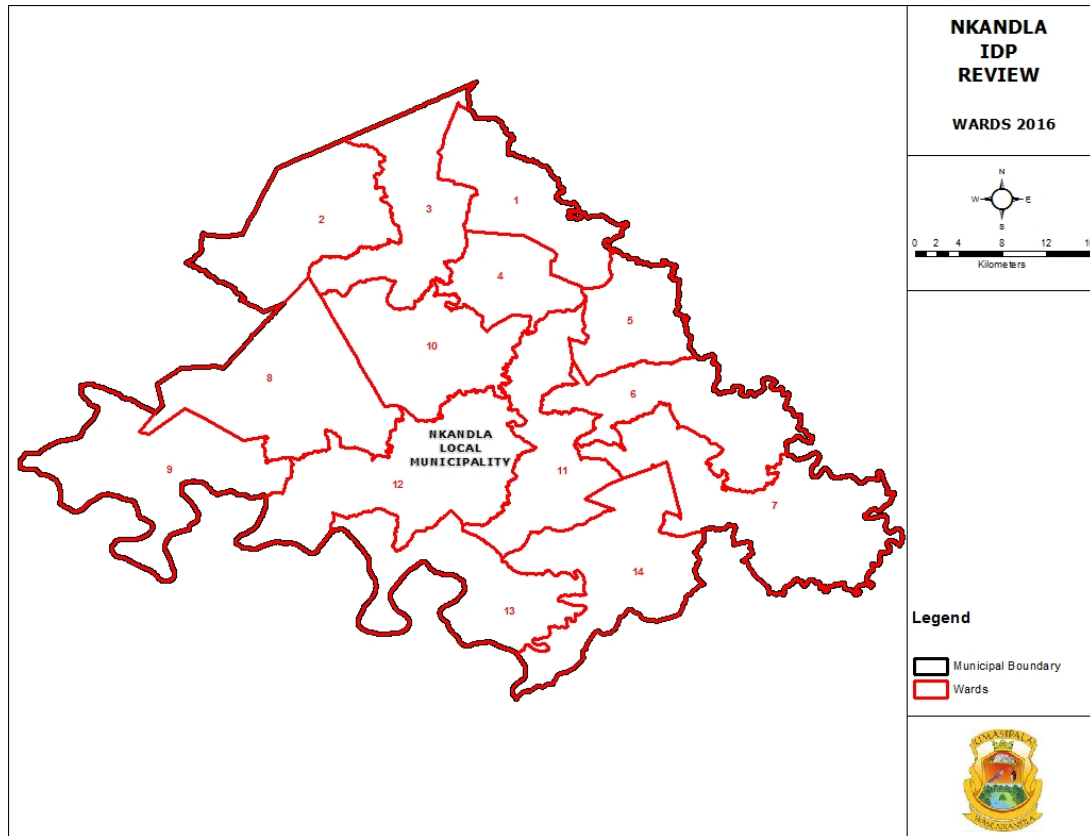
### 3.3. Nkandla Municipal Area mapping

The Nkandla town is located in ward 5 on the north-east of the municipal boundary and a Nature Reserve in a form of Nkandla Indigenous Forest and Amatshezimpisi Game Reserve in Ward 6. The municipality is surrounded by the following local municipalities: Ulundi to the north, Nquthu in the north-west, Msinga in the west, uMvoti in the south-west, Maphumulo in the south, Umlalazi in the south east

The Map below shows the land cover of Nkandla Municipality.



### 3.3.1. Map : Ward Map



## 3.4. DEVELOPMENT NODES AND CORRIDORS

### 3.4.1. Development Nodes

Nkandla Town is the only urban node within the municipality. It serves as a vital function to communities within the entire municipal area and the structured planning

and compaction of the town on already limited land resources is important for its continued growth and functioning. The town is characterised with dilapidated buildings and illegal structures. The municipality is isolated from national roads, as well as from major economic development corridors and towns. Plans are in place to rehabilitate the Nkandla town including interventions by the provincial department and the district to beautify the town and demolish, remove illegal structures. The objective is to attract investments by allocating 50% of the annual budget to capital projects as well as landscaping, park development, development of trading space.

In terms of the functions assigned to a Main Economic Development / Services Node, Nkandla will have to:

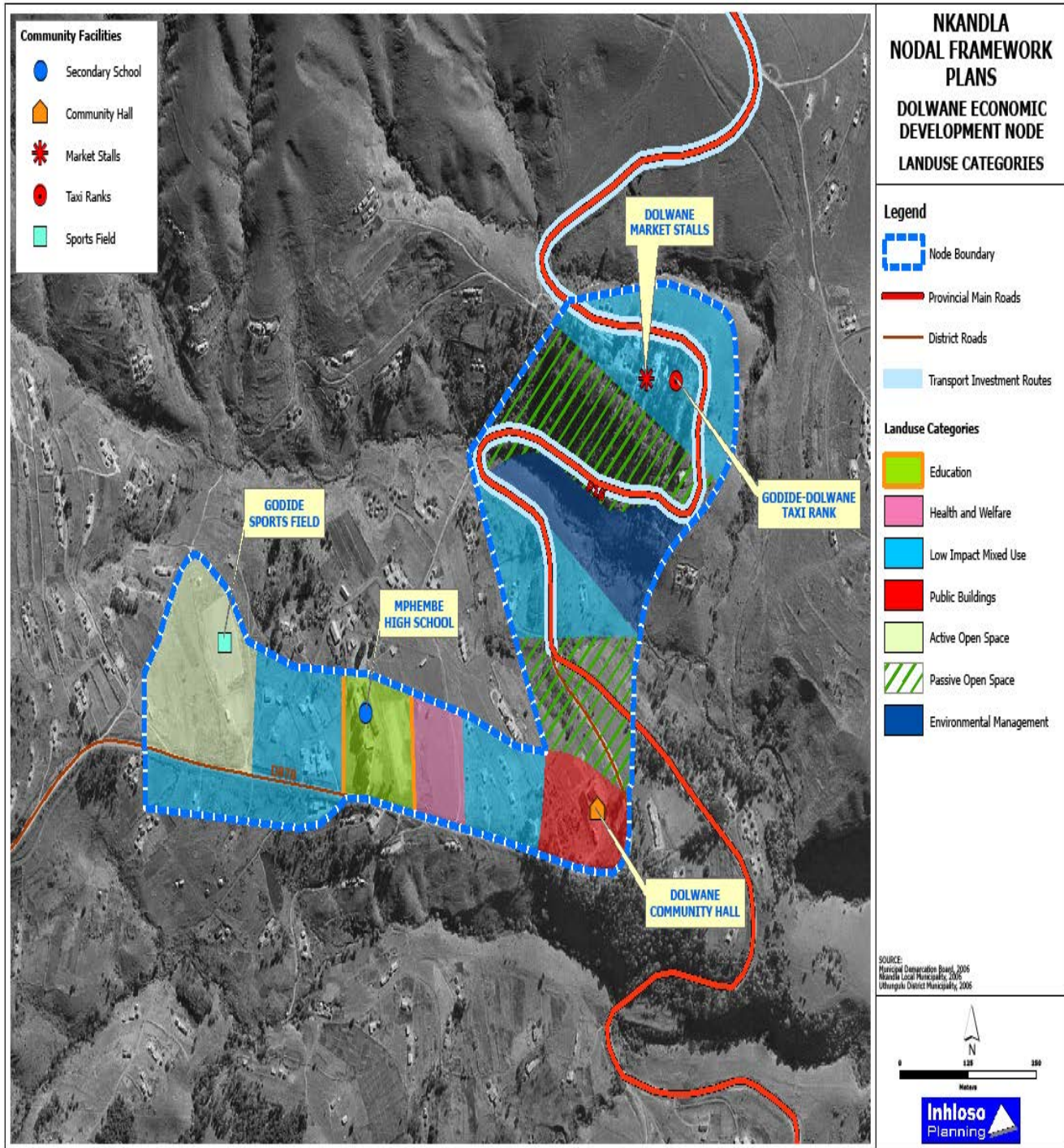
- Serve as municipal administrative centre;
- Provide services and opportunities to higher density settled areas such as Machubeni, Ndweni, Mqubeni, Madiyani, Mjahweni, Emaromeni and Ngwegweni;
- Contain residential accommodation, financial services, health services, communication facilities and SMME facilities;
- Serve as a transportation node, specifically geared towards passenger services; and
- Serve as the locality for the establishment of infrastructure such as sports facilities, cemeteries, landfill sites, and so forth.

### **3.5. Nodal Maps**

Nkandla Nodal Development framework contains more information on development nodes for the municipality. This is a summary of what is contained in a detailed nodal framework; for more information on strategic mapping please refer to section five which contains details on this regard. The municipality intends to align the operations into unlocking these nodes once the Local Economic Development Strategy review has been finalized.



### 3.5.1. Map: Nodal Map





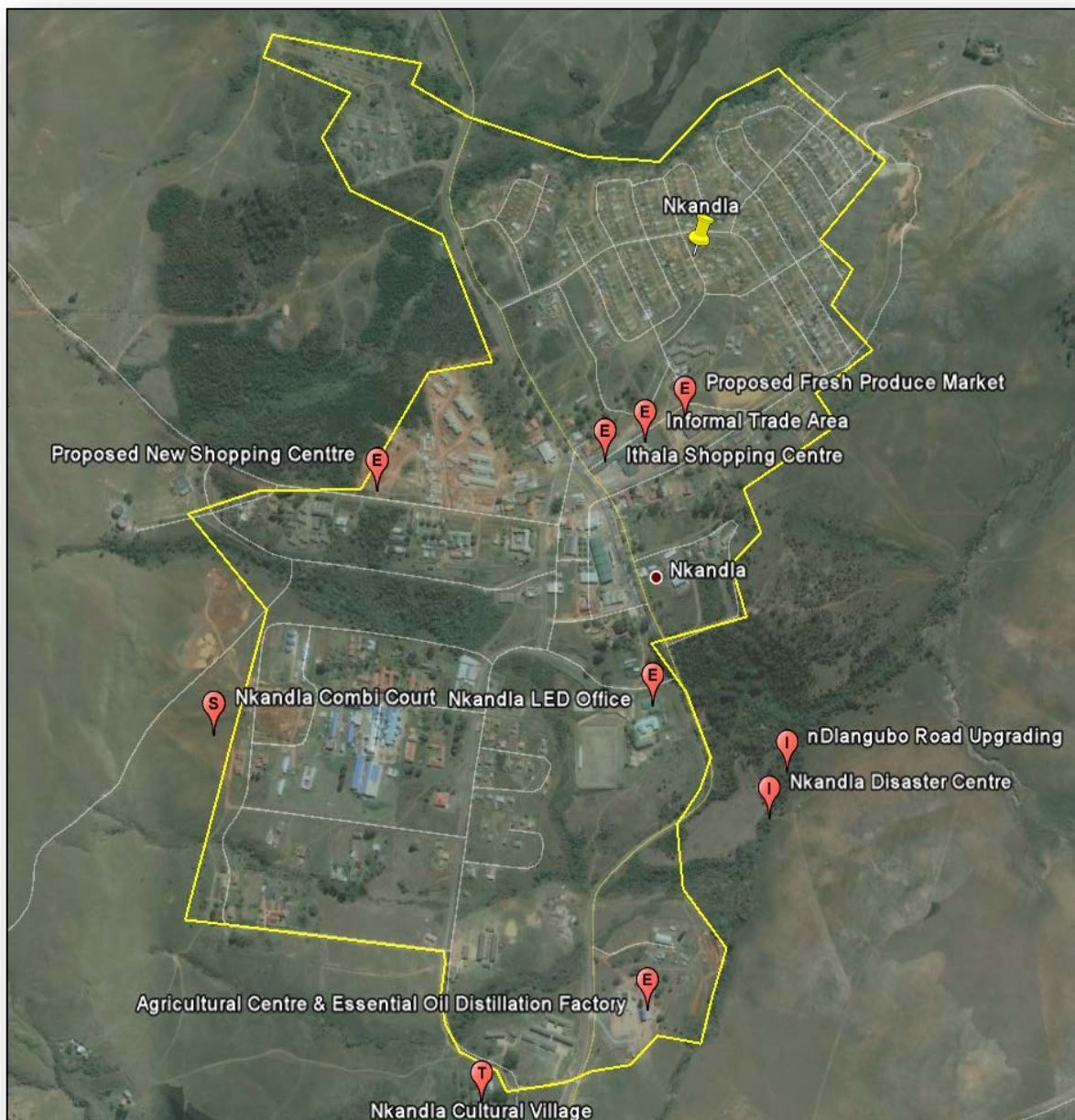
**3.6.1. Map: Qhudeni Development Node**



### 3.6.2. Nkandla Urban Edge

Nkandla is the only urban node within the municipality serves as a vital function to communities within the entire municipal area and the structured planning and compaction of the town on already limited land resources is important for the continued growth.

### 3.6.3. Map: Urban Edge Map



### 3.6.4. Development Corridors

Development Corridors are the major structuring element for determining the existing and future concentration of development activity and investment that consists of an access and movement hierarchy that has been established through the major internal and external national and provincial linkages. This provides access to the main centre (Nkandla Town), Economic Development Areas, Service Areas, Tourism Areas, Agricultural and Forestry Development Areas, adjoining municipalities, existing settlements within Nkandla Municipality, etc. Movement routes, such as the P50, P90, P226, P707, P706, P708, and other roads within the municipality are considered the 'glue' that holds the area together by providing internal and external access. Movement Routes also provides accessibility to services – both infrastructural and facilities. Movement routes that Inter alia require upgrading includes P16 (Jameson's Drift to Qhudeneni) which will link uMvoti and Nquthu via Nkandla LM and P707.

### **3.6.5. Regional Development Corridor**

The following roads have been identified as the main transport investment areas:

The P50 - being upgraded to black top via the African Renaissance Road Upgrading Programme – ARRUP.

It has been identified as a main transport investment route due to it being recognized as such through the ARRUP Programme and traverses the municipal area, providing direct access to:

- The towns of Eshowe, Nkandla and Nqutu.
- Esibhudeneni Tourism Node,
- Nkandla Natural forest,
- Nkandla Town,

There are dense settlements that occur along this route, and a number of roads branch off this route (P226 to Melmoth, P90 to Maphuthu, P90 Tourism Node and Dolwane, the P707 to the Ekukhanyeni Service Node. It also traverses through the proposed Chwezi Economic Development Node;

### **3.6.6. Secondary Corridor**

The following secondary corridors have been identified which Nkandla (Through the P50) to the following areas:

- The P226 links Nkandla to Melmoth; and
- The P90 - Traverses the Maputhini Service Node and the P90 Tourism Node. It links Nkandla Town with the proposed Dolwane Economic Development Node.

These roads also serve as link roads to neighbouring towns and Local Authorities.

Public interventions envisaged in this area relate to:

- Tarring of roads which will provide transport services access to the remote regions, and open up additional economic opportunity in opening the areas. Accessibility is of key importance.
- Developing a localised Corridor Development Strategies which will focus on spatial structure, infrastructure provision and attracting both public and private sector investment.
- Ensure multimodal transport integration occur along these roads at key points.

### **3.7. Private Sector Development interest in Nkandla**

As part of Public Private Initiatives, the municipality has established relations in order to develop the town and other surrounding areas. The projects mentioned below will be finalized soon. These projects range from small, medium and large in terms of the amount of scale:

- Subdivision of Portion of Nkandla Townlands Erf 5000 Nkandla for the development of a Shopping Mall
- Consolidation of Erf 136,137,138, 139, 140, 141, 154,155, and 156 Nkandla for the development of a Petrol Filling Station.

- Extension of an existing Petrol Filling Station on Erf 490 Nkandla
- Development of a Shopping centre on Erf 101 Nkandla
- Development of Furniture Shops on Erf 172 Nkandla
- Development of Bizimali Student Residents at Mfongosi
- Development of Zulu Traditional Hotel in old fashion beehives at Izindlozi Traditional Authority.
- Gated housing development in Nkandla town

### **3.8. Environmental Analysis**

#### **3.8.1. Nkandla Environmental Analysis**

Nkandla local municipality is a rural community consisting mainly of tribal lands and state owned land. The area has a wealth of undisturbed/natural forests which is home to many indigenous species, with a number of environmental tourist attractions (Mome Gorge). The main economic sector being agriculture, which means the soil in the area is disturbed due to the agriculture in the area. Although being inland municipality it does not differ much with the King Cetshwayo District family of municipalities in the sense that, the climatic conditions are similar or to some extent the same, one or more water resources are common across the district. It is of vital importance that the municipality recognizes, respects & preserves natural resources, this can be done so according to AGENDA 21(international) which locally translates to LOCAL AGENDA 21, which in a nutshell preaches about the sustainable use of natural resources such that it benefits future generations. This chapter critically analyses environmental treasures that need to be protected from anthropogenic activities, within uMfolozi local municipality in as much as the environment respects & does not hinder development, this is done so via an Environmental Impact Assessment (EIA). The chapter also takes a look at environmental governance structures available within the municipality Environmental Aspects

### **Additional Support**

An Environmental Officer was deployed by the National Department of Environmental Affairs in partnership with SALGA under the Local Government Support Programme to support King Cetshwayo DM & the family of Local Municipalities with the integration of sustainability in the IDP, promote departmental programmes and initiatives at local government (Working for the Coast programme etc.) as well as assist municipalities in identifying their environmental roles and responsibilities. In 2015 Nkandla municipality opened the legal landfill site which was funded by the Department of Environmental Affairs. Furthermore the National Department of Environmental Affairs under the Environmental Protection & Infrastructure Programme has funded the Nkungumathe Environmental Centre to be built

### **Environmental Management Forums**

Nkandla municipality does not have their own environmental forums, however the waste management officer participates in the District Waste managers' forum as well as the regional landfill site monitoring committee. Over and above that they have participation through the District deployed Environmental Officer at the Provincial Committee for Environmental Coordination, there is also a district Environmental Management Forum in the pipeline, which the municipality will participate in should it materialize.

### **Environmental Management Tools**

The municipality currently in the process of reviewing their Integrated Waste Management Plan (IWMP) with the assistance of KZN Environmental Affairs. The District wide Environmental Management Framework (EMF) where Nkandla will also be covered will be developed by the District with the grant fund obtained from the KZN



Environmental Affairs in the 2016/17 Financial year, The District is looking to appoint a service provider to develop the EMF in the 2016/17 municipal financial year, Local municipalities are however encouraged to develop their own EMF using the Districts' as a guide. The Nkandla Spatial Development Framework (SDF) is also under review.

Below is table representation of the Environmental Tools:

<b>TOOL</b>	<b>STATUS</b>
Environmental Management Framework (EMF)	Being developed by the District
Integrated Waste Management Plan (IWMP)	Under Review
Spatial Development Framework	Under Review

### **3.9. Environmental Aspects**

#### **3.9.1. Bio-diversity**

Nkandla Municipality has enough wetlands including water stream. Initiatives need to be done to protect wetlands; there are control measures/ precautions to be used where threats arise. Apart from the wetland, Nkandla has two indigenous forest protected and managed by Ezemvelo KZN Wildlife.

#### **3.9.2. Water Sources**

Nkandla Municipality has a number of different water sources including three large rivers (UThukela, UMhlathuze and Nsuze), underground water, streams, springs, etc.

#### **3.9.3. Geomorphology**

This can be defined as the study of the processes and pressures operating on river systems. Changes in the independent variables of discharge, sediment load supplied to reach, and valley slope give rise to adjustments in the dependent variables of sediment load and particle size, hydraulic characteristics, and morphologies, all of which interact with each other. The Municipality has mechanisms/ structures that capacitate and engage the local communities on environmental issues. **They include an environmental management forum, incident management committee, etc. Awareness campaigns are held in Nkandla in terms disaster and environmental management.** District and Provincial policies are used for enforcement purposes in these areas. The municipality will be implementing a greening and environmental management project for the next two years, where a stream and indigenous trees in town will be protected. As part of this project SMMEs will be developed and funded in the recycling business. Some of the streams and plant are managed by Ezemvelo KZN Wildlife as they are in protected areas.

### 3.10. Development Objectives and Activities

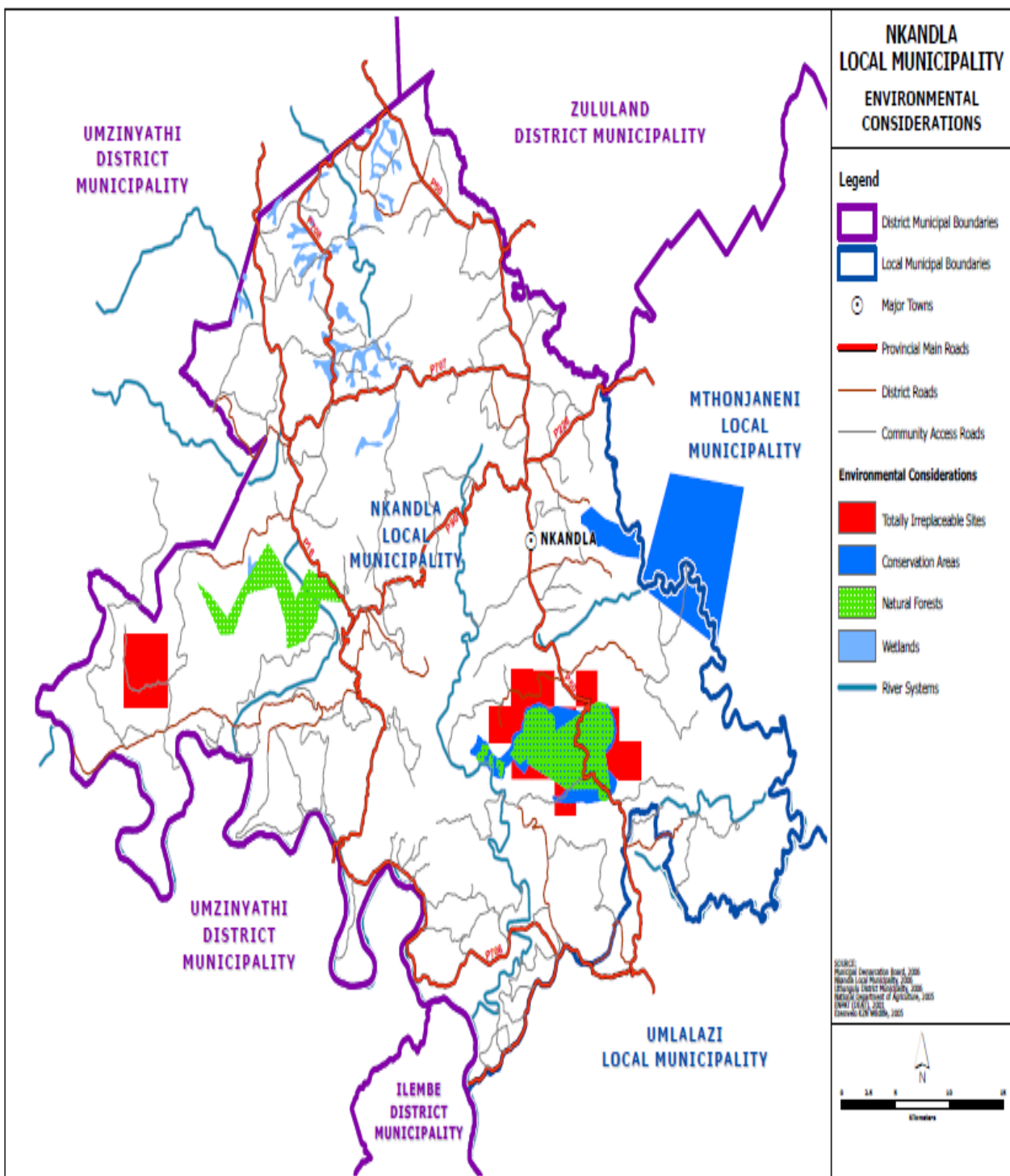
Development Objective	Environmental management Activities	Budget
<b>To promote self-sustenance through capacitating Nkandla’s community, with emphasis on vulnerable groups</b>	Town landscaping	
	<b>Planting of Trees</b>	

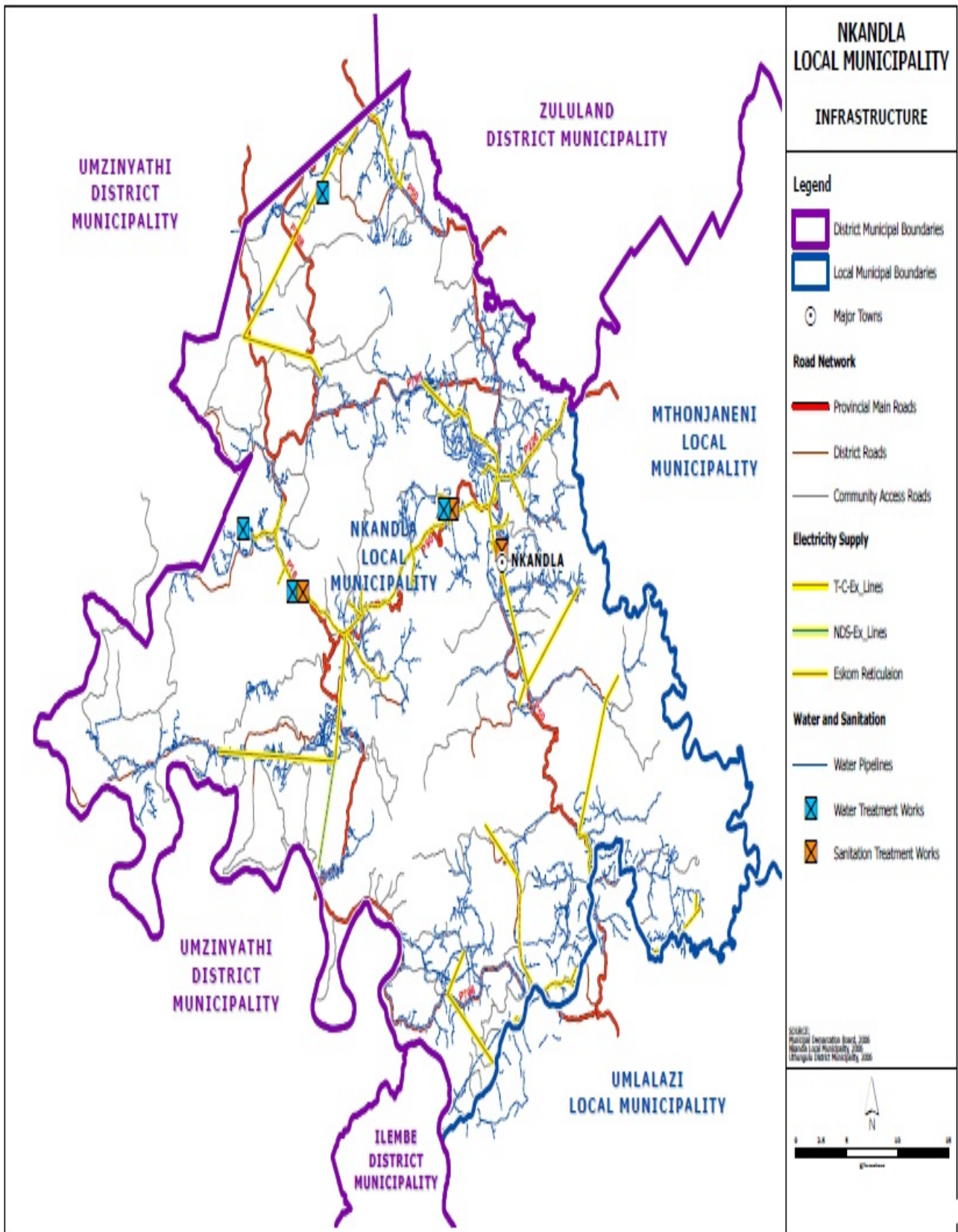
### 3.11. Environmental Projects

- Recreation Park Development

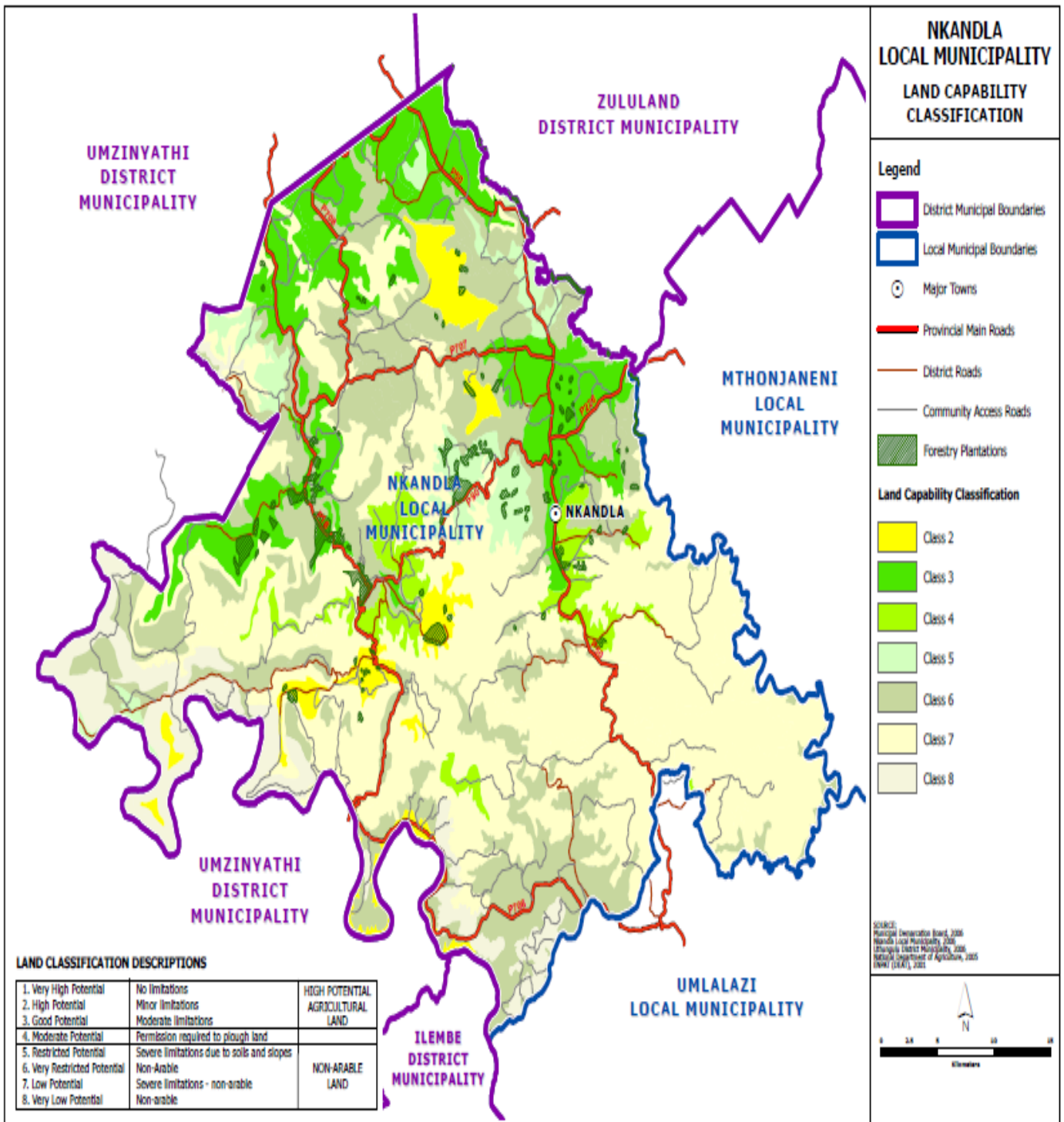
- **Development of a Land Fill Site**
- Town Cleaning and Greening Project
- Proposed Nkungumathe Environment Centre construction (This project is funded by the National Department of Environmental Affairs under their Environmental Protection & Infrastructure Programme (EPIP))

The map below depicts the environmental analysis of Nkandla Local Municipality.





The Map below shows the Land Capability Classification including Agricultural land.



### 3.14. SPATIAL PLANNING AND LAND USE MANAGEMENT ACT 2013

The Spatial Planning and Land Use Management Act, hereinafter referred to SPLUMA was assented to on 02 August 2013 as per Government Gazette dated 05 August 2013.

SPLUMA in essence provides a framework for:

- i. spatial planning and land use management in the Republic;
- ii. specifying the relationship between the spatial planning and the land use management system and other kinds of planning;
- iii. providing for the inclusive, developmental, equitable and efficient spatial planning at the different spheres of government;
- iv. providing a framework for the monitoring, coordination and review of the spatial planning and land use management system;
- v. providing a framework for policies, principles, norms and standards for spatial development planning and land use management;
- vi. addressing past spatial and regulatory imbalances;
- vii. promoting greater consistency and uniformity in the application procedures and decision-making by authorities responsible for land use decisions and development applications;
- viii. providing for the establishment, functions and operations of Municipal Planning Tribunals;
- ix. Providing for the facilitation and enforcement of land use and development measures; and to provide for matters connected therewith.

Key implications of SPLUMA on municipalities is that:

1. Municipalities will be required to formulate and adopt a municipal wide Scheme informed by the scheme guidelines stemming from SDF and IDP, by August 2019.
2. Municipalities must also adhere to SPLUMA in respect of SDF preparation. Specifically a municipal spatial development framework must:
  - a. give effect to the development principles and applicable norms and standards set out in Chapter 2;
  - b. include a written and spatial representation of a five year spatial development plan for the spatial form of the municipality
  - c. include a longer term spatial development vision statement for the municipal area which indicates a desired spatial growth and development pattern for the next 10 to 20 years;
  - d. identify current and future significant structuring and restructuring elements of the spatial form of the municipality, including development corridors, activity spines and economic nodes where public and private investment will be prioritised and facilitated;

- e. include population growth estimates for the next five years;
- f. include estimates of the demand for housing units across different socio-economic categories and the planned location and density of future housing developments;
- g. include estimates of economic activity and employment trends and locations in the municipal area for the next five years;
- h. identify, quantify and provide location requirements of engineering infrastructure and services provision for existing and future development needs for the next five years;
- i. identify the designated areas where a national or provincial inclusionary housing policy may be applicable;
- j. include a strategic assessment of the environmental pressures and opportunities within the municipal area, including the spatial location of environmental sensitivities, high potential agricultural land and coastal access strips, where applicable;
- k. identify the designation of areas in the municipality where incremental upgrading approaches to development and regulation will be applicable;
- l. identify the designation of areas in which:
  - i. more detailed local plans must be developed; and
  - ii. shortened land use development procedures may be applicable and land use schemes may be so amended;
- m. provide the spatial expression of the coordination, alignment and integration of sectoral policies of all municipal departments;
- n. determine a capital expenditure framework for the municipality's development programmes, depicted spatially;
- o. determine the purpose, desired impact and structure of the land use management scheme to apply in that municipal area; and
- p. include an implementation plan comprising of—
  - i. sectoral requirements, including budgets and resources for implementation;
  - ii. necessary amendments to a land use scheme;
  - iii. specification of institutional arrangements necessary for implementation;
  - iv. specification of implementation targets, including dates and monitoring indicators; and

### **3.15. Legislation and Policy Context**

The municipal IDP and SDF is informed by National and Provincial legislative and policy requirements. These include:

<b>Legislation/Policy</b>
Millennium Development Goals
National Program of Action and Outcome 9
National Development Plan :Vision for 2030
The Municipal Structures Act 117 of 1998
The Municipal Systems Act 32 of 2000
National Response to Climate Change White Paper (2012)
SPLUMA
SONA 2017
PGDS
SOPA 2017

### 3.16. Scheme guidelines

#### 3.16.1. Adopted Scheme

To ensure orderly well-coordinated development Nkandla Municipality has adopted a wall to wall scheme in terms of the PDA in January 2014. The wall to wall scheme is structured in the following manner:

Type of Scheme	Locality
Urban Complex Scheme	Nkandla Town
Elementary Scheme	Qhudeni Tourism Node
Rural Scheme	ITB Land

#### 3.16.2. Potential for Scheme Review

Issues around the need for densification, delineation of urban/development edges could result in a review of the wall-to-wall scheme. However these issues require further information which could necessitate the need for further planning investigations such as:

- Local Area Plan/Precinct Plan over the Nkandla Town to investigate potential densification and approximate urban edge, based on land capability, planned infrastructure etc
- Local Area Plan/ Precinct Plan over the Qhudeni Tourism Node to better frame and facilitate the specific development issues such as urban design, infrastructure supply, environmental planning etc.

### 3.17. DISASTER MANAGEMENT PLAN

HI



### 3.17.1. Introduction

#### 4. Introduction

Nkandla Municipality approach to Disaster Management has been reactive and relief centric. A paradigm shift has now taken place from the relief centric syndrome to holistic and integrated approach with emphasis on prevention, mitigation and preparedness. Since 1994 the South African government's approach to dealing with disasters has changed significantly (NDMC, 2008). The change in legislation governing disasters prior 1994 was driven by several factors. One of the main reasons was the need to bring the law into the modern era so that it would be in line with international best practice in the field of disaster risk management. In addition, the government intended to systematically mainstream disaster risk reduction into developmental initiatives at national, provincial and municipal levels.

## DISASTER MANAGEMENT CONTINUUM



Fig 1

Nkandla Local Municipality Disaster Risk Management Unit is the custodian of the Municipal Disaster Risk Management Plan. Individual Services / Directorates, Departments and other role-players / entities will be responsible for the compilation and maintenance of their own Service's / Entity's Disaster Risk Management plans. Along with the various specific Hazard DRM Plans, the Service / Entity Disaster Risk Management plans.

Nkandla Local Municipality Disaster Risk Management Unit's approach to disaster and disaster risk management activities is primarily based on ethos of the Disaster Management Act No. 57 of 2002 and relevant policy frameworks. A typical disaster and Disaster Risk Management continuum as shown above, comprising of six elements i.e. Prevention, Mitigation and Preparedness in pre-disaster phase, and Response, Rehabilitation and Reconstruction in post-disaster phase, defines our complete approach to Disaster Management.

#### 4.4. CAPACITY FOR DISASTER MANAGEMENT

The objective for the establishment of integrated institutional capacity within the Local Municipality is to enable the effective implementation of disaster risk management policy and legislation.

##### 4.4.1. Nkandla Disaster Management Centre

Nkandla Local Municipality Disaster Management Unit was established in December 2012 and is functional. The disaster management centre was built in the same site with traffic unit and fire services to ensure that there is one stopshop, meaning all emergency services are working together.



**4.4.2. Municipal Disaster Risk Management Policy Framework**

**4.4.3. Municipal Disaster Management Plan**

Nkandla Local Municipality does not have a Disaster Management Plan in place. The Municipality is in a process of preparing and submitting their Disaster Management Plan and Policy Framework aligned with IDP before the end of 2017/18 financial year.

**4.4.4. Municipal Disaster Management Inter-Departmental Committee**

Internally, there is a Community Services and Public Safety Portfolio Committee that deals with matters relating to Disaster and Disaster Risk Management is functional and meets every month or as and when necessary.

**4.4.5. Municipal Disaster Management Advisory Forum (DMAF)**

Nkandla Local Municipality established a Disaster Management Advisory Forum which was launched on 20 February 2015. The Nkandla Municipal Disaster Management Forum comprises of the sector departments such as South African Police Services; Correctional Services ;EMRS;Health;Social; Development; Education; Transport;Ward Councilors; Community Development Workers; Nkandla

Business Chamber; Traffic; Justice; Disability; Fire and Emergency Services; Agriculture and Forestry to report on how the disaster affects each department and to come up with strategies on how can it be prevented and mitigated.

**4.4.6. Fire Services**

Fire Services was shared with King Cetshwayo District from Rural Metro but on August 2014, Nkandla Municipality took upon itself to transfer all fire services from Rural Metro to the Nkandla Municipality eight qualified firefighters with all the fire equipments including the fire truck and the bakkie. During 2015/16 financial year, Nkandla Municipality employed Disaster Officer to deal with all disaster matters affecting all fourteen wards within Nkandla area. The Provincial Department of Cooperative Governance and Traditional Affairs and USA 911 assist with training and awareness campaigns to Nkandla Municipal Disaster Management team.

**4.4.7. Climate Change**

Nkandla Local Municipality must establish a Climate Change strategy and incorporate Climate Change issues with Disaster Management activities.

**4.5. DISASTER RISK ASSESSMENT**

A disaster risk assessment, supported with good monitoring systems, is essential for effective disaster risk management and risk reduction planning.

**4.5.1. List of Priority Risks (Hazards)**

Nkandla Local Municipality is prone to a number of natural and man-made hazards. The vulnerability varies, which mainly depends on socio-economic status as well as the exposure of a particular household or community to a specific hazard.

Below is a list of priority hazards that are affecting Nkandla Local Municipality, the spatiotemporal characteristics of these hazards are well known since they have been observed and recorded continuously.

*Table 1: Priority hazards identified at Nkandla Local Municipality.*

HAZARDS	LOCATION
Fire	In all Wards
Severe weather:	
⇒ Lightning	In all Wards
⇒ Strong winds	In all Wards
⇒ Hail	In all Wards
⇒ Heavy rain	In all Wards
⇒ Extreme temperatures	In all Wards
⇒ Storm surges	Along the Coast
Crime	In all Wards
Accidents (MVA)	Mostly on N2, R102 and P459
Drought	In all Wards
Drowning	Along the Coast, Riverbanks and streams

#### 4.5.2. DISASTER RISK REDUCTION

Nkandla Disaster Risk Management Unit must ensure that coherent and relevant disaster risk management planning is undertaken by all municipal entities and other institutional role players.

**Table 2: Risk Reduction Programmes and Budget**

PROJECT/PROGRAMME	BUDGET	COMMENTS	FINANCIAL YEAR
1. Awareness Campaigns and fire drills	R10 000	Community, Schools and Clinics	2017/2018
2. Emergency Relief Aid	R1 500 000	In all Wards	2017/2018
3. Lightning Conductors	R1 000 000	Vulnerable Wards, Schools and Clinics	2017/2018
4. Capacity Building Disaster Advisory Forum And training	R 50 000	CDW's, Councilors, CWP's, Ward Committees, CCG's, Traditional Leaders, NGO's, CBO's. Sector Departments and Stakeholders	2017/2018
5. Fire Services	R 2 000 000	Buying and maintenance of fire vehicles	2017/2018
6. Disaster/fire Protective Clothing	R 400 000	Protective clothing for eight fire fighters and one disaster officer	2017/2018
7. Development of Disaster Management Plan	R 600 000	Nkandla Disaster Management Plan Document	2017/2018
<b>TOTAL</b>	<b>R5 560 000</b>	<b>Nkandla LM</b>	<b>2017/2018</b>

#### 4.5.3. DISASTER MANAGEMENT SWOT ANALYSIS

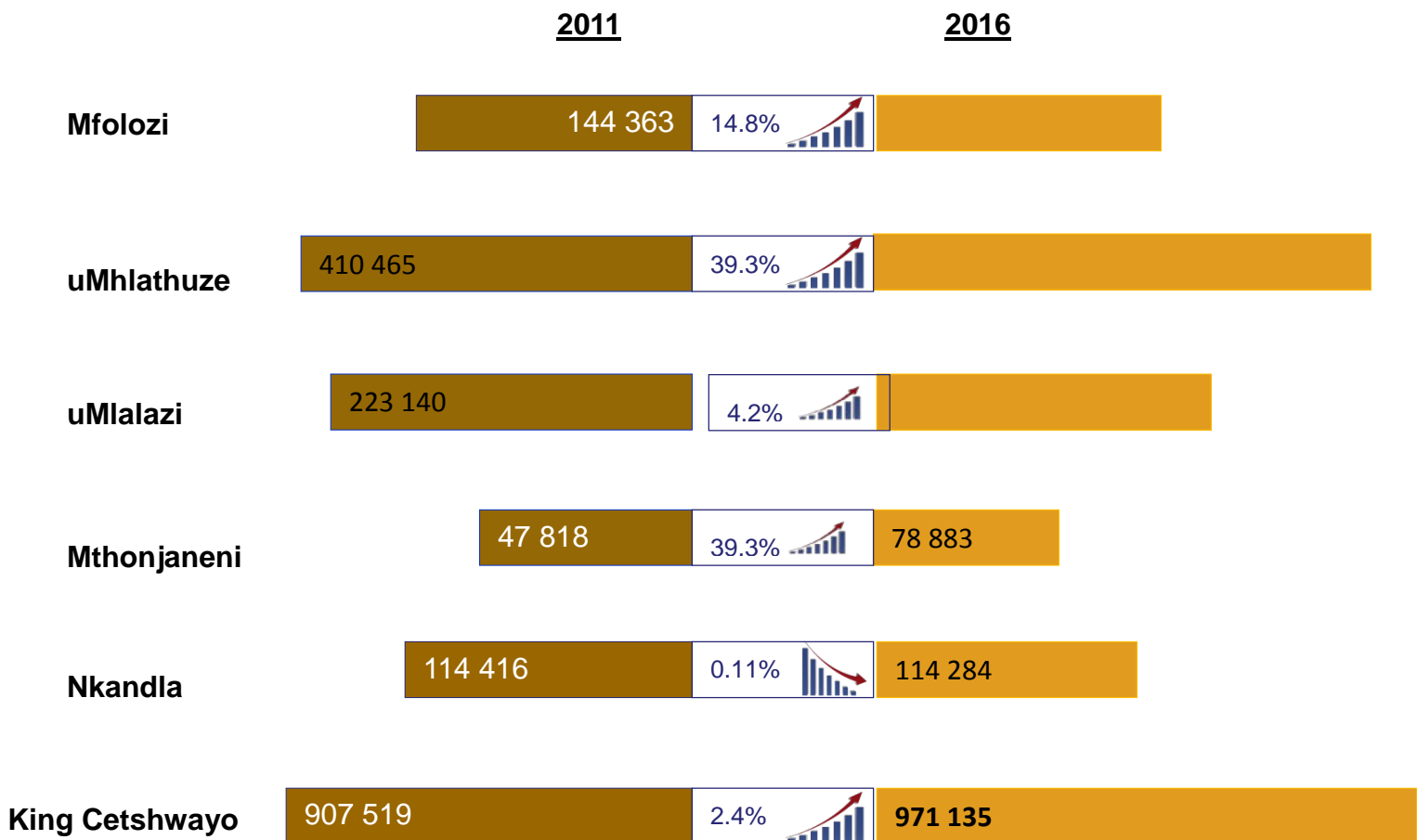
Strengths	Weaknesses
<ul style="list-style-type: none"> <li>- Development of the disaster management plan as tool for prevention; mitigation and recovery</li> <li>- Nkandla municipality as part of the District Disaster Management Advisory Forum (DDMAF) and Provincial Disaster Management Advisory Forum (PDMAF), these forums facilitate many information sharing and planning sessions between disaster management and event management role players. All major role players are represented in this forum to attend regular meetings and discuss all issues pertaining to disaster. Inputs are</li> </ul>	<ul style="list-style-type: none"> <li>- Review of the disaster management plan since this is a strategic plan which should be developed and continually updated in consultation with all role players</li> <li>- Nkandla municipality has recently taken the Fire and Response Unit from the District Shared Service, and this unit is not fully functioning.</li> <li>- After the review of the plan, the disaster management framework should be developed. This will outline the vision, mission and objectives of Nkandla local municipality ( as a local sphere)</li> </ul>

provided by each stakeholder from all line function departments	
<b>Opportunities</b> <ul style="list-style-type: none"> <li>• Employment</li> <li>• Training</li> </ul>	<b>Threats</b> <ul style="list-style-type: none"> <li>• Tropical cyclone</li> <li>• Drought</li> <li>• Fire</li> <li>• Motor Vehicle Accidents</li> <li>• Budget not adequate</li> </ul>

#### 4.6. DEMOGRAPHIC CHARACTERISTICS

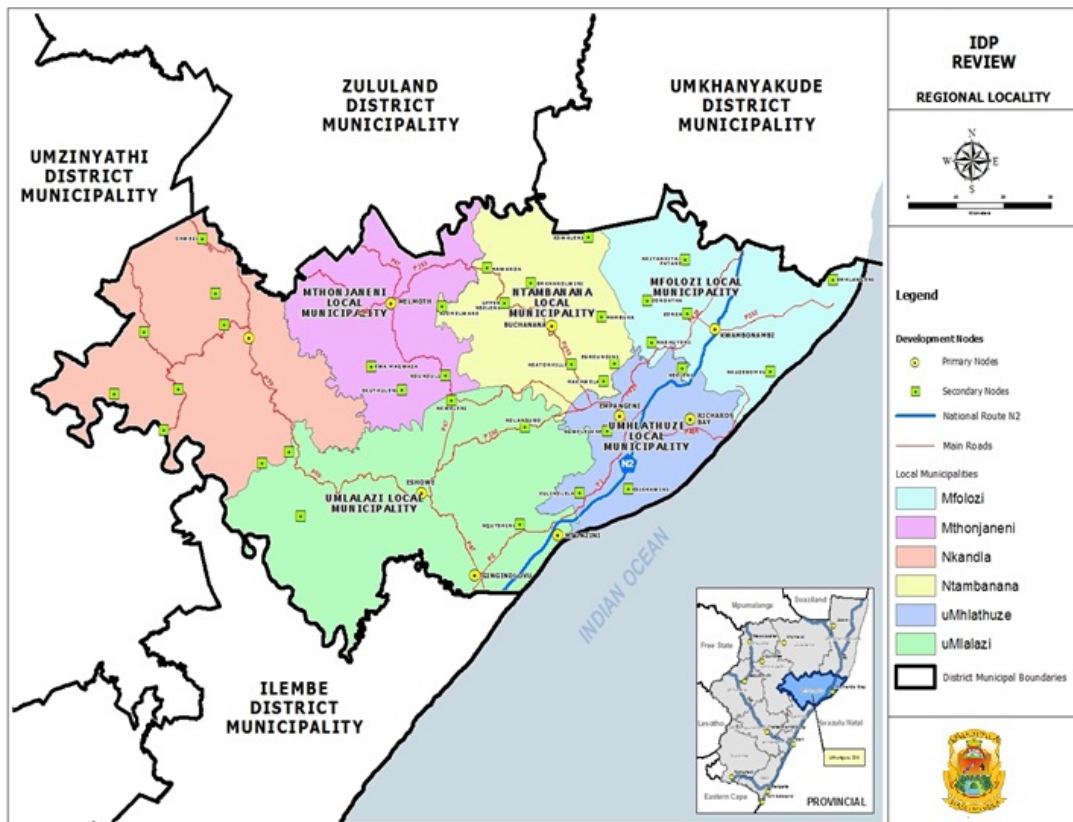
The Statistics SA Census data for 2001 and 2011 has been used for the demographic and the economic information in this section.

##### 4.6.1. District Population Growth



The extreme changes in the population growth rate for the period 2011 to 2016 in four of the five local municipalities is due to concerning and the reason need to be further investigated. It is believed that HIV and urbanisation may play a critical role in the declining numbers of the rural population due to migration to areas with perceived better economic opportunities.

#### 4.6.2. Key Findings

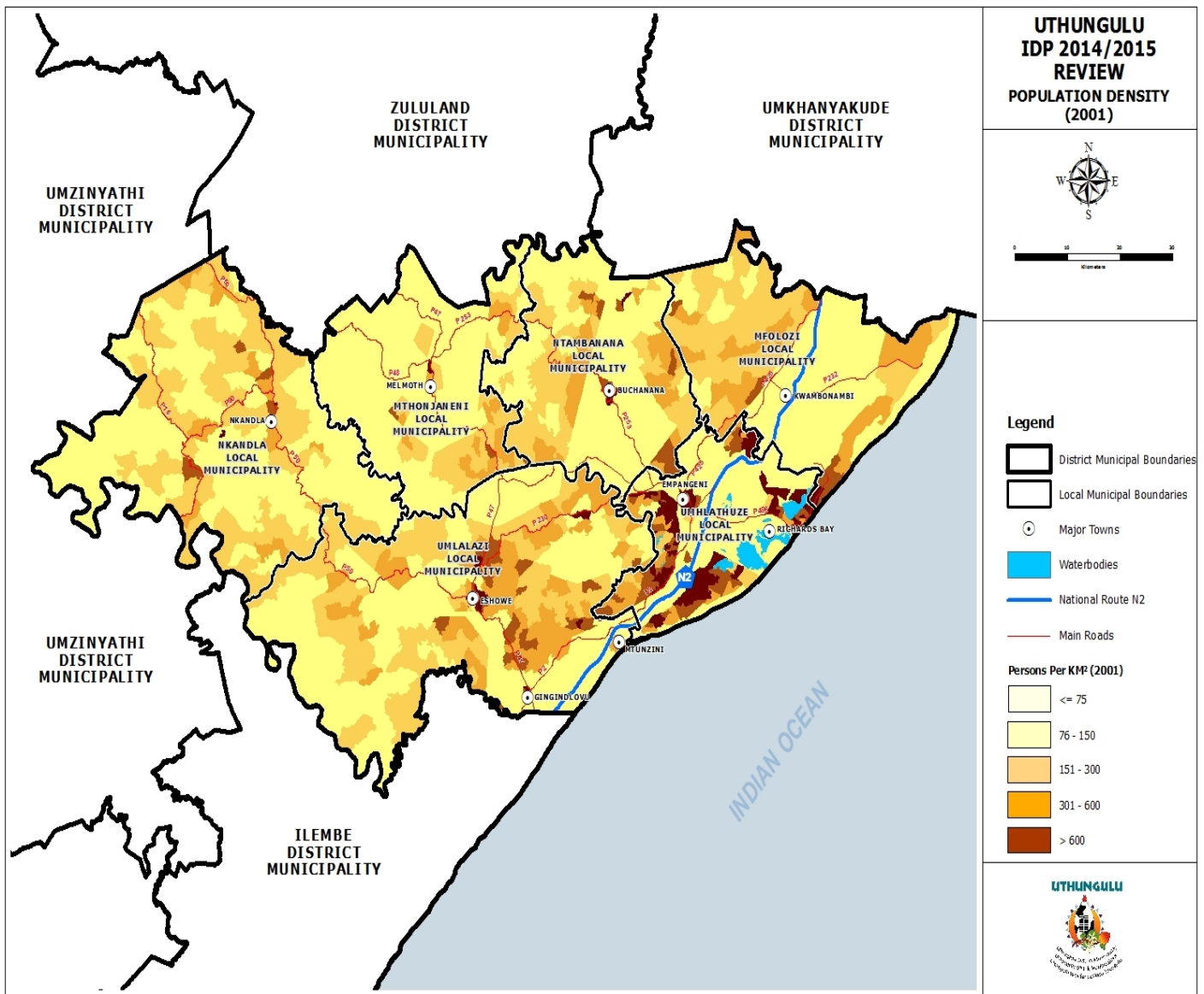


The map below shows the all local municipalities under King Cetshwayo District and the neighboring Districts.

#### District comprise of:

- uMfolozi (KZ281)
- uMhlatuze (KZ282)
- uMlalazi (KZ284)
- Mthonjaneni (KZ285)
- Nkandla (KZ286)

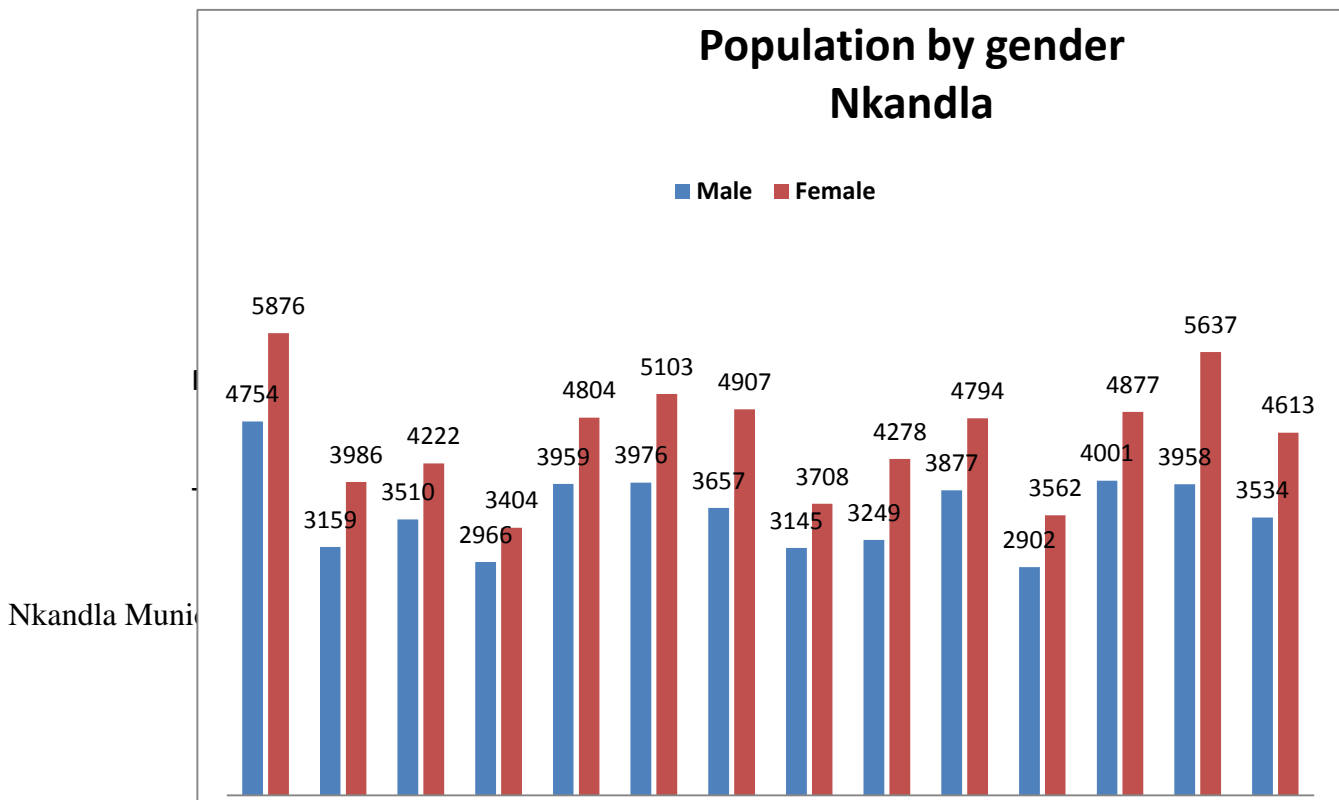
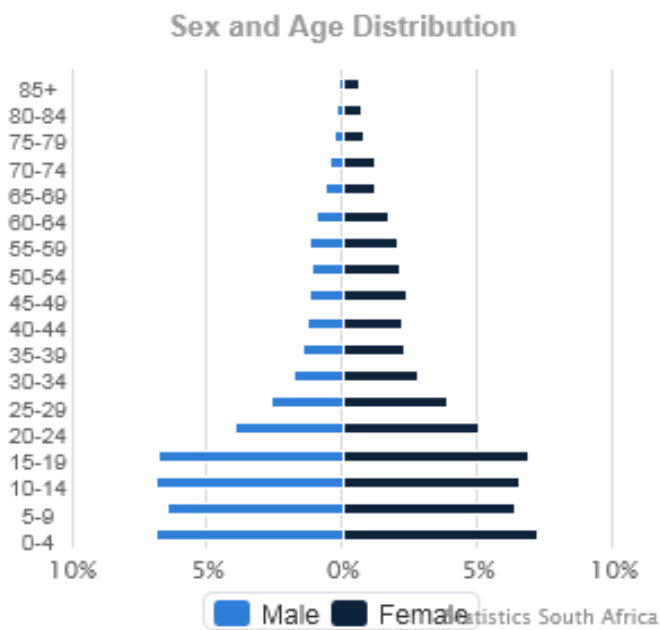
Map: District Population Density



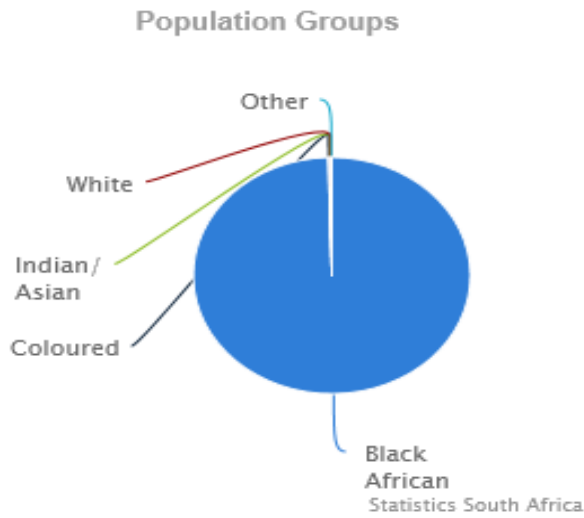
### Nkandla population per ward

The total population of Nkandla Municipality is 114 284. Of this number, 14% are children between 0 and 4 years, while 6% constitute the elderly above the age of 65. Total number of black Africans in Nkandla is 113 923, followed by whites at 167, colored who make up 114; and Indians/Asians at 103.

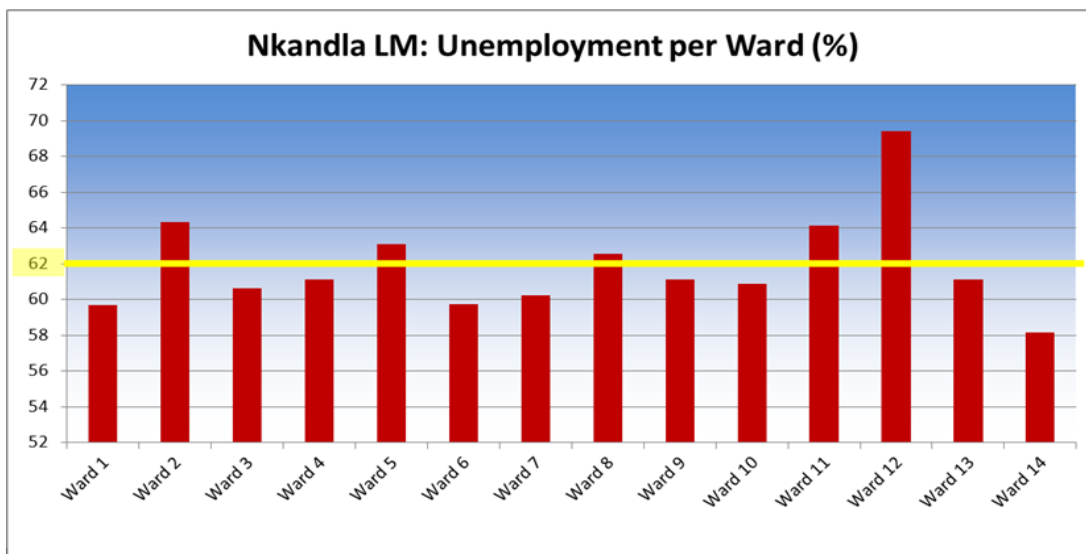
This graph below shows the population rate of Nkandla Local Municipality by sex and age.







**Bar Chart: Unemployment rate by ward**



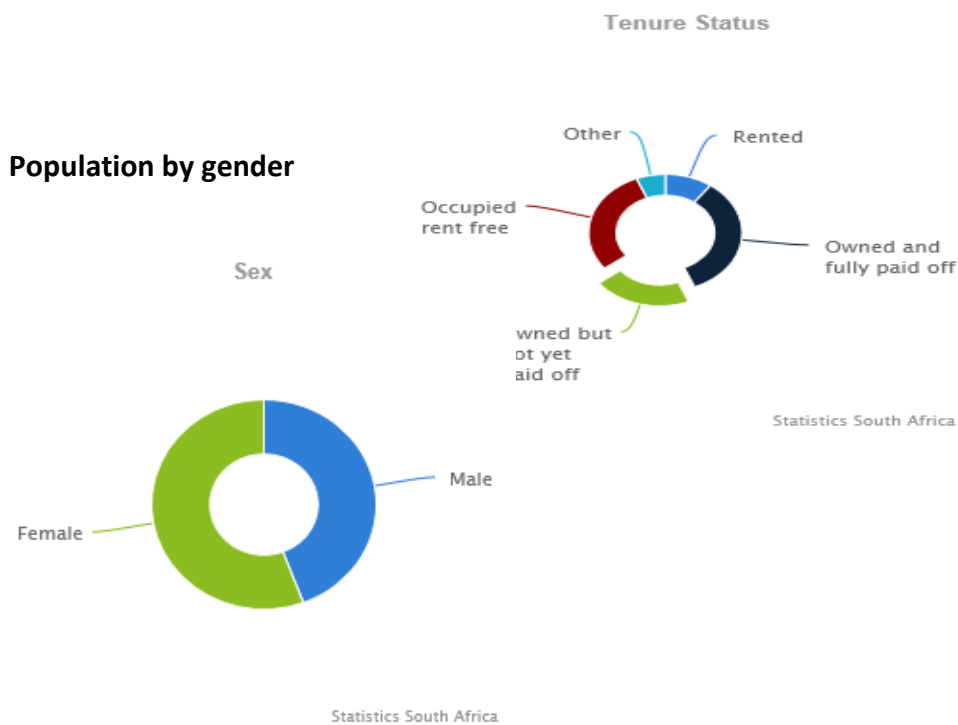
**Unemployment rate in Nkandla**

Unemployment rate is 52% prevalence- Nkandla is the one of the poorest region of KING CETHWAYO. Ward1 – 60%, ward 2 – 65%, ward 3 61%, ward 4- 61%, ward 5- 63%, ward 6 – 59%, ward 7 – 60%, ward 8 – 58%, ward 9 – 60%, ward 10 – 60%, ward 11 -64%, ward 12 – 69%, ward 13- 58%, ward 14 – 58%.

## Household Size

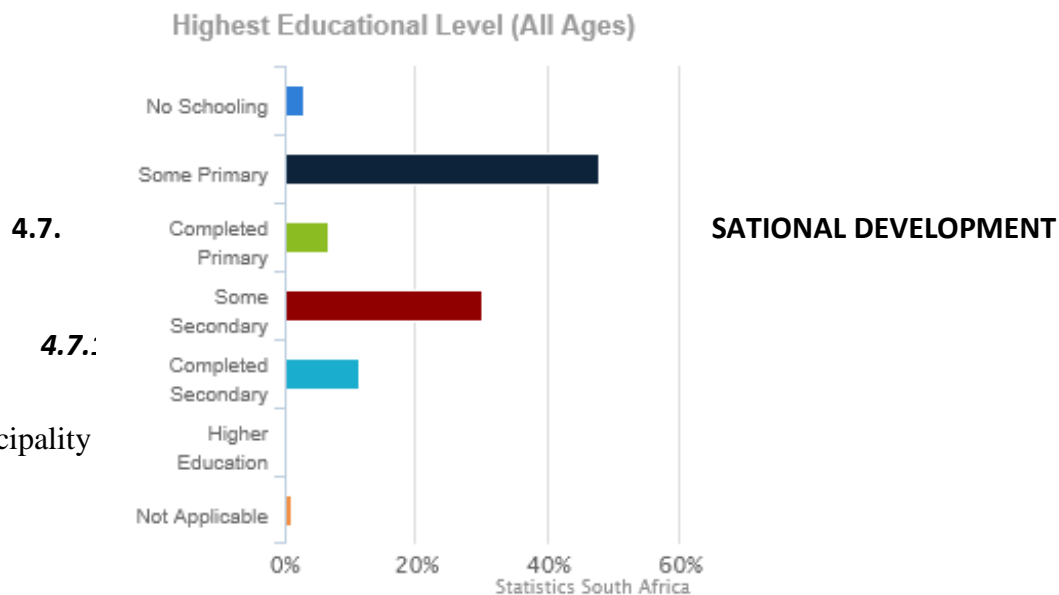
93% of the population in the municipality resides in traditional/tribal areas, and 7% live in urban settlements. The average household size in the municipality is 5, 1. As many as 54.6% of the households own their houses. 32% of the population stays in formal dwellings and 67% in traditional dwellings. 55% of Nkandla households are female headed, and 1% is child headed. 2 470 people in the municipality have no source of income.

### Bar chart: Distribution of households by tenure status



## Education

Primary education enrolment for the population aged 6 to 13 is 86,7%. 21,2% of the population have matric, and 4,8% are people with a higher educational qualification.



The following chapter zooms into the Municipal Transformation and Institutional Development Key Performance Area (KPA) of the Municipality.

#### 4.7.2. Municipal Structure

Nkandla Local Municipality is constituted of 14 wards and the political administration of the municipality consists of 27 seats. These are made up of three political parties namely; The African National Congress, Inkatha Freedom Party and the National Freedom Party. The following table illustrates the names of Councilors that are responsible for the respective wards in the municipality and also indicate their political affiliation.

NAME and SURNAME	WARD	Political affiliation
<b>Cllr. Mncube</b>	01	IFP
<b>Cllr. Z Mbheje</b>	02	IFP
<b>Cllr. S.O. Sibiya</b>	02	IFP
<b>Cllr.B.B Dlomo</b>	03	IFP
<b>Cllr. M.B.E Ntombela</b>	03	ANC
<b>Cllr. T.F Nxumalo</b>	04	IFP
<b>Cllr. P.R Dlamini</b>	05	ANC
<b>Cllr. D Mpungose</b>	05	ANC
<b>Cllr. AT. Ntuli</b>	06	IFP
<b>Cllr. N.F.J Nzuzo</b>	06	IFP
<b>Cllr. J.B Ntuli</b>	06	ANC
<b>Cllr. F.K Magubane</b>	06	ANC

<b>Cllr. N M Mthombeni</b>	07	IFP
<b>Cllr. Mbuyisa</b>	08	IFP
<b>Cllr. Msimang</b>	09	IFP
<b>Cllr. B.B Ndim</b>	09	ANC
<b>Cllr. P. J Buthelezi</b>	10	IFP
<b>Cllr. N.P.N Magubane</b>	10	IFP
<b>Cllr T B Ntombela</b>	11	IFP
<b>Cllr. B.Z Mncadi-Mpanza</b>	11	ANC
<b>Cllr. N.P Zulu</b>	11	ANC
<b>Cllr. N.R Xulu</b>	11	ANC
<b>Cllr. Sikhakhane</b>	12	IFP
<b>Cllr. V.S Lushozi</b>	13	ANC
<b>Cllr. Mbambo</b>	14	ANC

### Council Summary

<b>POLITICAL PARTY</b>	<b>NUMBERS</b>
1. ANC	12
2. IFP	15

#### 4.7.3. FUNCTIONALITY OF THE MUNICIPAL COUNCIL

To ensure compliance with the legislative requirement that the Council meet at least quarterly, it has resolved to meet once every two months. However, in order to meet compliance requirement relation to such issues as Budget approvals, mid-term Budget Reviews, Adjustments Budgets, IDP Reviews, Annual Report and Annual Report Oversight reviews, the Council effectively meets almost once every month. In order to optimise efficiency of operation the Council has reserved to itself decision making

powers on certain critical and strategic matters – such as considering the results of the provincial government’s monitoring of the Municipality, deciding whether to provide security for any the Municipality’s debt obligations and deciding to recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for the expenditure.

In order to facilitate maximum participation by Councillors in the decision making process of the Council and its Committee, all Councillors are provided with copies of the agenda and minutes of all meetings of the Council, it’s Execution Committee, it’s Portfolio Committees and its Sub-Committees and Task Teams.

#### **4.7.4. The Municipal Executive Committee**

The Nkandla Municipality has established an Executive Committee consisting of five Councillors. When establishing the Executive Committee the Council was mindful of the provisions of Section 4s43 of the Municipal Structures Act 117 of 1998 which requires that:

- (1) If the council of a municipality establishes an executive committee, it must elect a number of councillors necessary for effective and efficient government, provided that no more than 20 per cent of the councillors or 10 councillors, whichever is the least, are elected. An executive committee may not have less than three members.
- (2) An executive committee must be composed in such a way that parties and interests represented in the municipal council are represented in the executive committee in substantially the same proportion they are represented in the council.
- (3) A municipal council may determine any alternative mechanism for the election of an executive committee, provided it complies with section 160 (8) of the Constitution.

In keeping with the requirements of that Section of the Municipal Structures Act 117 of 1998, the Executive Committee was constituted on the basis of proportional representation, giving the following membership:

- IFP : 3 Councillors
- ANC: 2 Councillors

The Executive Committee holds ordinary meetings once per month with additional special meetings being convened as and when necessary. The Term of reference of the Executive Committee requires that, amongst other things, it:

- Perform the functions of an Executive Committee set out in the local Government: Municipal Structures Act, 1998;
- Take such action as may be necessary to insure compliance by the Council with all legislation relating to or affecting local government
- Exercise all Powers of the Council which may be delegated by the Council in terms of Constitution or any other law and which has not been delegated or assigned in term of any law;
- Consider and determine any particular matter or issue or any matter of policy referred to the Committee by the Municipal Manager;
- Take any necessary or incidental decisions for the management or administration of any resolution of the Council.

The following table indicates the members of the Executive committee and their political affiliation.

NAME	POSITION	POLITICAL AFFILIATION
<b>Cllr AT Ntuli</b>	Mayor	IFP
<b>Cllr. NFJ Nzuza</b>	Deputy Mayor	IFP

<b>Cllr. NR Xulu</b>	EXCO Member	ANC
<b>Cllr. BB Dlomo</b>	EXCO Member	IFP
<b>CLLR BZ Mncadi- Mpanza</b>	EXCO Member	ANC

#### 4.7.5. Council Portfolios

The Nkandla Local Municipality has established four functional Municipal Portfolio Committee to assist the Executive Committee and these portfolios are:

- Finance Portfolio Committee
- Technical Portfolio Committee
- Community Services Portfolio Committee
- Corporate Services Portfolio Committee

Each of the Committee has defined terms of reference covering the whole range of the functions of the Municipality.

The Portfolio Committee meet once per month and the recommendations of the Portfolio Committees are submitted to the meeting of the Executive Committee following the meeting of the Portfolio Committee. Portfolio Committee do not have any delegated powers.

These committees are aligned to the functions of various departments of the Municipality;

- Budget and Treasury Portfolio Committee : Chief Financial Officer
- Corporate Services Portfolio Committee : Director Corporate Services
- Technical Portfolio Committee : Director Technical Services
- Community Services Portfolio Committee : Director Community Services

#### Membership of Portfolio Committees

<b>Budget &amp; Treasury</b>	<b>Corporate Services</b>	<b>Technical</b>	<b>Community Service</b>
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<b>Cllr A T Ntuli –</b> <b>Chairperson</b>	Cllr B B Dlomo - Chairperson	Cllr B B Dlomo - Chairperson	Cllr NFJ Nzuza – Chairperson Cllr N Mahaye
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#### 4.7.6. Special Purpose Committees and Sub-Committees

The Council has also established a number of forums and committees that are operational in the municipality and these committees and forums are:

- I. Integrated Development Plan Representative Forum
- II. Audit Committee
- III. Local Labour Forum
- IV. Bids Committee
- V. Evaluation Committee
- VI. Adjudication Committee
- VII. Municipal Public Accounts Committee (MPAC)

#### Membership of Special Purpose Committee

##### I. Integrated Development Plan Representative Forum

The IDP Plan Rep Forum is formed by Council, Manco, Traditional Authority, Government department, NGO's, NPO's Ward committees, CDW's, and different associations within the community.

##### II. Audit Committee

There are three (3) members of the Audit Committee and one member resigned, namely:

<b>Name</b>	<b>Designation</b>
<b>Mr G Majola</b>	Chairperson
<b>Ms N. Mchunu</b>	Member
<b>Dr B.V Thabethe</b>	Member
<b>Ms S Kunene</b>	Member



### III. Local Labour Forum

<b>Name</b>	<b>Designation</b>
Mr M Ndlela	Chairperson / IMATU
Mr O Mkhize	IMATU
Mr M Cele	SAMWU
Cllr Buthelezi	Council
Cllr Msimang	Council
Mrs N P Xulu	Manco
Mr S Sibisi	Manco
Mr S Ntombela	Manco

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### IV. Bids Committee

<b>Name</b>	<b>Designation</b>
Ms N.C Ngema	Chairperson
Mr M Shezi	Vice Chairperson
Ms L Mthombeni	Secretary

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### V. Evaluation Committee

<b>Name</b>	<b>Designation</b>
Mr J M Nkosi	Chairperson
Mr N Sikhakhane	Vice Chairperson
Mr J.M Sibiya	Secretaries
Mr L.S Buthelezi	Member

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### VI. Adjudication Committee

<b>Name</b>	<b>Designation</b>
Mr S Ntombela	Chairperson
Mrs N P Xulu	Secretary
Mr N Mnyandu	Member
Mr L S Jili	Member
Mr B Bhengu	Member

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## VII. Municipal Public Accounts Committee (MPAC)

<b>Name</b>	<b>Designation</b>	<b>Political Party</b>
<b>Cllr N.P.N Magubane</b>	Chairperson	IFP
<b>Cllr N.R Xulu</b>	Member	ANC
<b>Cllr T.P Mncube</b>	Member	IFP
<b>Cllr T. F Nxumalo</b>	Member	IFP
<b>Cllr B.B Ndim</b>	Member	ANC

### 4.8. ADMINISTRATIVE STRUCTURES

The Organizational Structure was reviewed and adopted by Council at the beginning of the financial year. A revised selection, recruitment and appointment policy that seeks to address the imbalances in the employment profile of the Municipality has been adopted by Council. There are ninety nine employees in the Municipality and the Council approved five departments in the Municipality.

These departments are as follows:

- Office of the Municipal Manager;
- Corporate Services;
- Technical Services;
- Budget and Treasury Office
- Community Services

#### 4.8.1. The Functions of Departments

DEPARTMENT	FUNCTIONS
Office of the Municipal Manager	<p>Municipal Management</p> <p>Municipal Planning and Performance Management</p> <p>Municipal Finance Management.</p> <p>Strategic Planning</p> <p>Risk Management</p>
Corporate Services	<p><b>Administration:</b> it is responsible for; billboards and display of advertisements in public places; municipal administration; security and cleaning services; human resource management; legal services; information technology communication and council support services.</p>
Budget and Treasury Office.	<p><b>Budget &amp; Treasury is responsible for the financial services in the Municipality.</b></p> <p><b>Income:</b> is responsible for Revenue Management; debt management and internal controls.</p> <p><b>Expenditure:</b> it is responsible for expenditure management; supply chain and procurement; materials; insurance; internal controls and properties management.</p> <p><b>Budget:</b> Is responsible for budgeting for the Municipality and reporting.</p>
Technical Services	<p><b>Electricity:</b> it is responsible for electricity and gas reticulation and street lighting.</p> <p><b>Civil services:</b> it is responsible for air pollution; municipal public works; storm water management; cemeteries; funeral parlours, cleansing; fence and fences; burial of animals; local sports facilities; markets; municipal parks</p>

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and recreation; planning and land use management, refuse removal; refuse dump site and solid waste management, municipal roads

Waste Management:

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Community Services

**Community Services:** it is responsible for building regulations, child care facilities, local tourism, and promotion of local economic development and facilitation of housing development; libraries

**Protection Services:** is responsible for firefighting services; noise pollution; public places; street trading; traffic and parking; disaster management; control of public nuisances; municipal public transport; public safety; motor licensing; roadworthy testing; and municipal policing.

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#### 4.8.2. Municipal Organograms and Critical Posts

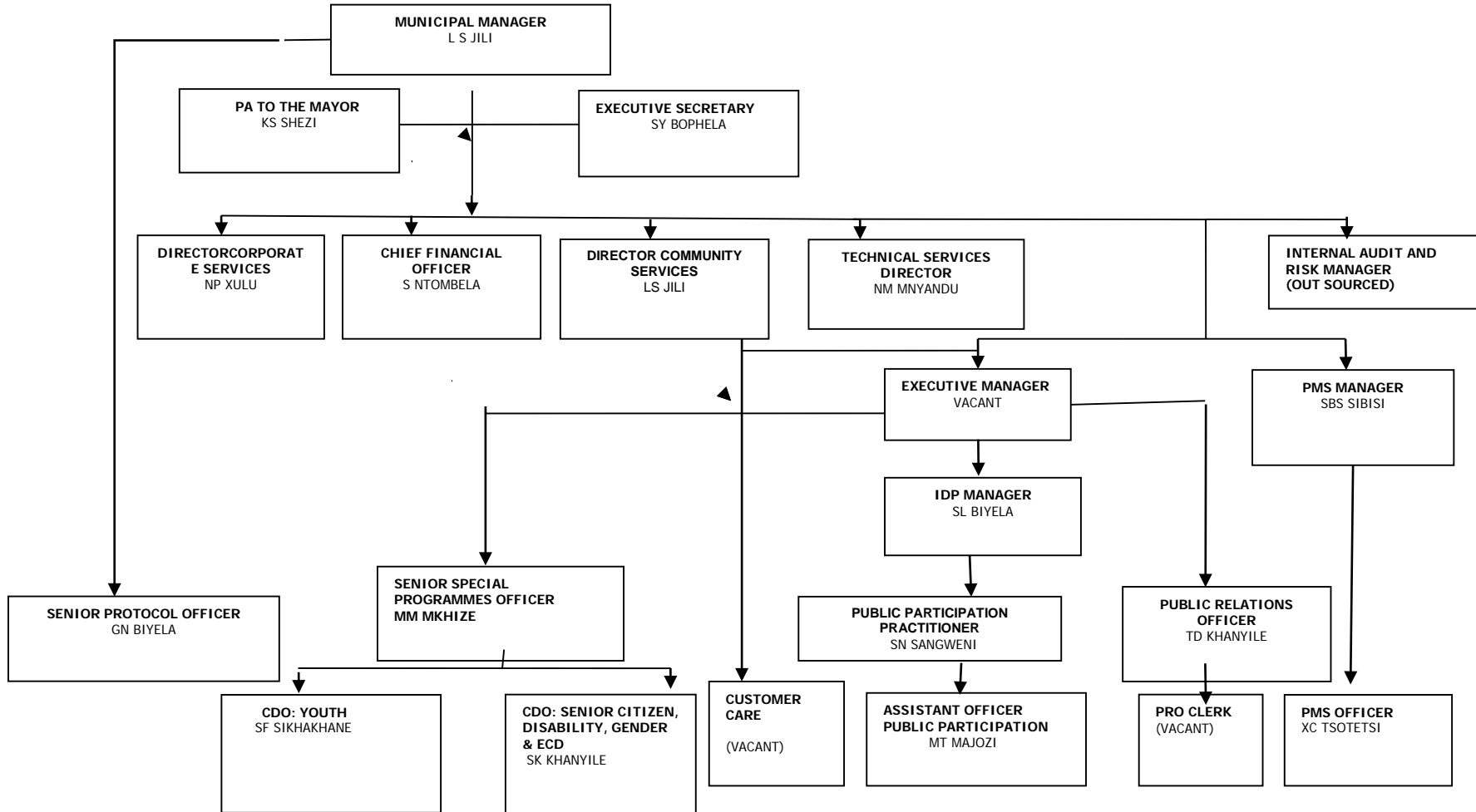
The administration of the Municipality is headed by the Municipal Manager. According to the MFMA 60(b): The Municipal Manager is the accounting officer of the municipality for the purpose of this Act and provides guidance on compliance to political structures, political office bearers and officials of the municipality. The Municipality's organizational structure provides four (4) Directorates that are managed by the Municipal Manager. All critical directorates' posts have been filled.

The table below indicates the positions and status of the critical municipal personnel.

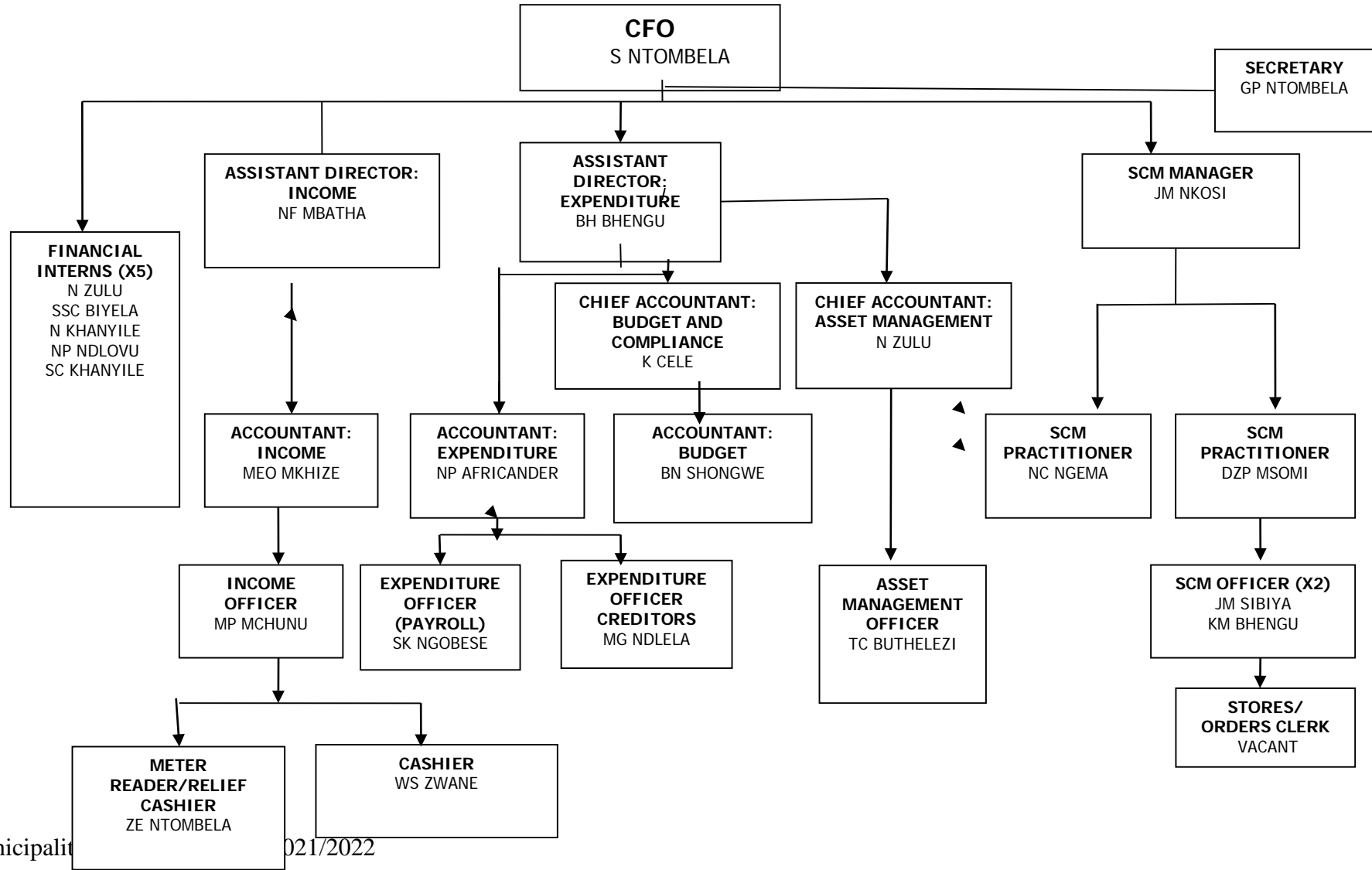
POSITION	STATUS	
	Filled	Vacant
<b>MUNICIPAL MANAGER</b>	✓	
<b>CHIEF FINANCIAL OFFICER</b>	✓	
<b>DIRECTOR COMMUNITY SERVICES</b>		✓
<b>DIRECTOR TECHNICAL SERVICES</b>	✓	
<b>DIRECTOR CORPORATE SERVICES</b>	✓	

The municipality has not filled all critical posts and currently relies on King Cetshwayo District Municipality to provide environmental support on matters concerning environmental management. The organograms included below shows the municipal structure of the five directorates that the municipality has. It is vital that these directorates are well capacitated to ensure that service delivery takes place and the vision of the municipality to become a high performing rural municipality as enlisted in our vision. The organograms that are listed below include; Office of the Municipal Manager; Budget and Treasury; Community Services; Corporate Services and Technical Service

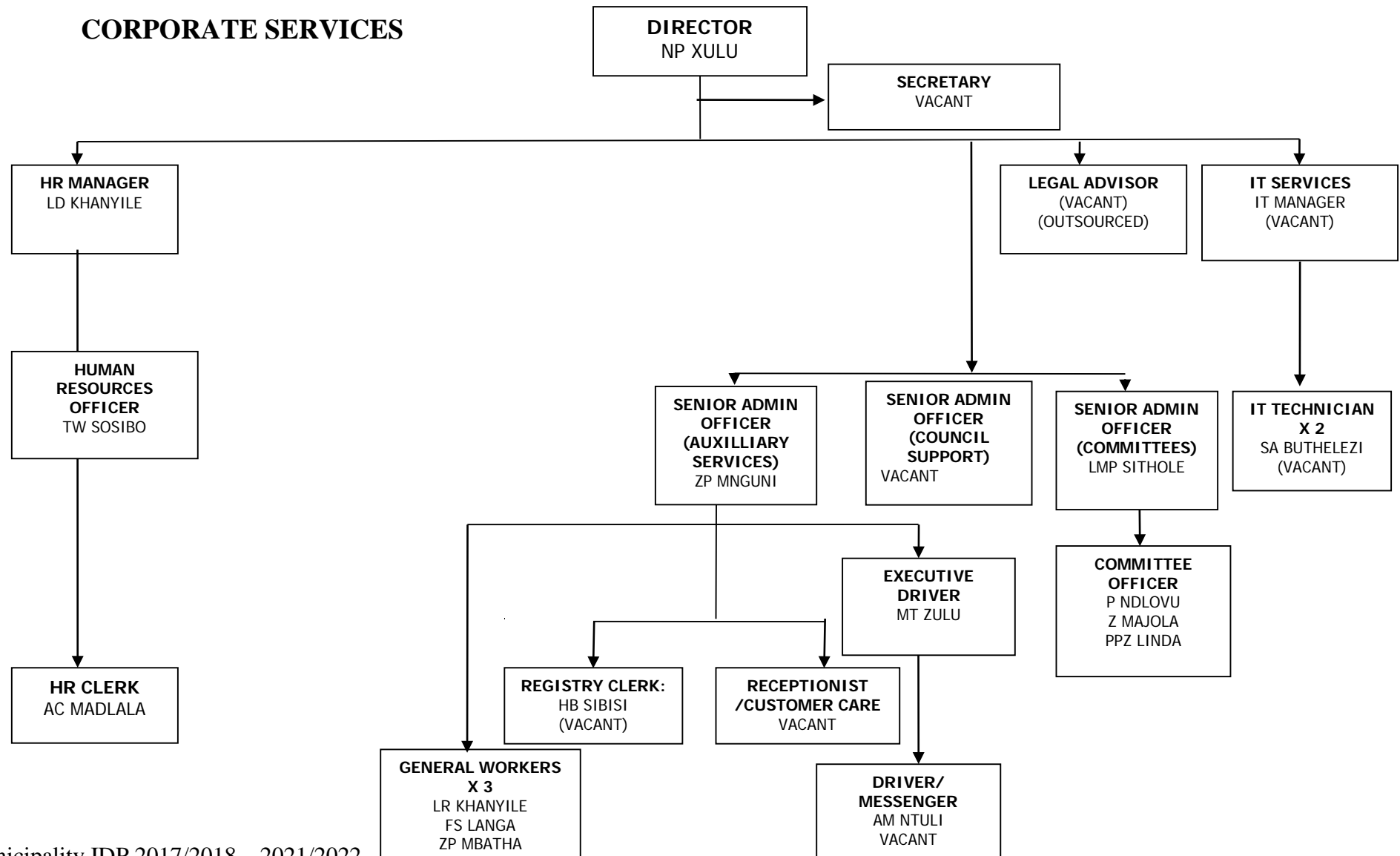
## OFFICE OF THE MUNICIPAL MANAGER



**BUDGET & TREASURY**

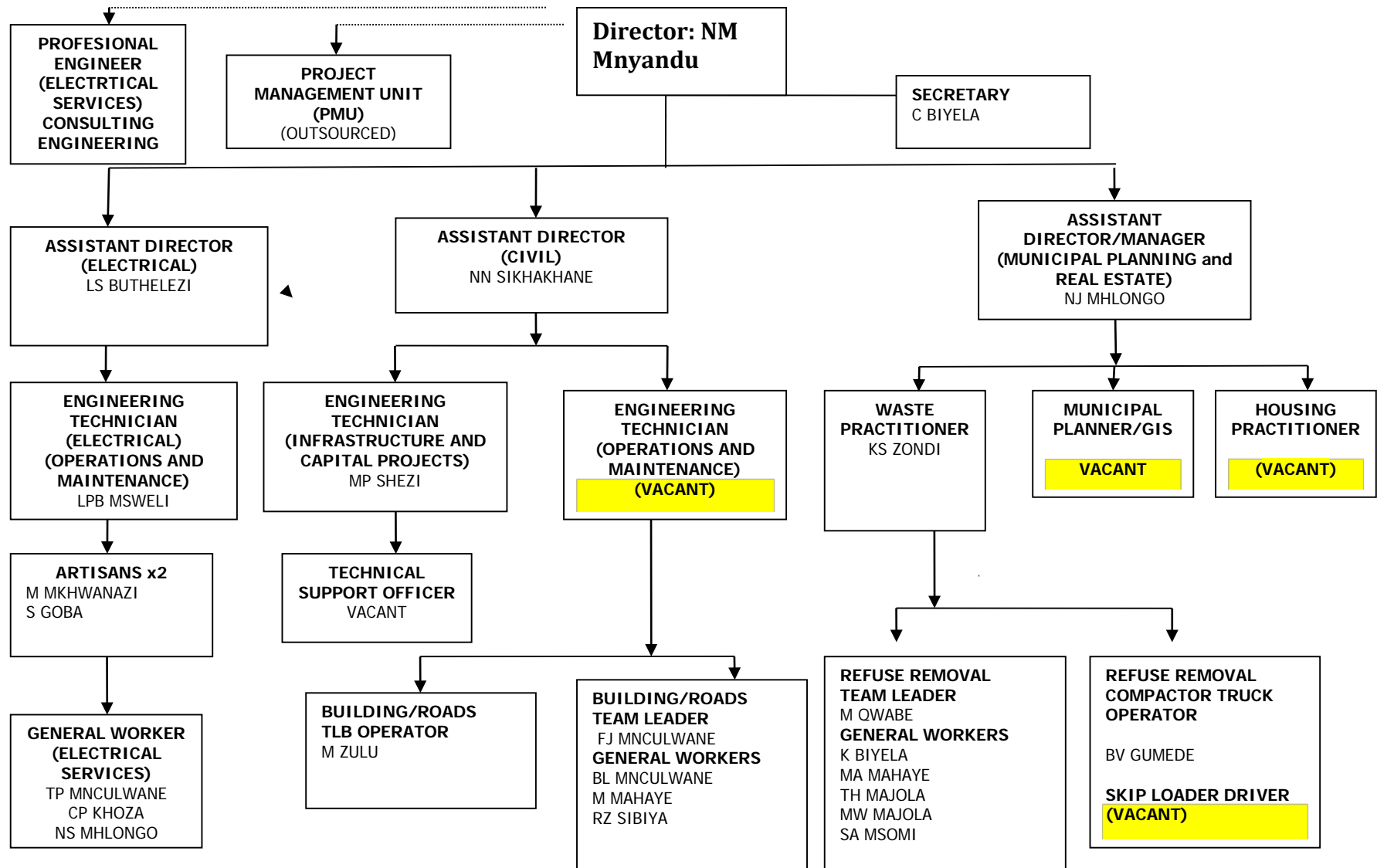


# CORPORATE SERVICES

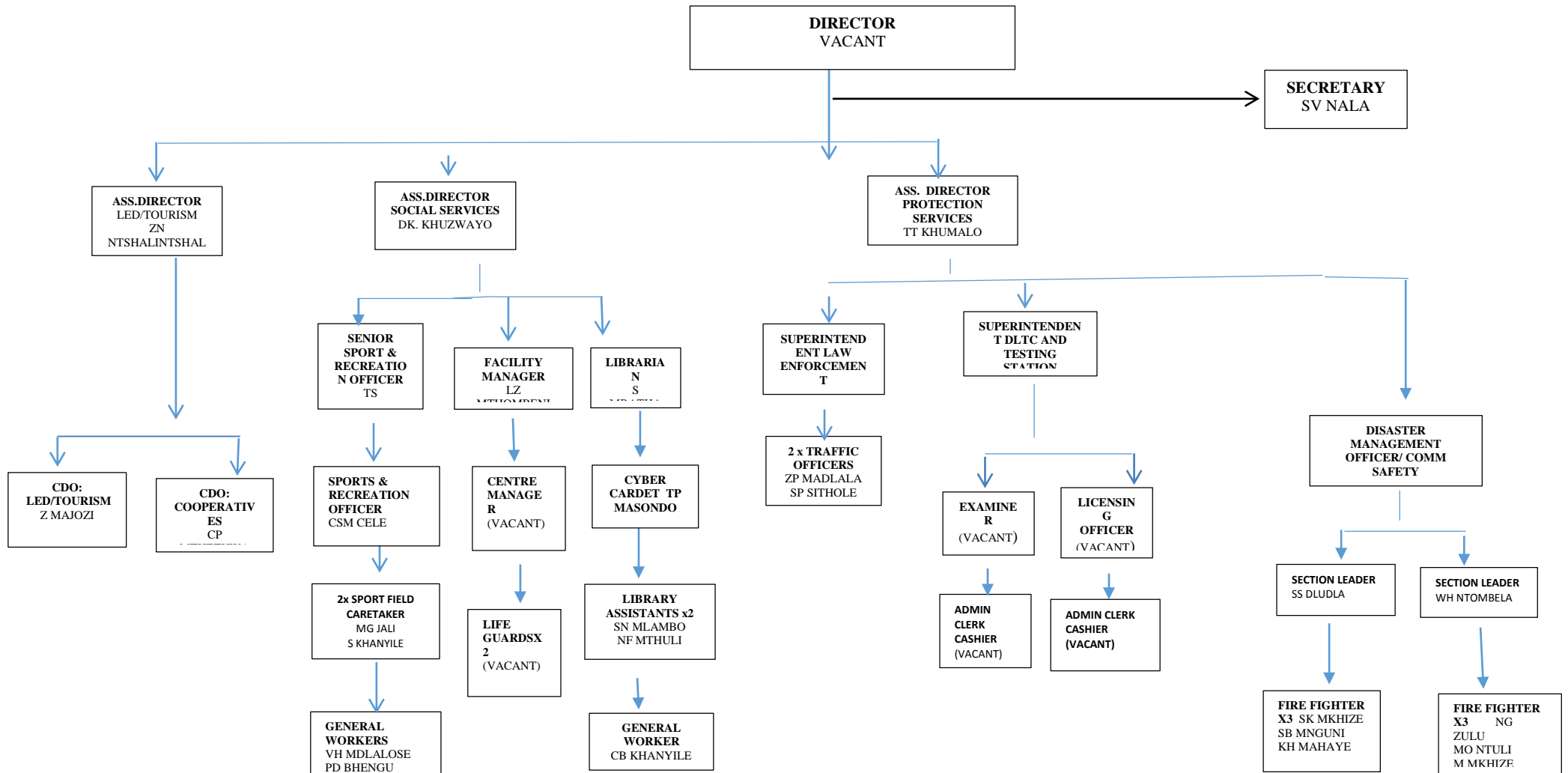




# TECHNICAL SERVICES



COMMUNITY SERVICES DEPARTMENT



#### 4.9. Human Resource Strategy

A human resource strategy is a strategic long-term plan of action based on the human resource long and short term objectives. The plan ensures that employees have the relevant skills and capabilities as human capital contribution to the future of the municipality. The strategy promotes competent, knowledgeable and capable workforce with excellent leadership skills. The plan incorporates all workplace matters that affect the employees in general. Summary of the draft plan objectives:

Draft Objectives and Goals	Strategies that will be incorporated
<b>Staff Attraction and Retention Strategy</b>	<ul style="list-style-type: none"><li>▪ Recruitment and Retention Policy which will address the issues at hand, which promotes the attraction of competent employees.</li><li>▪ Implementation of the policy that will allow for these activities, draw up an advert, which will attract the suitable candidates to apply for positions advertised.</li><li>▪ Link remuneration to the post level</li><li>▪ Implementation of Salary Scales</li><li>▪ Encashment of leave days as per collective agreement</li><li>▪ Provision of decent staff accommodation.</li></ul>
<b>Employee Wellness Programmes</b>	<ul style="list-style-type: none"><li>▪ Develop policy on employee wellness programme, which will address physical, emotional and mental health of employees. This will ensure that employees are productive.</li><li>▪ Work Related Stress Management</li><li>▪ HIV/ AIDS action plan</li><li>▪ Absenteeism</li><li>▪ Substance abuse</li><li>▪ Sexual Harassment</li></ul>

	<ul style="list-style-type: none"> <li>▪ Bereavement Counselling</li> <li>▪ Sport and Recreation</li> <li>▪ Appointment of Service Provider for Employee Assistance Programme</li> </ul>
<b>High Staff Turnover</b>	<ul style="list-style-type: none"> <li>▪ Develop an intensive retention strategy.</li> <li>▪ Link the retention strategy to incentives and to personal development plans which look at the individual employee benefits</li> </ul>
<b>Employees Demotivation</b>	<ul style="list-style-type: none"> <li>▪ This will be encapsulated in the retention strategy, which is to be developed.</li> <li>▪ Link work performance to information technology, which brings about new methods executing duties.</li> <li>▪ Team Building activities</li> <li>▪ Support the availing of promotional opportunities to employees in the lower levels with the potential to develop within the organisation.</li> <li>▪ Draw up clear succession plans</li> </ul>
<b>Performance improvement</b>	<ul style="list-style-type: none"> <li>▪ Implementation of the approved performance management system which is broadly understood by section 56 Managers and section 57</li> <li>▪ Ensure roll out of performance management system to ALL Departmental Heads to ensure proper work management.</li> <li>▪ Alignment to performance management to incentives and to retention strategy.</li> </ul>
<b>Capacity Building</b>	<ul style="list-style-type: none"> <li>▪ Analyse available skills within the organisation</li> <li>▪ Planned trainings to develop staff</li> <li>▪ Prioritise the training areas</li> <li>▪ Capacitate the employees on internally through Supervision.</li> </ul>

#### 4.10. Employment Equity Plan

In compliance with the Employment Equity Act, Act no. 55 of 1998, the municipality has developed and is implementing this Plan. The plan was submitted to LGSETA on the 30<sup>th</sup> of April 2014.

#### 4.11. Workplace Skills Development Plan

The Municipality has in place a Workplace Skills Development plan which is annually submitted to LGSETA which then is assessed by LGSETA and funding is thereafter received from LGSETA for the training and development of municipal officials. The following people were trained on the following programmes

POSITION	PROGRAMME
SCM Manager	MFMP
Manager Planning	MFMP
Director Corporate Services	MFMP
Finance Interns x 5	CPMD
Performance Manager	CPMD
Assistant Director Civil	CPMD
Assistant Director Electrical	CPMD
Assistant Director Protection Services	CPMD
Assistant Director Financial & Reporting	CPMD
Asset Management Officer	CPMD
Accountant Income Officer	CPMD

#### 4.12. State of Policies

The following table indicates the various policies that the municipality has and the status thereof.

Policy	Status (draft/adopted)	Adoption date
<b>Leave Policy</b>	Adopted	26 February 2015
<b>Recruitment and Selection Policy</b>	Draft (Review)	
<b>Human Resource Strategy</b>	Adopted	25 June 2015
<b>Attraction and Retention Strategy</b>	Draft	
<b>Occupational Health and Safety Policy</b>	Draft	
<b>Fleet Management Policy</b>	Adopted	24 June 2013
<b>IT Internet and Security Policy</b>	Draft	
<b>IT Governance and Framework</b>	Draft	
<b>User Access Management Policy</b>	Adopted	26 February 2015
<b>Back-up Policy</b>	Adopted	26 February 2015
<b>Patch Management Policy</b>	Draft	
<b>Disaster Recovery Policy</b>	Draft	
<b>Municipal Property Rates Policy (BTO)</b>	Adopted	
<b>Credit Control Policy (BTO)</b>	Adopted	
<b>Supply Chain Management Policy (BTO)</b>	Adopted	
<b>Risk Management Policy</b>	Adopted	
<b>Fraud Prevention and Corruption Strategy</b>	Adopted	23 January 2015
<b>Performance Management Framework</b>	Adopted	26 June 2014
<b>Communication Strategy</b>	Adopted	24 April 2014
<b>Ward Committee Functionality Policy</b>	Adopted	24 April 2014

#### 4.13. Addressing AG Concerns in relation to Municipal Transformation and Institutional Development

Auditor-General did not raise any concerns in relation to the Municipal Transformation and Institutional Development for financial year.

#### 4.14. SWOT Analysis of Municipal Transformation and Institutional Development

The following table provide a swot analysis of Municipal Transformation and Institutional Development of the municipality.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>▪ <b>Workplace training</b></li> <li>▪ <b>Presents of related policies</b></li> <li>▪ <b>All critical posts filled</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Do not have a specialized environment personnel</li> <li>▪ Do not have ICT policy framework</li> <li>▪ Lack of enforcement of municipal by Laws</li> <li>▪ Lack of skills transfer by consultants and capacitated employees</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>▪ <b>Provincial Support on relevant grants</b></li> <li>▪ <b>Employment of youth results in a sustainable human resource</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ The rural nature of the municipality may result in the Municipality loosing of well capacited and capable employees</li> <li>▪ Should the grants be terminated the municipality may suffer on the grants supported systems</li> </ul>

## CHAPTER 4: BASIC SERVICE DELIVERY

### 4.1. Introduction

This chapter intends to provide information relating to basic service delivery and Infrastructure analysis of Nkandla Municipality. The chapter is made of information on Water and Sanitation; Solid Waste Management; Transportation Infrastructure; Energy; Community Facilities; Human Settlement; Telecommunications; Auditor-General Concerns and SWOT Analysis

#### 4.1.1. Municipal Functions

As part of the introduction to this section it is proper to present the functions that are performed by Nkandla LM. This is aimed at giving a clear status of what is done by the municipality together with other spheres of the government.

Type of Service	Responsible Authority
1. Water Service Authority	King Cetshwayo District Municipality
2. Sanitation	King Cetshwayo District Municipality
3. Waste Management	Nkandla Local Municipality
4. National, Provincial and District Roads	Dept. of Transport
5. CBD Roads and Access Roads	Nkandla Local Municipality
6. Health Care Services	Dept. of Health
7. Electricity Maintenance in town	Nkandla Local Municipality
8. Electricity Connections	Eskom/ Nkandla LM

The section contains service delivery items that are yet to be rendered by the municipality in various wards. These items may take more than 3 years to be implemented (MTEF) however the municipality is expected to be seen taking



initiatives in address these backlogs. Long term plan must talk to backlogs strategies and clear implementation plan. In order for the municipality to measure progress these items should be incorporated to SDBIP's. These items were collated during IDP road shows and public participation sessions made during the review process of the IDP2016/17.

#### **4.1.2. Backlogs that are not mandated to the municipality**

Nkandla municipality is a rural municipality where access to basic services is a major challenge. This included services that are not solely mandated to the municipality in terms of powers and functions as indicated above. The following backlogs relates to services that are mandated to other municipal stakeholders.

- Upgrade and maintenance of district and provincial roads.
- Sustainable and effective maintenance of all access roads
- Road Signs
- Speed Humps
- Taxi Ranks
- Zibambele Projects
- Upgrading of Water Schemes in all 14 wards
- Water Services
- Health Care Facilities Development (Clinics) in various wards.
- Construction of Sport fields
- Library Services
- Pension Pay points
- Satellite Police Stations
- Schools Development
- Sanitation Backlog
- Dipping Tanks and Tractors
- Housing Projects
- Pension Pay Points
- Nkungumathe Environmental Education Centre
- Nkungumathe Fuel Station
- Nkungumathe Shopping Mall
- Nkungumathe Health Clinic
- Nkungumathe B FET College
- Khuba Secondary School
- Nkungumathe Tourism Project (Accommodation and conference facilities)

#### 4.1.3. Water and Sanitation

Water and sanitation is not a core function of Nkandla Local Municipality. This function is performed by King Cetshwayo District Municipality and is the districts core function.

- **Water backlog**

2001/2002 Households	2001/2002 and Backlog	2008/2009 Households	Households with Water	Households without Water	2013/2014 % Backlog
21 085	72%	25 757%	17 781	7 976	31%

- **Sanitation backlog**

2001/2002 Households	2001/2002 and Backlog	2008/2009 Households	Households with Sanitation	Households without Sanitation	2013/2014 % Backlog
21 085	94%	25 757	20 335	5 422	21%

#### 4.1.1. Solid Waste Management

This section outlines the status of the solid waste management situation at the municipality.

##### 4.1.1.1. Status

The municipality has a waste management policy and a waste management plan in place adopted by council in 2012/13 financial year. Currently the municipality is only able to collect waste from **ward 1 (Chwezi stores), ward 3 (four Lous complex), Ward 5, ward 8 (Khombe rank and Qhudeni), ward 12 Dolwane rank and ward 14 lindela**

thusong and Lindela rank). The municipality is unable to collect waste from the remaining areas due to financial constraints.

#### **4.1.1.2. Solid Waste backlogs**

The map indicated above also indicates the areas that do not have solid waste management and this comprises the larger part of the municipal area. This indicates that solid waste management is a challenge in the municipality.

Nkandla is collecting waste on scheduled basis on ward 5 and the dumping site is operating with license and operational plan and auditing internal and by Department of Economic development, Tourism and Environmental Affairs. There are dedicated personnel that perform the duties and functions of waste management on daily basis. Due to budget constrains the municipality cannot offer waste management services to all the wards however support on waste collection is given to certain areas that are producing above average waste on weekly basis. The municipality is committed to ensure the provision of adequate waste management that is within the Legislative frameworks yet provides the healthy environment to the people of Nkandla.

#### **4.1.1.3. Waste Collection**

The level of refuse removal service that is provided by the Nkandla Local municipality is not adequate to meet acceptable service delivery standards. Problems experienced and identified relate to inadequate service provision that does not reach each household, therefore posing health and safety risks, including environmental pollution and consequently land degradation. In most areas there is no refuse collection at all, and illegal dumping becomes the only option for households to get rid of the waste and its associated nuisance and health risks.

Waste collection at household level is received by about 1900 households out of the 22 387 formal households in Nkandla. This constitutes only about 4.5%, leaving a backlog of more than 95% without any waste collection services.

This collection service is rendered about seven days a week in town. The only areas that receive waste collection outside Nkandla town; **Lindela Thusong, Lindela Rank, Dolwane Rank, Khombe rank, Khombe police station, Khombe hospital, Qhudeni rank and Kwabadala old age home** (every Wednesday) and **Fourt Lous and Chwezi** (every Thursday)

Where there are rural communities, there is a general lack of waste services and no street cleansing. The common way of managing waste at household level is to bury it in the ground or through burning.

#### 4.1.1.4. The Waste Collection Schedule

Ward	Area	Day of Collection
1	Majuba/ <b>Chwezi stores</b>	No collection/ <b>Thursday</b>
2	Mabhuqwini	No collection
3	Thaleni/ <b>Fourt Lous</b>	No collection/ <b>Thursday</b>
4	Ngwegweni	No collection
5	Nkandla CBD 1900 households in Nkandla	Monday, Tuesday, <b>Wednesday</b> Thursday, Friday, <b>Saturday and Sunday</b>
6	Mandaba	No collection
7	Sbhudeni, Wangu, Vumanhlamvu	No collection
8	Khombe Hospital, <b>Khombe police station, Khombe rank and Qhudeni rank</b>	Wednesday
9	Zintinini	No Collection
10	Nkonisa	No collection

11	Ophindweni	No collection
12	Dolwane	No collection/ <b>Wednesday</b>
13	Mpabalala	No collection
14	Multi-Purpose Centre (once a month) Nxamalala, Magwaza	Once a month in Nxamalala; no collection other areas. / <b>every Wednesday</b>

Source: Nkandla Waste Section

#### 4.1.4.5 Integrated Waste Management Plan

The Municipality is currently reviewing its IWMP inhouse with DETEA. The reviewed document will be included in the Final IDP. For the Draft the Municipality has used the current IWMP.

The municipality has developed this plan in line with the guidelines for developing an Integrated Waste Management Plan (IWMP) and forms Phase 1 of the development process of the municipal IWMP. Integrated Waste Management Plans were identified in the National Waste Management Strategy (NWMS) document (2000 and 2010) as a tool to assist municipalities to provide effective waste management services. This is an executive summary of the plan, the comprehensive plan is attached as an annexure should more information be required on this plan.

The Integrated Waste Management Plan is a tool to implement waste hierarchy objectives, namely:

- To implement waste avoidance and prevention strategies;
- Waste recovery activities where waste generation cannot be avoided; and
- Practice safe disposal of waste that cannot be recovered.

This report will mainly deal with reported general wastes, but qualitative data on health care risk waste (HCRW) will also be sourced from some of the health care risk waste generators within Nkandla Local Music area of jurisdiction. Hazardous waste management issues are not reported in most municipalities IWMP because hazardous waste management is the mandate of provinces and not municipalities. It is however important to know how the various health care risk waste generators manage their waste. It is therefore important that during the development of the IWMP, some data be collated to establish whether the HCRW generators manage their waste properly. Through this IWMP, the Nkandla municipality has to raise awareness and educate households on the sorting at source hazardous wastes such as fluorescent tubes, dry batteries, chemicals used for pest control which may have negative effects on the health and the environment.

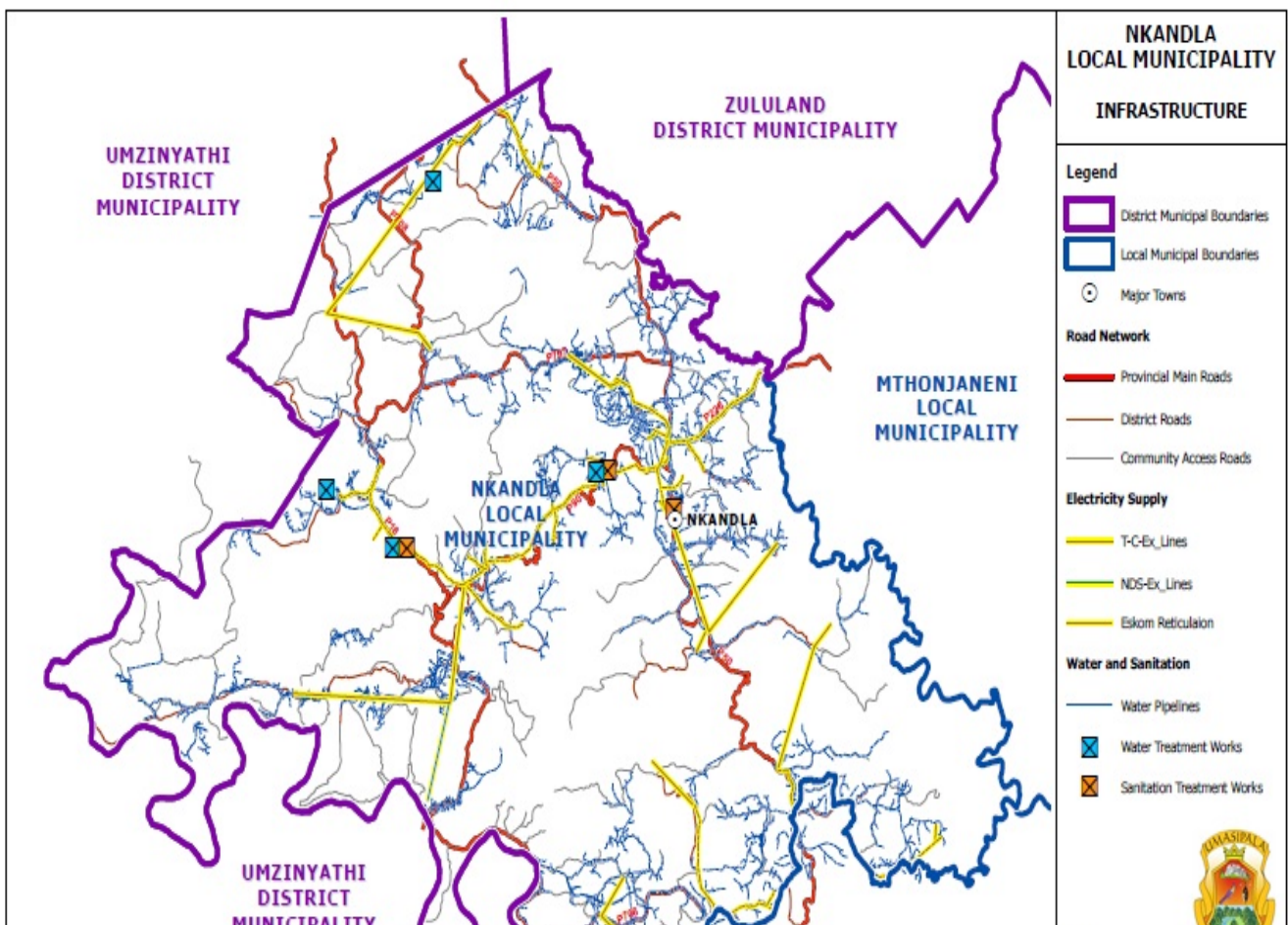
For the purpose of this report, waste generated will be reported as collected in the current project (2011) and may be compared with past data, for example, Census 2001 and Community Census 2007 or waste data that may be obtained from the waste section. Waste data collected on the ground will be verified for its accuracy and validity. An assumption was made that all data obtained from official sources such as Stats SA, Nkandla Municipality IDP documents are authentic and accurate.

Integrated Waste Management Plan is also a basic requirement of the Department of Environmental Affairs for departments responsible for waste management within municipalities in terms of the National Environmental Management: Waste Act, 2008 (Act 59 of 2008).

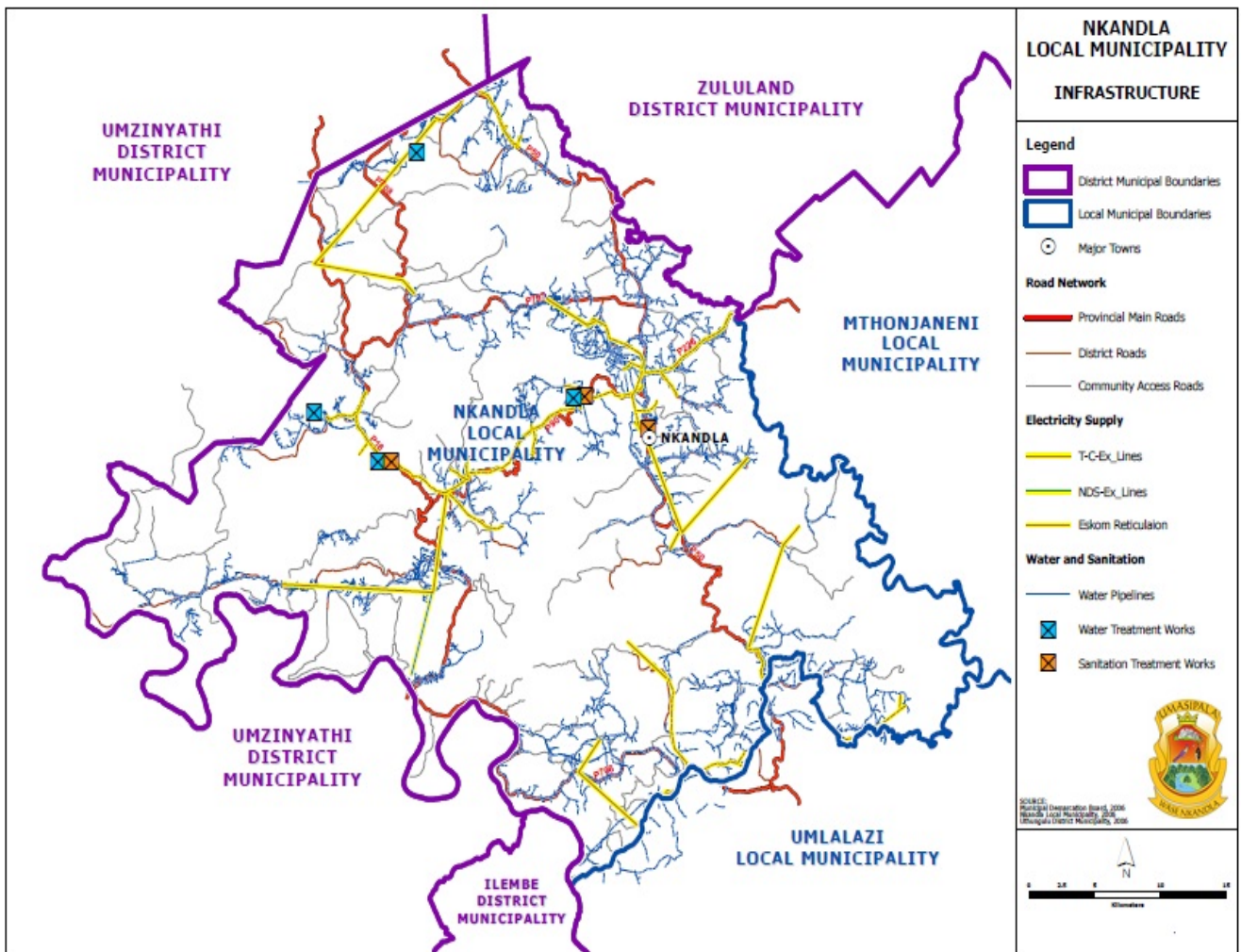
## 4.2. Transportation Infrastructure

Nkandla Municipality boundaries are still experiences critical road networks that still need to be unlocked. Most development nodes need to be unlocked as per local transport plan. Road networks form part of the basics of any type of development to take place in the area. The following map shows the available road infrastructure:

### 4.2.1. Current transportation infrastructure in the municipality



4.2.2. The map below shows the transportation infrastructure





- The P707 which provides access to the proposed Ekukhanyeni Service Node and the proposed agricultural investment areas to the south and north of the latter Service Node.

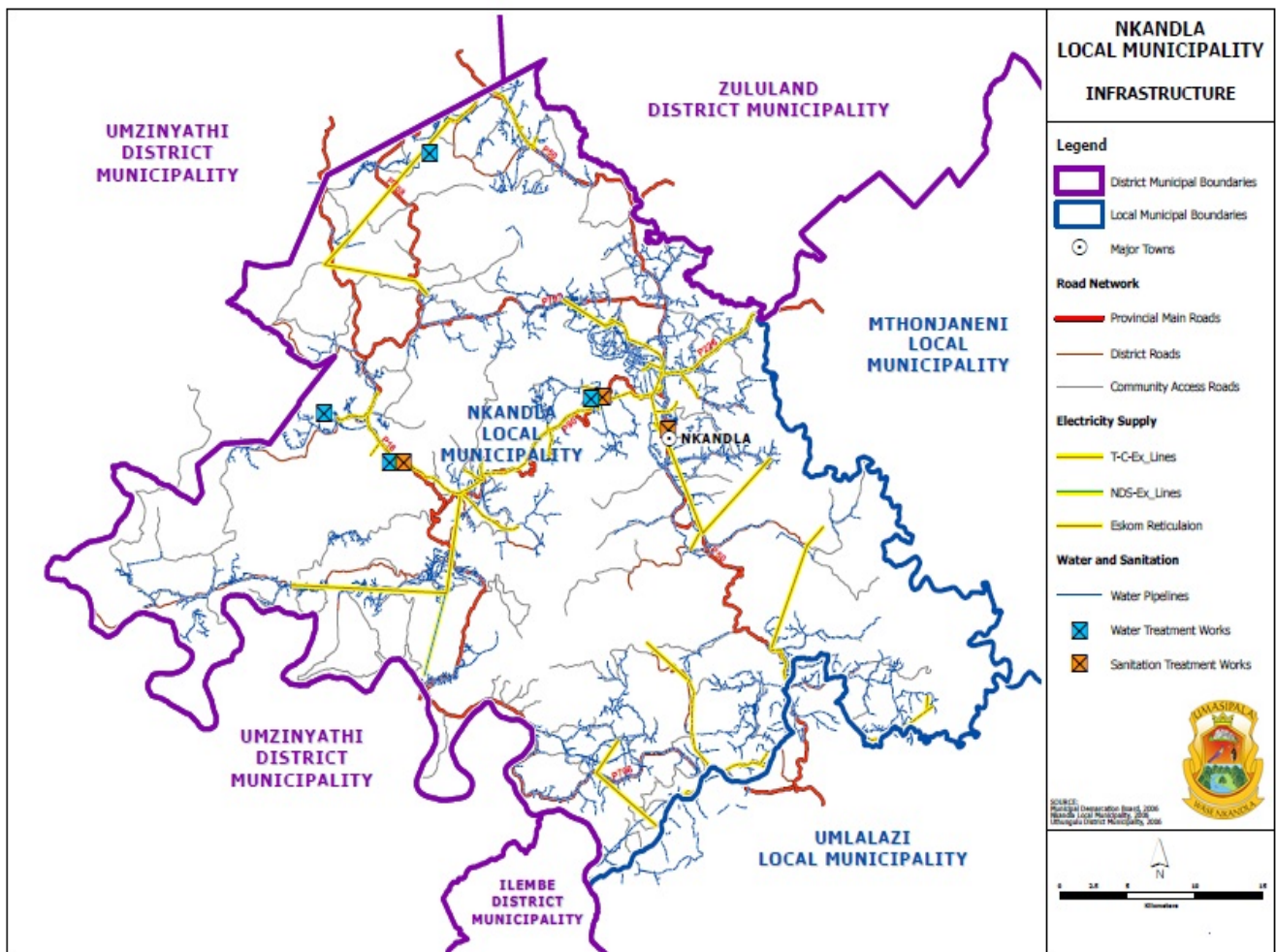
The following access routes needs to be upgraded and should open access to extremely poor communities in the southern region of Nkandla route D1599 to King Cetshwayo’s grave and other existing tourist amenities. These tourist sites can be better marketed:

- D1642 to Matshenezimpisi Guest Houses (8.3km).
- D1599 to King Cetshwayo Grave Site (11.84km). Grave Site – an important tourist site

### 4.3. Energy

#### Nkandla

Nkandla Local Municipality and Eskom is the energy provider for the Municipality.

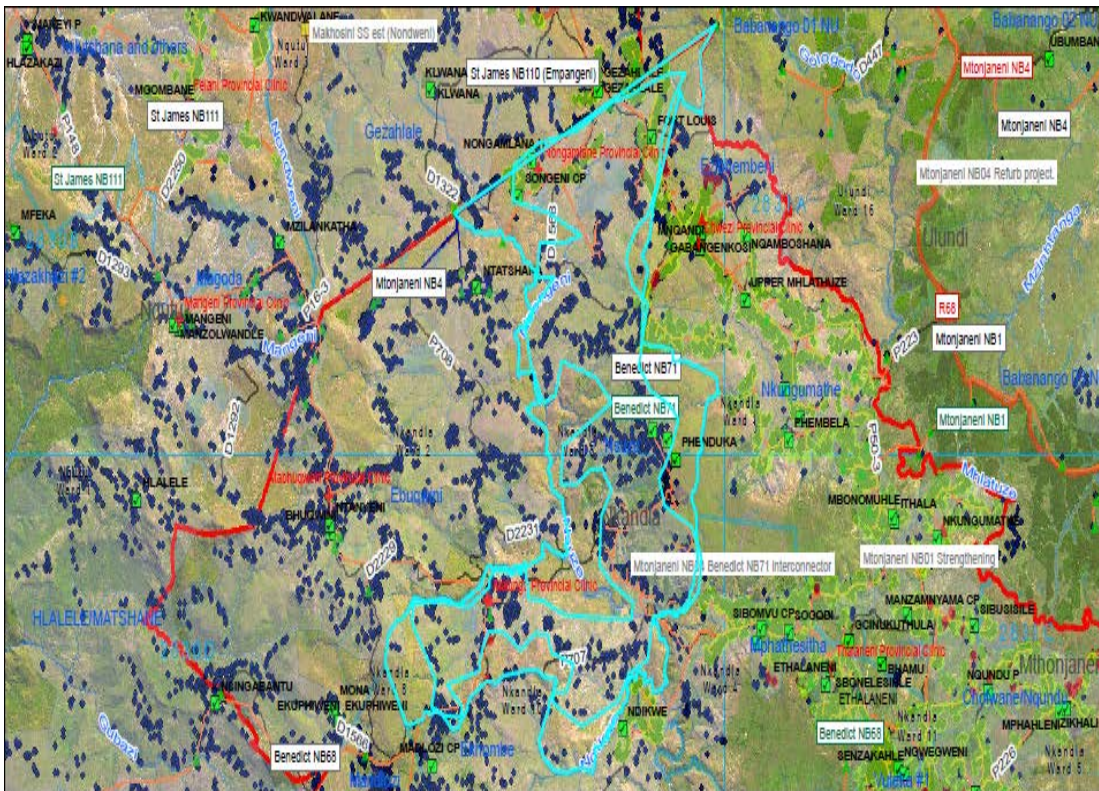


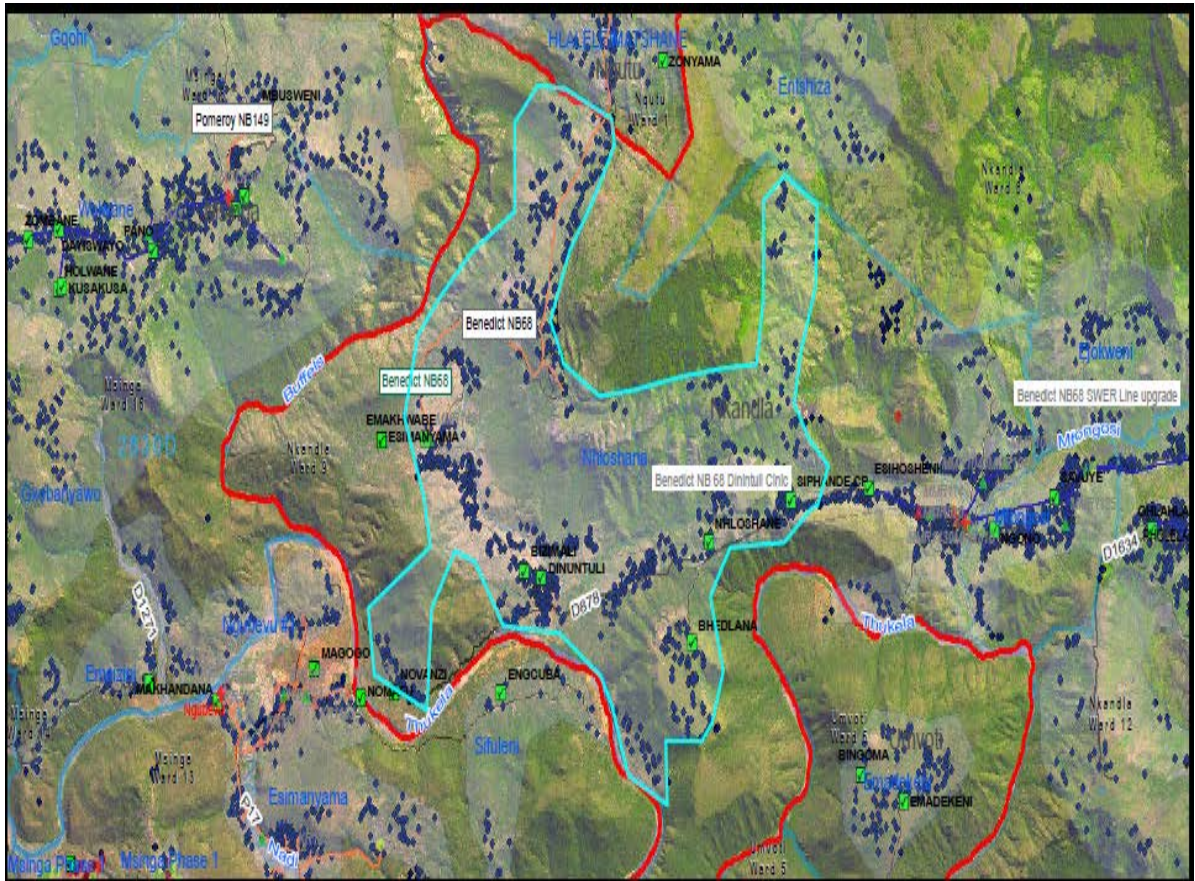
Maintenance of street lights	To be attended within 24 hours	
Resolve Electrical queries for Nkandla town	Queries to be attended and solved within 24 hours after reported	

### 4.3.2. Electricity backlogs for Nkandla Municipality

Project name	Financial year	Ward
Nhloshane Electrification	2015/2016	09
Makhanyezi Electrification	2012/2013	07
Emathengeni Electrification	2012/2013	08
Bangamanzi electrification	2011/2012	08
Sxhokolo Electrification	2011/2012	04
Nsuzi Electrification	2012/2013	10
Sdashi Electrification	2015/2016	09
Emadlozi Electrification	2012/2013	10
Ezizibeni Electrification	2012/2013	09

The below map shows the electricity backlog within Nsuzi Municipal Area





The map below shows the electricity backlog for Qudeni area within Nkandla Local Municipality.

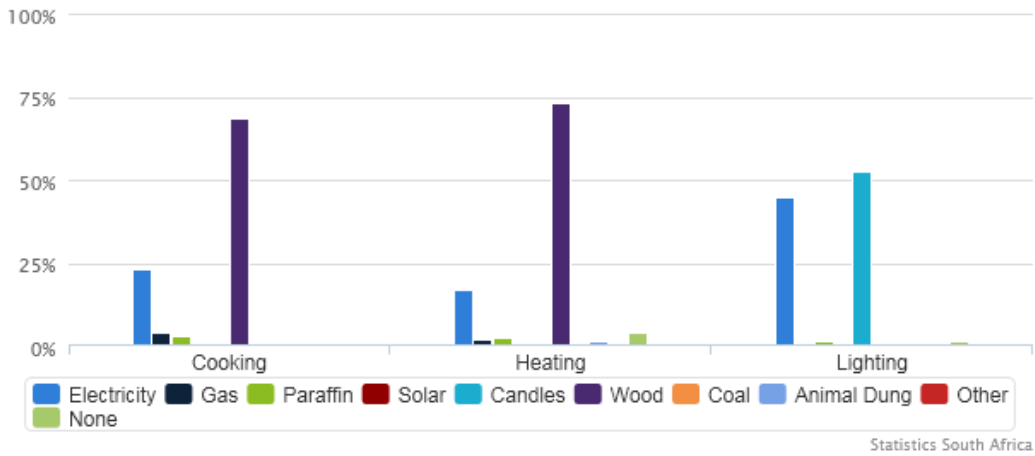


No.	Project name	2016'17	(2017'18)FA	COMMENTS
1	Cuphuchuku Electrification		X	New projects for 2017/18
2	Maqhashiya Electrification		X	New projects for 2017/18
3	Bangamanzi Electrification		X	New projects for 2017/18
4	Ezibondweni Electrification		X	New projects for 2017/18
5	Emaswazini Electrification		X	New projects for 2017/18
<b>Roll-over Projects</b>				
6	NHloshane Electrification phase 3	x	X	The project will continue on 2017/18
7	Mvutshini/Malunga/Madlozi/Sidashi electrification	X	x	The project will continue on 2017/18
8	Ntshiza electrification	x	X	The project will continue on 2017/18
<b>Completed projects</b>				
9	Sixhokolo/Mpondo Electrification	X		Project was completed on 2016/17
10	Ezijibeni Electrification	X		Project was completed on 2016/17
11	Masolosolo/ Dolwane Electrification	X		Project was completed on 2016/17
12	Makhanyezi Electrification	x		Project was completed on 2016/17

The Municipality does not have an Energy Sector Plan. The Municipality has budgeted for the Development of the Energy Sector plan for the 2017/2018 financial year.

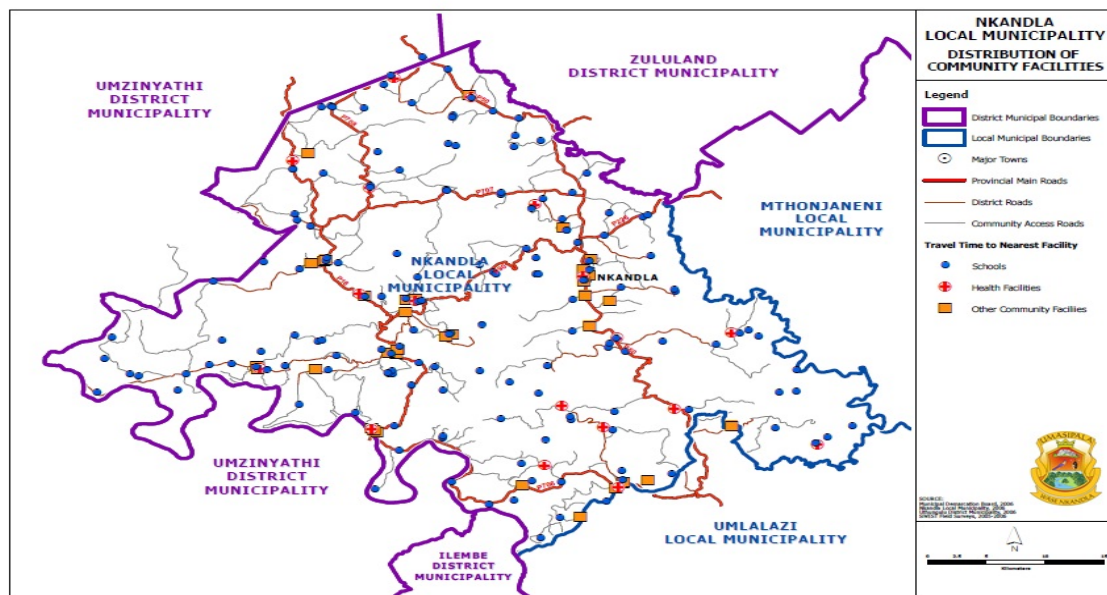
The graph below illustrates energy source used by households for cooking, heating and lighting purposes.

### Energy or fuel for cooking, heating & lighting



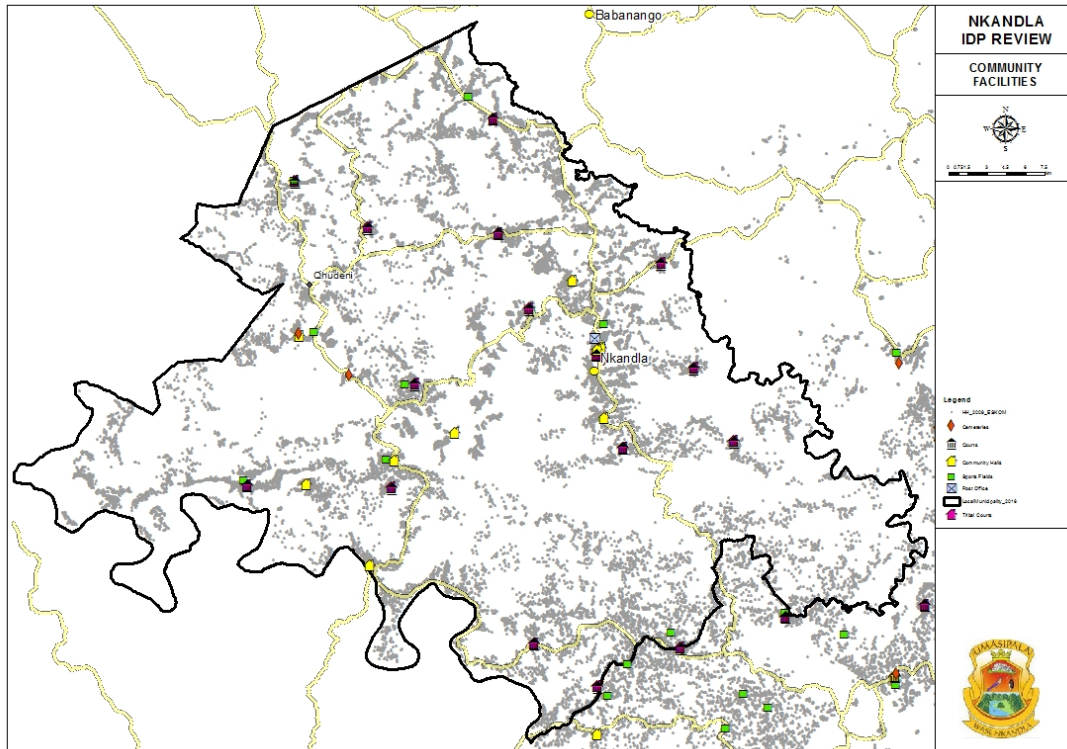
#### 4.4.1. Status of Community Facilities

The below map shows Nkandla Community Facilities

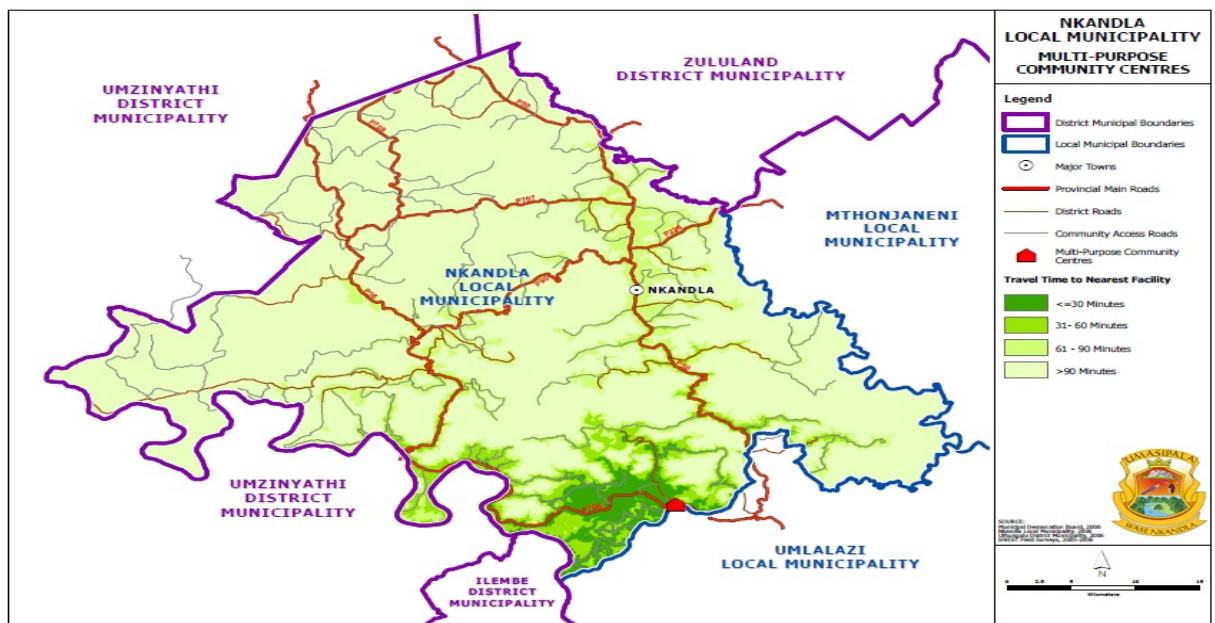


#### 4.4.2. Community Halls

Map showing Community Centres/ Halls



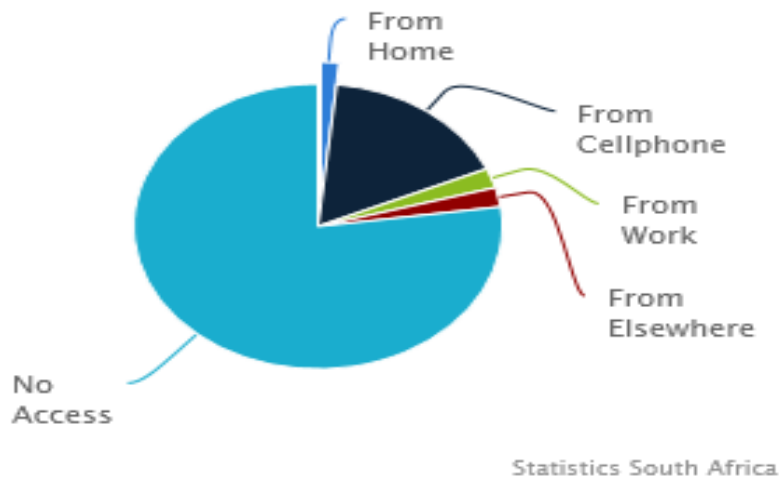
Map showing Thusong Service Centre



telecommunication.

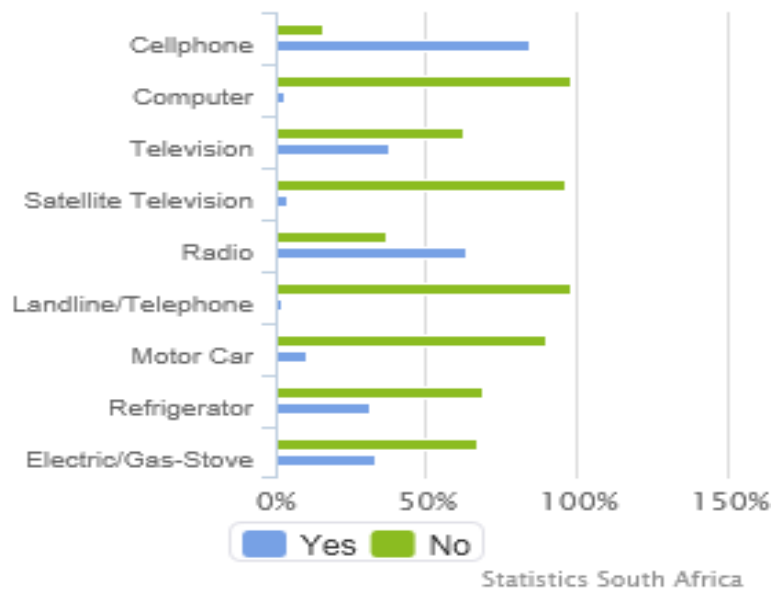
- Access to Internet

### Access to Internet



- The use of household goods

### Household Goods



#### 4.5. Auditor-General’s Concerns

There were no Auditor-General’s concerns in relation to Basic Service Delivery Key Performance Area.

## **5. LOCAL ECONOMIC DEVELOPMENT**

### **5.1. Introduction**

Nkandla Municipality developed its Local Economic Development Strategy in the financial year 2016/2017 and will be reviewed in the next financial 2017/2018. The strategy development was outsourced and all the stakeholders were identified and consulted while developing the strategy. The strategy aims to address the gap that was existing between the previous 2006 adopted LED strategy and the one that is in place. The strategy includes current updated information and data in order to assist in informing LED plans. The Local Economic Development Strategy (LED) is attached as an annexure on this document. The following information can be used as source of reference of the strategy.

- Policy and Legislative frameworks guiding LED at national, provincial and local level
- Demographics and socio-economic profile of Nkandla,
- Economic opportunities, competitive and comparative advantages of the area,
- Economic constraints, problems and challenges.
- Sector focus and priorities.
- Spatial economic character and integration, including regional, sub-regional, district, provincial and national imperatives of the recommended interventions.
- On-going and planned projects.
- Institutional arrangements, skills and capacity of Nkandla Local Municipality, stakeholders and partners to carry out the recommended programmes and projects.

Strategically planned LED is increasingly used by communities to strengthen the local economic capacity of an area, improve the investment climate and facilitate an increase in the productivity and competitiveness of local businesses, entrepreneurs and workers. In KwaZulu-Natal, there has been a strong emphasis on the importance of recognising not only the Local but also Regional Economies and their role and importance in Economic Development hence the term “Regional Local Economic Development” (RLED). This strategic shift towards RLED is informed by the realities that neighbouring municipalities may possess elements and opportunities that other



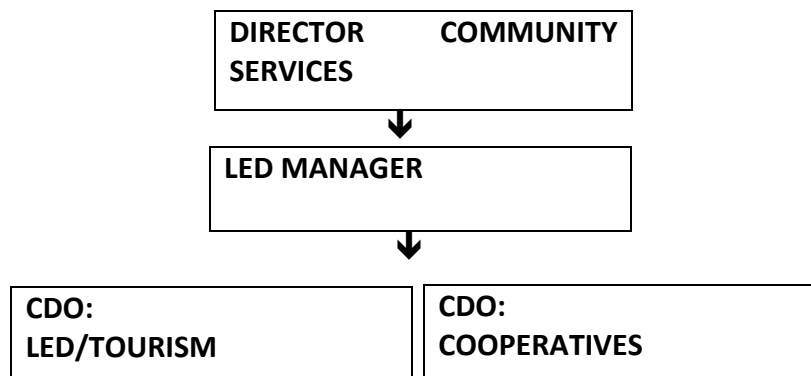
neighbouring municipalities can benefit from. Globalization increases both opportunities and competition for local investment. Local conditions determine the relative advantage of an area and its ability to attract and retain investment. At the national level, macro-economic, fiscal and monetary reforms have directly impacted the economy at the local level. National regulatory and legal frameworks such as tax reform and environmental standards directly influence the local business climate, either enhancing or reducing the potential for local economic development.

## 5.2. LED Unit at Nkandla Local Municipality

The municipality has an established LED unit which is led by an LED Manager who has recently been appointed in this position and who is due to make significant changes to the LED Unit that will benefit the municipality and the community.

The LED Unit prior to the appointment of the LED Manager was severely under capacitated therefor the LED Strategy was not given priority as it should be.

### LED UNIT



### National Development Plan

The National Development Plan aims to eliminate poverty and reduce inequality by 2030. 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 the following nine primary challenges:

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

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

### Goals of LED

Goals of LED in general	Core focus of LED in SA
Job creation	Development of partnerships
Empowerment	Promoting economic sustainability
Pursuit of economic growth	Job creation
Sustainability in the global market	Improving well-being at local level
Community development	Social capital development
Restoration of economic vitality	Specific skills training
Diversification	
Establishment of "locality"	

### 5.3. Economic Indicators

The economy of Nkandla is controlled from outside as most of the people work outside the area and those earning income within are spending outside the area. The income sources are as follows. Nkandla remains as one of the very poor locals within King Cetshwayo District. This can be attributed to a very low starting point from which Nkandla's economy started. Below is what contributes to the income of Nkandla residents. Most of the people are relying on social grants . The following statistics gives the clear indication on the state of economic activities in Nkandla as a whole:

ECONOMIC ACTIVITY	PERCENTAGE
Subsistence Agriculture	16%
Informal Sector	13%
Local Wages	0,5 %
Migrant Remittances	20%
Government Grants	50 %
No Income	42,1 %

*Stats SA 2011*

The economic state of Nkandla Local Municipality is put in perspective by comparing it on a spatial level with South Africa, KwaZulu-Natal Province, King Cetshwayo District Municipality and the neighboring region economies.

#### 5.3.1. Gross Value Added by Region

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and economic states.

**Definition:** Gross Domestic Product by Region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies.

GDP-R can be measured using either current or constant prices, where the current prices measures the economy in actual Rand, and constant prices measures the economy by removing the effect of inflation, and therefore captures the real growth as if prices were frozen in a given base year.

TABLE 1. GROSS DOMESTIC PRODUCT (GDP) - NKANDLA, KING CETSHWAYO, KWAZULU-NATAL AND NATIONAL TOTAL, 2000-2010 [R BILLIONS, CURRENT PRICES]

	Nkandla	King Cetshwayo	KwaZulu-Natal	National Total	Nkandla as % of district municipality	Nkandla as % of province	Nkandla as % of national
2000	0.1	14.6	151.4	922.1	1.0%	0.1%	0.0%
2001	0.2	16.2	168.9	1,020.0	0.9%	0.1%	0.0%
2002	0.2	18.5	192.0	1,171.1	0.9%	0.1%	0.0%
2003	0.2	19.6	209.8	1,272.5	1.0%	0.1%	0.0%
2004	0.2	21.5	233.2	1,415.3	1.0%	0.1%	0.0%
2005	0.2	23.7	255.7	1,571.1	0.9%	0.1%	0.0%
2006	0.3	26.5	286.4	1,767.4	1.0%	0.1%	0.0%
2007	0.3	30.5	325.8	2,016.2	0.9%	0.1%	0.0%
2008	0.3	34.3	362.7	2,256.5	0.9%	0.1%	0.0%
2009	0.4	34.6	386.8	2,406.4	1.0%	0.1%	0.0%
2010	0.4	37.0	424.7	2,659.4	1.1%	0.1%	0.0%

Source: IHS Global Insight Regional eXplorer version 700

With a GDP of R 396 million in 2010 (up from R 141 million in 2000) Nkandla Local Municipality contributed 1.07% to the Uthungulu District Municipality GDP of R 37 billion in 2010, which has increased from R 14.6 billion in 2000. The Nkandla Local Municipality contributes 0.09% to the GDP of KwaZulu-Natal Province and 0.01% the GDP of South Africa which had a total GDP of R 2.66 trillion at current prices in 2010.

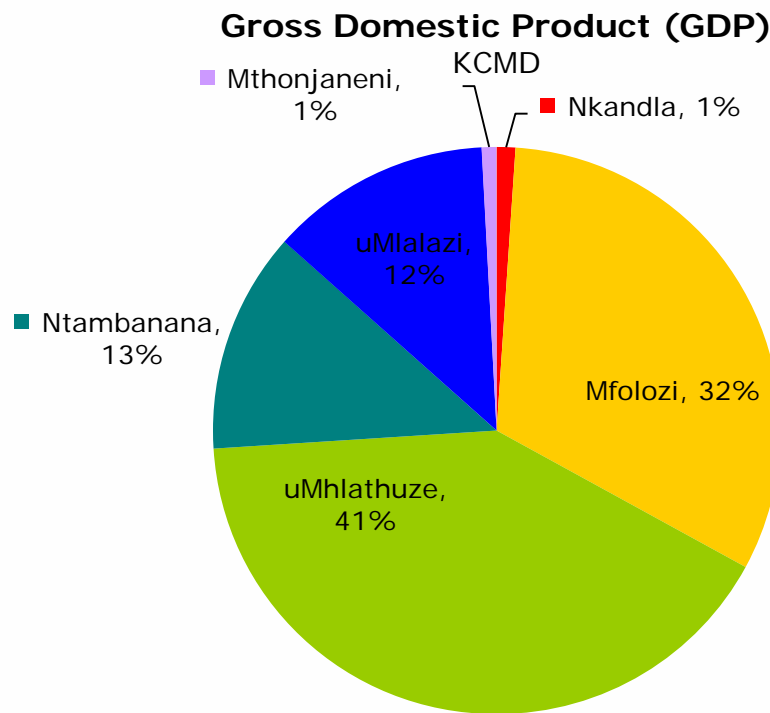
TABLE 2. GROSS DOMESTIC PRODUCT (GDP) - NKANDLA, UTHUNGULU, KWAZULU-NATAL AND NATIONAL TOTAL, 2000-2010 [ANNUAL PERCENTAGE CHANGE, CONSTANT 2005 PRICES]

	Nkandla	King Cetshwayo	KwaZulu-Natal	National Total
2002	1.6%	2.4%	2.5%	3.7%
2003	1.8%	0.6%	2.7%	2.9%
2004	2.1%	3.6%	4.5%	4.6%
2005	2.4%	4.1%	5.7%	5.3%
2006	2.5%	3.6%	5.5%	5.6%
2007	4.1%	5.2%	5.9%	5.5%
2008	3.1%	1.9%	4.0%	3.6%
2009	3.8%	-6.3%	-1.5%	-1.5%
2010	5.0%	3.4%	3.5%	3.1%
2011	2.9%	2.3%	3.6%	3.5%
2012	4.1%	0.6%	3.1%	2.5%

*Source: IHS Global Insight Regional eXplorer version 700*

In 2010, the Nkandla Local Municipality had an annual growth rate of 4.11% which has a higher GDP growth than KwaZulu-Natal Province's 3.07%, but is higher than that of South Africa as a whole, where the 2010 GDP growth rate is 2.55% in constant 2005 prices.

CHART 1. GROSS DOMESTIC PRODUCT (GDP) - NKANDLA LOCAL MUNICIPALITY AND THE REST OF KING CETSHWAYO, 2010 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 700

The Nkandla Local Municipality, with a total GDP of R 396 million, contributes the fifth of all the regional economies to total King Cetshwayo District GDP. This ranking in terms of size compared to other regions of Nkandla remained the same since 2000. In terms of its share, it was in 2010 (1.1%) slightly larger compared to what it was in 2000 (1.0%). For the period 2000 to 2010, the average annual growth rate of 2.8% of Nkandla was the highest relative to its peers in terms of growth in constant 2005 prices.

The Nkandla Local Municipality does not function in isolation from King Cetshwayo, KwaZulu-Natal Province, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

TABLE 3. GROSS DOMESTIC PRODUCT (GDP) - NKANDLA LOCAL MUNICIPALITY AND THE REST OF UTHUNGULU, 2000,2005 AND 2010 [R BILLIONS, CONSTANT 2005 PRICES]

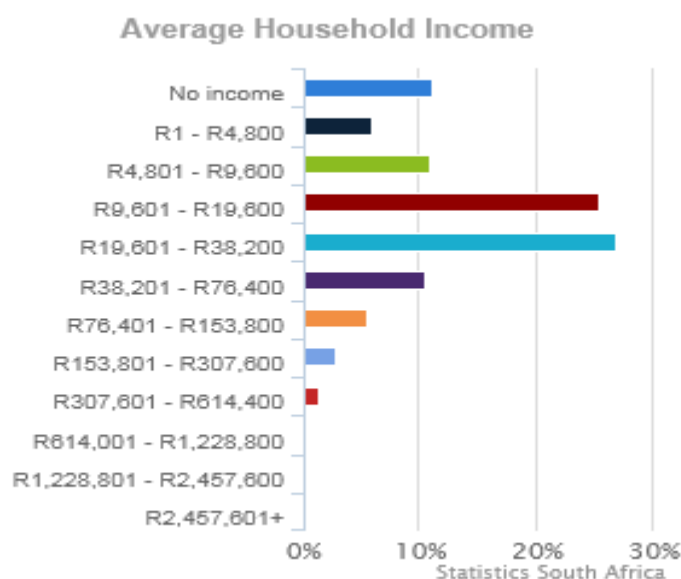
	2000	2005	2010	Average Annual growth
Nkandla	0.20	0.22	0.27	<b>2.78%</b>
Mfolozi	6.46	7.48	7.92	<b>2.06%</b>
uMhlathuze	8.57	9.77	10.61	<b>2.15%</b>
Ntambanana	2.61	3.00	3.14	<b>1.84%</b>
uMlalazi	2.64	3.00	3.32	<b>2.31%</b>
Mthonjaneni	0.17	0.19	0.22	<b>2.52%</b>

Source: IHS Global Insight Regional eXplorer version 700

Nkandla had the highest average annual economic growth, with a average annual growth rate of 2.78%, when compared to the rest of the regions within Uthungulu District Municipality. The Mthonjaneni had the second highest average annual growth rate of 2.52%. Ntambanana had the lowest average annual growth rate of 1.84% between 2000 and 2010.

### 5.3.2. Income Analysis

- The Statistics SA 2011 Census data indicate the following in respect of the Household Income



### 6.1.1. Job Created through EPWP & CWP

Programme	Number of jobs created
EPWP	75
CWP	1000

### 6.1.2. Summary of LED situational analysis

DESCRIPTION	ACTIVITY
<b>Agriculture and Forestry</b>	
Nkandla has a moderate to high potential for cropping, particularly in the north-east region. In low potential areas, certain alluvial plains along rivers could be developed under irrigation. However, many arable fields are left unutilized and 400 tons of maize is imported into the region every month. Constraints are well known. Households often allocate their lowest potential earners to agriculture. Youth have a low image of agriculture and see involvement in agricultural activities as a way of locking themselves into a lifestyle of poverty. The sector is highly vulnerable to natural disasters (such as drought or pests) – the worst of these being the HIV pandemic, which severely impacts all	Building enabling institutions, including co-operatives, out-grower schemes, share equity, and community – private partnerships is needed to overcome these constraints. A wealth of learning from existing local programmes at Nkandla is available.



<p>aspects of household capital. Without other sources of income, households are unable to access physical inputs. Local markets are quickly saturated. External markets are difficult to access, and farmers face fierce competition from commercial sellers who benefit in production from economies of scale. Unutilized land is difficult to access because of the communal tenure arrangements</p>	
<p>There are certain weaknesses with the provincial, and district agricultural strategies. These are:</p> <ul style="list-style-type: none"> <li>• the need to factor in the impacts of HIV/AIDS on development planning</li> <li>• the need to use a livelihoods framework in planning development</li> <li>• inherent problems with institutional vehicles such as co-operatives (all institutions have weaknesses – these should be clearly stated with checks to overcome pitfalls)</li> <li>• the possibility of Nkandla being marginalised in the district’s agricultural development strategy,</li> <li>• a gender focus on agriculture particularly in the light of the impact of HIV/AIDS on women.</li> <li>• a strategy to bring the youth into agriculture.</li> </ul>	<p>LED agricultural projects should address these issues</p>

<p>Due to the Bambatha rebellion which saw the annexure of Inkosi Shezi's land in 1906, and the Apartheid relocation of the Iziqgoza and Mbhele people in the 1960's there are complex tensions over land rights.</p>	<p>Notably, development of the Ntingwe Tea Estate is curtailed by these issues.</p>
<p>District and local IDPs make no comment on the forestry potential at Nkandla. Nkandla has two large commercial plantations – namely Nkonisa (5265 ha of which 478 ha are planted) and Qudeni (6050 ha of which 1443 ha are planted). These are classified as B-Class – and are to be disposed of to community-business partnerships under policy governing the privatisation of state assets. Distance from markets, the poor condition of the existing sawmills at Qudeni, and certain silvicultural limitations such as the lack of diversity age-classes present challenges for a feasible enterprise around the forests. The Department of Forestry has also not yet finalised its policy on B-Class forests.</p>	<p>The Nkandla Municipality should strengthen linkages with Traditional Leaders to deal jointly with these and other issues</p>
<p>There is potential for improving profitability of existing small – scale woodlots elsewhere at Nkandla.</p>	<p>Partner with reputable forestry companies such as NCT to assist farmers in the cultivation and harvesting of these woodlots</p>
<p><b>Business</b></p>	

<p>Most (93%) businesses were positive about the pilot BBrandE survey. Many immediate issues were identified</p>	<p>Link to the TIK initiative and develop the BBrandE programme</p>
<p>The ARRUP, Vukuzakhe and Zibambele programmes are in-line with the LED objectives of Nkandla Municipality. Three ARRUP roads are currently in construction at Nkandla. A partnership with the Department of Transport could create broad-based job opportunities for many households at Nkandla with spin-offs in irrigation schemes and potable water supplies.</p> <p>There are also opportunities in construction of schools and water programmes.</p>	<p>Partner with the Department of Transport and the Local Department of Agriculture to create funding and implementation synergies around common vision. Given that one of the ARRUP roads is complete without visible water infrastructure left behind, this should happen as soon as possible.</p>
<p>The ability to procure tenders appears to be a major constraint in the success of the Vukuzakhe programme</p>	<p>The Nkandla Municipality should devise a strategy to build capacity among Vukuzakhe members in order to successfully tender for projects</p>
<p>A survey of informal traders showed:</p> <ul style="list-style-type: none"> <li>• Rental on available small-scale manufacturing “garages” is high and there is a shortage of these type of facilities.</li> <li>• There should be a shaded market for fruit and vegetables hawkers</li> <li>• SMEs lack management and business skills</li> </ul>	<p>Skills based programmes and infrastructural support programmes for informal traders</p>

<ul style="list-style-type: none"> <li>• There are about 350 known emerging contractors at Nkandla who are mostly unable to secure contracts because of the complicated tendering process, lack of basic start-up capital and lack of exposure to opportunities</li> </ul>	
<p><b>Tourism</b></p>	
<p>The tourism potential of the region is not being realised. There are no tourism facilities, but the region has high potential for the development of a tourism sector, which could bring much needed capital into both the District and Municipality:</p> <ul style="list-style-type: none"> <li>• Insufficient publications on local tourist attractions;</li> <li>• Poor infrastructure in the rural and tribal areas</li> <li>• Lack of accommodation and related tourist facilities</li> <li>• The neglect of local history and culture as possible auxiliary attractions to the scenic features in the rural areas;</li> <li>• The lack of information, skills and business acumen to take advantage of possible tourist markets in the rural areas</li> <li>• The lack of adequate directional signage to tourist attractions</li> </ul>	<p>A comprehensive tourism plan, linked to neighbouring municipalities was needed.</p>

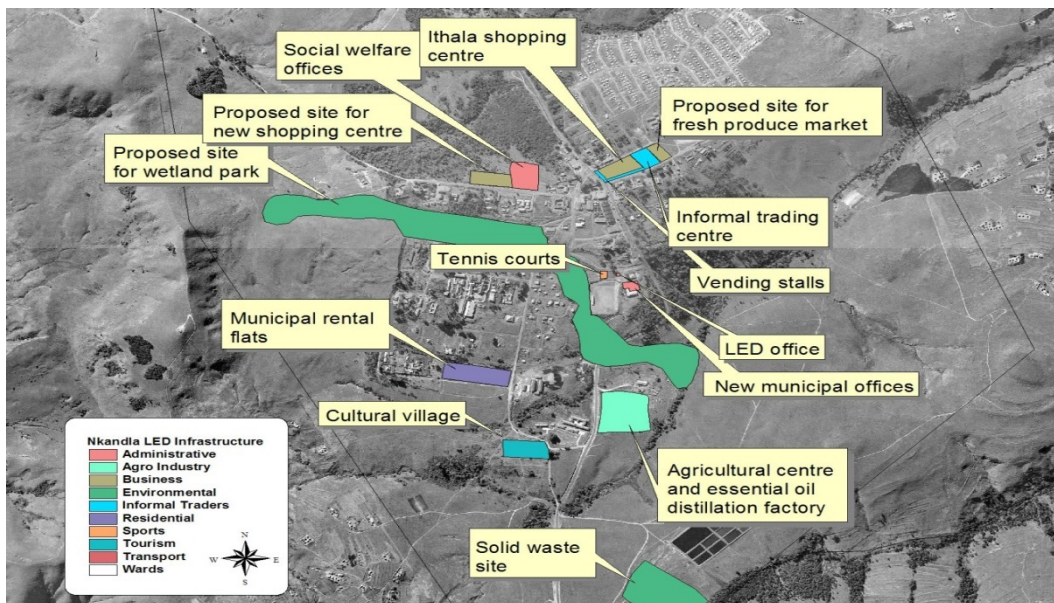
<ul style="list-style-type: none"> <li>• Violence and crime that exists (or is perceived to exist) in the area</li> <li>• Pollution and destruction of the scenic environment</li> </ul>	
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### 6.1.3. Nodal Development for Economic Growth

As part of Local Economic Development Plan development nodes are prioritized by the municipality in order to guide development in the municipal area.

#### 6.1.3.1. Nodal Framework Plans

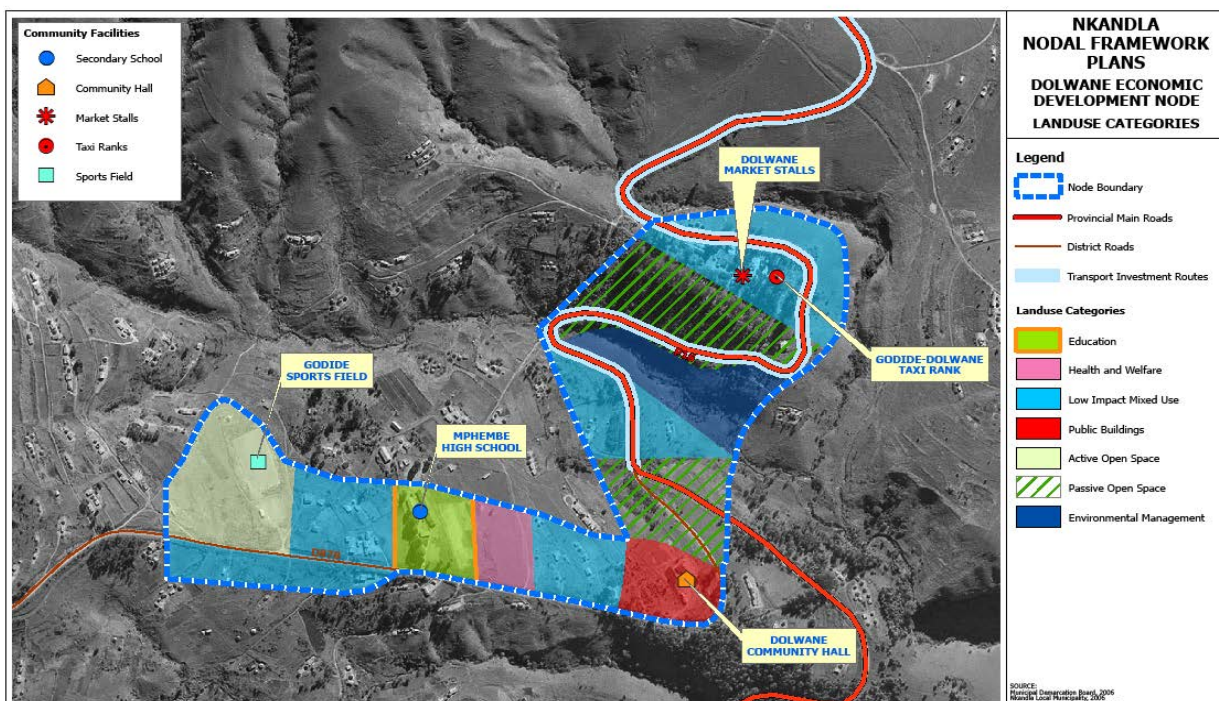
Development of Nodes is a crucial for the municipality to improve its economic levels; the major challenge is to source funding to unlock development of these nodes. The focus is primarily on the primary node and secondary node. The focus will be on these nodes as a way on increase the revenue of the municipality. Tourism development is part of these nodes since Nkandla has lots of Historic Sites for tourism attraction.



#### 6.1.3.2. Chwezi Node

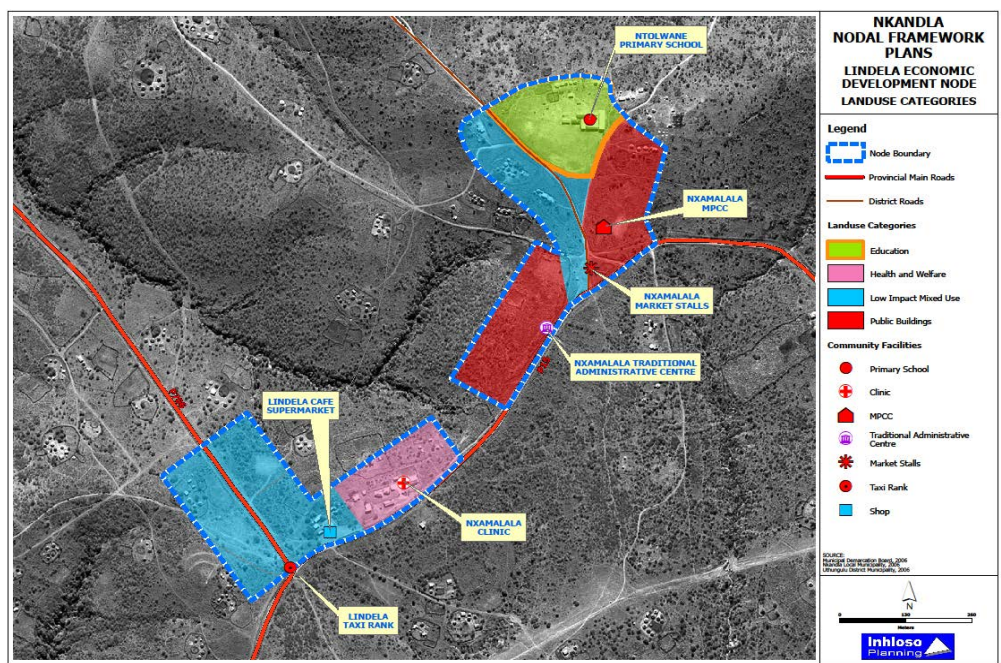
Chwezi is situated in the northern parts of the municipality on the P50-3 Road connecting Nquthu Local Municipality with Ulundi Local Municipality and Nkandla Town Itself. This node has a potential of integrating economic activities of both Nquthu Local Municipality and Nkandla Local Municipality.

### 6.1.3.3. Dlolwane Node



Dolwane is centrally located in the western sub-region of the municipal area just to the west of the P16-2 Road where the P16-2 and the P90 tourism route join. The Dolwane Economic Development node is situated at an important junction between Jameson’s Drift, Esihosheni, Maphutini and Qhudeni Nodes. As is evident from the Water Services Plan, the node and surrounding areas, is well serviced with water. However, electricity provision is only evident to some existing land uses in the node with high backlogs in electricity provision in the rural hinterland. The node itself is relatively constrained in terms of suitable land for future development, as a result of

**6.1.3.5. Lindela Development Node**



District Road, some 8kms west of the P50 / P706 intersection. Both the P50 and P706 roads are being upgraded to tarred roads. The P706 provides access to the south-western sub-region of the municipality and links Lindela with Jameson’s Drift. The node is relatively well serviced with both water and electricity, but there are significant backlogs in both water and electricity in the surrounding rural hinterland.





**6.2. Local Economic Development Priorities**

These are the economic development priorities that have been indicated at ward level and which will be prioritized.

Services	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	W 10	W 11	W 12	W 13	W 14
Fencing of Community Gardens, Cemeteries and Grazing Land	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cooperatives Support	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Agricultural Support Programmes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Job Creation and Opportunities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
SMME Support	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Community Conservation Area					✓	✓								

#### 5.4.1 PROJECT TIMEFRAME AND BUDGET

An estimated timeframe project based on the duration that it would take to complete a project has been allocated to each. These timeframes are based on the following:

- short term : 1-2 years
- medium term : 3-5 years
- long term : 6-10 years
- On-going

An estimated budget has also been provided for each project based on the cost it would take to undertake and complete the project. The table below provides the timeframe and budget for these projects which is as follows:

STRATEGIC GOAL	PROGRAMMES	PROJECTS	TIME FRAME	BUDGET
<b>Strategic Goal 1: Develop and expand the agricultural sector</b>	<b>.1. Diversify the agricultural sector through a focus on higher value crop production and agri-processing (including intensive agriculture)</b>	1.1.1. Partner with Department of Agriculture's District Office and support the implementation of proposed agriculture projects.	Short Term	No budget allocation required from Nkandla
		1.1.2. Undertake an audit of agricultural projects within the Nkandla LM in order to establish support for existing farms/ gardens and the potential of new pockets of land.	Short Term	R 200 000
		1.1.3. Undertake an agricultural land assessment and identify suitable cash crops that can grow in Nkandla area.	Short Term	R 350 000

		1.1.4. Undertake a feasibility study and prepare a business plan for a chicken abattoir Project.	Short Term	R 500 000
		1.1.5. Facilitate linkages and support private public partnerships between agri co-ops and major chain stores (e.g. Pick n pay and local co-ops) for the supply of agri-produce.	Short Term	R 500 000
		1.1.6. Identify and implement a simple, cost effective community based model for decentralised agriculture produce storage facilities.	Short Term	R 1 500 000
		1.1.7. Identify and implement a simple, cost effective community based model for drop off depots for agriculture produce.	Short Term	R 1 500 000
		1.1.8. Facilitate and support the establishment of a small transport SMME that provides support services for the transportation of agri-business produce.	Short Term	R 3 000 000
	<b>1.2 Small scale farmer support and development</b>	1.2.1. Partner with Department of Agriculture and request access to roster of agricultural extension officers and the respective wards they are deployed to service within the Nkandla LM.	Short Term	No budget required from Nkandla

		1.2.2. Identify good agricultural potential land under traditional ownership and partner with Amakhosi to release land for agriculture uses.	Short Term	No budget required from Nkandla
		1.2.3. Support information sharing through agri-forums.	Short Term	R 25 000
		1.2.4. Identify and establish partnerships with institutions that provide sources of funding or financial assistance.	Short Term	No budget required from Nkandla
		1.2.5. Financial management skills development and training for agriculture based co-ops and SMMEs.	Short Term	No budget required from Nkandla
		1.2.6. Identify sources of funding for agriculture equipment and machinery (tractors, ploughing machines) and good quality seeds.	Short Term	No budget required from Nkandla
		1.2.7. Technical support provision through partnerships with established commercial farmers and other farming institutions for emerging farmers/small scale farmers.	Short Term	No budget required from Nkandla
		1.2.8. MOA/MOU agreement between Nkandla LM and existing FET colleges that is steered towards skills development and training in agriculture related activities and linked to providing interventions for agriculture projects in the area.	Short Term	No budget required from Nkandla

	<b>1.3. Support household food security</b>	1.3.1. Support the establishment of a Work-for-food project (user friendly community empowering model).	Short Term	No budget required from Nkandla
		1.3.2. Support 1 home - 1 garden schemes for all households throughout the Municipality.	Short Term	R200 000
		1.3.3. Lobby for and support the establishment of school gardens projects in all schools within Nkandla LM	Short Term	No budget required from Nkandla
		1.3.4. Establish an agricultural awareness programme at all schools.	On-going	R 200 000
		1.3.5. Provide starter packs (basic garden tools, seeds, seedlings, appliances) to all households.	Short Term	R 1 200 000
	<b>1.4. Facilitate the provision of on-farm infrastructure and facilities</b>	1.4.1. Maintain and expand existing water irrigation systems and promote the development of new systems.	Short Term	No budget required from Nkandla
		1.4.2. Facilitate and support the provision of shade nets for small scale and emerging farmers.	Short Term	R 800 000
		1.4.3. Facilitate and support the provision of tunnel farming infrastructure to households.	Short Term	R 800 000

		1.4.4. Facilitate and support the provision of water tanks to all households.	Short Term	R 1 500 000
		1.4.5. Facilitate and support the access to sustainable energy sources such as solar power.	Short Term	R 1 500 000
		1.4.6. Facilitate and support the fencing for agriculture co-ops.	Short Term	R 2 000 000
		1.4.7. Provide equipment storage facilities.	Short Term	R 1 100 000
	<b>1.5. Ensure the preservation of agricultural land and enhance agriculture production through sustainable</b>	1.5.1. Promote and support crop-rotation practices.	On-going	R 450 000
		1.5.2. Promote and support awareness on sustainable use of natural resources (water, electricity - solar) amongst the community.	On-going	R 450 000
		1.5.3. Promote and support intercropping farming methods.	On-going	R 450 000

	<b>farming methods and practices</b>	1.5.4. Support soil enriching (lime adding to reduce acidity) project championed by the Department of Agriculture.	Short Term	No budget required from Nkandla
		1.5.5. Ensure good agriculture land is reserved for agriculture production use (i.e. ensure that not for other land uses such as housing or other activities).	Short Term	No budget required from Nkandla
<b>Strategic Goal 2: Development Support and Marketing of the Tourism Sector</b>	Support the development of eco-tourism assets	2.1.1. Identify and support the development of nature trails.	Short Term	R 250 000
		2.1.2. Identify and develop formal biking tracks and walking routes.	Short Term	R 450 000
		2.1.3. Facilitate and support open-air gospel music and annual traditional music shows.	On-going	R 250 000
		2.1.4. Support arts and crafts skills development through a Tourism Craft Development Programme.	Short Term	R 350 000
		3.1.1. Identify sources of funding for support from private investors, LM, DM, other government departments and NGOs.	Short Term	No budget required from Nkandla

<b>Strategic Goal 3: Support the development of small-enterprises and the Informal Economy</b>	<b>3.1 Provision of financial and technical support</b>	3.1.2. Link with private banks (micro loans, Ithala Bank, Capitec, ABSA, DEDTEA pre-financing) for co-ordination of SMME access to financial support.	Short Term	No budget required from Nkandla
		3.1.3. Support a mentorship programme between commercial farmers and local emerging farmers/small-scale farmers) with specific focus on agriculture commodities.	On-going	No budget required from Nkandla
		3.1.4. Partner with SEDA and support business skills and development training.	Short Term	No budget required from Nkandla
		3.1.5. Partner with SEDA and facilitate the establishment of a SEDA Satellite Office and Enterprise Information Centre and enhance the visibility of SEDA in the area.	Short Term	R 120 000
		3.1.6. Sector specific skills development and training informed/complemented by SEDA interventions and quantified needs.	Short Term	No budget required from Nkandla
	<b>3.2 Facilitate and promote entrepreneurship</b>	3.2.1. Provide support to sewing related co-ops and SMMEs.	Short Term	R 125 000
			Short Term	R 125 000



		3.2.2. Provide support to the furniture manufacturing projects		
		3.2.3. Support existing construction material manufacturing co-ops (i.e. block-making) and promote and support wider spread block making projects).	Short Term	R 400 000
		3.2.4. Create an electronic based database of all local businesses (co-ops and SMMEs) and services that is clearly delineated and updated periodically.	On-going	No budget required from Nkandla
		3.2.5. Incubator programme that promotes business development skills development and training for emerging co-ops and SMMES.	Short Term	No budget required from Nkandla
		3.2.6. Facilitate access to markets for co-ops and SMMES.	Short Term	R 125 000
		3.2.7. Undertake a feasibility study in order to confirm demand and optimise utilisation of the Multi-Purpose Centre for LED related activities	Short Term	R 185 000
<b>Strategic Goal 4: Improve the effectiveness of LED planning and implementation</b>	4.1 <b>LED awareness amongst the decision makers, senior</b>	4.1.1. Support LED awareness workshops.	On-going	R 120 000
		4.1.2. Encourage shared information around LED through a LED forum.	On-going	R 120 000

	<b>management and the community.</b>	4.1.3. Support the development of an SMME forum.	On-going	R 120 000
		4.1.4. Support the development of a business forum.	On-going	R 120 000
		4.1.1. Engage with Department of Agriculture and address capacity inefficiencies of current extension officers.	Short Term	R 120 000

#### 5.4.1 Local Economic Development SWOT ANALYSIS

**Table: SWOT Analysis related to LED in Nkandla LM STRENGTHS**

##### **Agriculture**

- Widespread activity
- Large tracts of arable land
- Large tracts of undeveloped land
- Rain water harvesting
- This sector is growing (commercial and subsistence agriculture)

##### **Construction**

- This sector is growing

##### **Tourism**

- Arts and craft
- Culture and heritage
- Accommodation Establishments

##### **General**

- Shared planning vision between traditional leadership and council
- Cultural heritage
- Agriculture and trade/services sectors
- Large areas of arable land
- Small scale manufacturing and services exist

## **WEAKNESSES**

### **Agriculture**

- Mainly subsistence farming
- Poor farming methods
- Lack of skills and technical knowledge
- Lack of access to markets and transportation
- Lack of development and implementation of Agri-Plan
- Youth lack interest in farming
- Poor support systems
- Poor quality seeds (Need for good quality seeds for agriculture production)
- Need for fencing

### **Infrastructure**

- Poor roads and the lack of signage
- Poor infrastructure

### **Tourism**

- Lack of domestic demand for tourism
- Poor general local tourism awareness
- The lack of investment in this sector
- The lack of structured tourism marketing and training for the area
- Lack of sufficient tourism supporting infrastructure

### **Construction**

- Lack of equipment for construction
- Difficulty of attracting technical staff given the shortage of housing and opportunities for the youth in the locality
- Shortage of business skills
- Difficulty in accessing finance

### **Institutional**

- Insufficient institutional capacity of LED unit given the desired economic growth of Nkandla

**General**

- High levels of unemployment
- Low levels of education and limited skills

**WEAKNESSES**

- Inactive members of the community (large economically inactive population)
- Majority population have low literacy levels and skills are limited
- Shortage of municipal owned land for economic development systems

**OPPORTUNITIES****Agriculture**

- Develop and Implement an Agri-Plan that is suited to the current context of the LM
- Mechanization project that will include emerging and small-scale farmers
- Agricultural producers to link with school feeding scheme, as an attempt to achieve food security
- An Nkandla Market area can be developed to allow for the commercialisation of agricultural produce
- Existing emerging farmers seeking additional capacity
- Local markets for agri-products exist but need formalising
- Access to agricultural inputs (i.e. infrastructure, basic utilities such as water and electricity, good quality seeds for agriculture production etc.)
- Improve access to machinery and equipment for agriculture use
- Diversification of agriculture and agri-processing

**Tourism**

- Growth of ecotourism / events
- Culture and heritage tourism ( arts and crafts, storytelling)
- Youth involvement in tourism projects
- Development of tourism attractions that is aligned with the Nkandla IDP

**Construction**

- Take advantage of and enhance current initiatives such as block making

**OPPORTUNITIES**

- The underdeveloped infrastructure and evidence of housing projects that are set to take place provides an opportunity for construction sector expansion
- Expand block making initiatives in other wards

**Informal businesses**

- Registration of businesses
- Employment creation
- Organisation into co-ops
- Training opportunities from SEDA

In order to translate the key findings of the SWOT analysis into meaningful strategies that can be implemented and monitored and evaluated, the Gap analysis draws out key opportunities and areas that require intervention and provides a base off which the strategies have been developed. In order to identify the key gaps or areas of need, the various strengths, weaknesses, opportunities and threats were sorted grouped into different categories. These categories represent the major focus areas of the municipality, and specifically, the areas that most require intervention to ensure that LED is stimulated within Nkandla LM.

## 5.5 SOCIAL AND DEVELOPMENT ANALYSIS

### 6.2.1. Introduction

In this section we unpack the social development aspects of the municipality and looks at various areas of social development some of which require urgent intervention. Nkandla LM conducted a series of decentralised community meetings in all 14 wards of the municipality. In these meetings it transpired that there are issues that affect the community residing in the municipal area.

### 6.2.2. Municipal Functions

As part of the introduction to this section it is proper to present the functions that are performed by Nkandla LM. This is aimed at giving a clear status of what is done by the municipality together with other spheres of the government.

Type of Service	Executed by Nkandla LM	
	YES	NO
1. Water Service Authority		✓
2. Sanitation		✓
3. Waste Management	✓	
4. National, Provincial and District Roads		✓
5. CBD Roads and Access Roads	✓	✓
6. Health Care Services		✓
7. Electricity Maintenance in town	✓	
8. Electricity Connections		✓

### 6.2.3. Community Needs for all Nkandla Wards

This section contains service delivery items that are yet to be rendered by the municipality in various wards and those that are mandated to the Province. These items may take more than 3 years to be implemented (MTEF) however the municipality is expected to be seen taking initiatives in address these backlogs. Long term plan must talk to backlogs strategies and clear implementation plan. In order for the municipality to measure progress these items should be incorporated to SDBIP's.

These items were collated during IDP road shows and public participation sessions

made during the review process of the IDP 2016/17. The community needs are as follows:



<b>Services</b>	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Ward 10	Ward 11	Ward 12	Ward 13	Ward 14
<b>Electricity and infills</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Roads</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Access Roads</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Fencing of Community Gardens, Cemeteries and Grazing Land</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Skills Development Facilities / FET</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Study Assistance</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Cooperatives Support</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Disaster Relief Programmes</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Agricultural Support Programmes</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Community Care Givers</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Community Trainings / Awarenesses</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Causeways</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Job Creation and Opportunities</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Community Service Centres</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Youth Programmes</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

<b>Disability Support</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Pedestrian Bridge</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Sidewalks</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Sanitation</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>LED Market Stalls in Development Nodes</b>	✓				✓		✓	✓	✓		✓			✓
<b>Game-Reserve Development</b>		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Recreation Parks</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>ECD Crèche</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Telecommunication Network</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Maintenance of vacant sites</b>					✓									
<b>Shopping Complex</b>					✓			✓	✓		✓	✓		✓
<b>Streetlights / Appollos</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Solar Geysers</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Removal of Alien Plants</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Dipping Tanks</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Lightning Conductors</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Water harvesting</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Tar Roads</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Sports Programmes</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Cultural Programmes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Pension Paypoints Shelters	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ploughing of fields	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

The ticks (✓) indicates the Ward that needs the service

#### 6.2.4. BACKLOGS THAT ARE NOT MANDATED TO THE MUNICIPALITY/ UNFUNDED PROJECTS

- Upgrade and maintenance of district and provincial roads in Nkandla as a whole.
- Road Signs
- Speed Humps
- Taxi Ranks
- Zibambele Projects
- Upgrading of Water Schemes in almost all 14 wards
- Water
- Health Care Facilities Development (Clinics) in various wards.
- Construction of Sport fields
- Library Service Development
- Satellite Police Stations

- Schools Development
- Manyana High School
- Sanitation Backlog
- Dipping Tanks and Tractors
- Housing Projects
- Pension Pay Points
- Matshenezimpisi Community Conservation Area
- Lightning Conductors
- Water Harvesting (Emagobongweni stream- Matshenezimpisi)
- Sibisi Traditional Administration Centre (KwaChwezi)
- Nkungumathe Environmental Education Centre
- Nkungumathe Fuel Station
- Nkungumathe Shopping Mall
- Nkungumathe Health Clinic
- Nkungumathe B FET College
- Dolwane B FET College
- Magwaza Shopping Complex
- Dlolwane / Ezimpisini Shopping Complex
- Pension Pay point Shelters

### 6.2.5. Sports and Recreation

Sports Development plan is in place and the municipality is keen to focus more on this regard since Nkandla is lacking entertainment activities and sport is a vehicle to bring sort of entertainment to the citizens. More funding is needed to implement more proposed activities contained in a sport plan. Infrastructure development and sports code development is a major challenge in implementing the plan. The municipality is actively involved in district games and provincial games as part of accelerating the target of the sports plan.

#### 6.2.5.1. Sports Strategies

Within the Sports Plan there are strategies that are explained thoroughly to give the sport strategic direction for Nkandla LM namely:

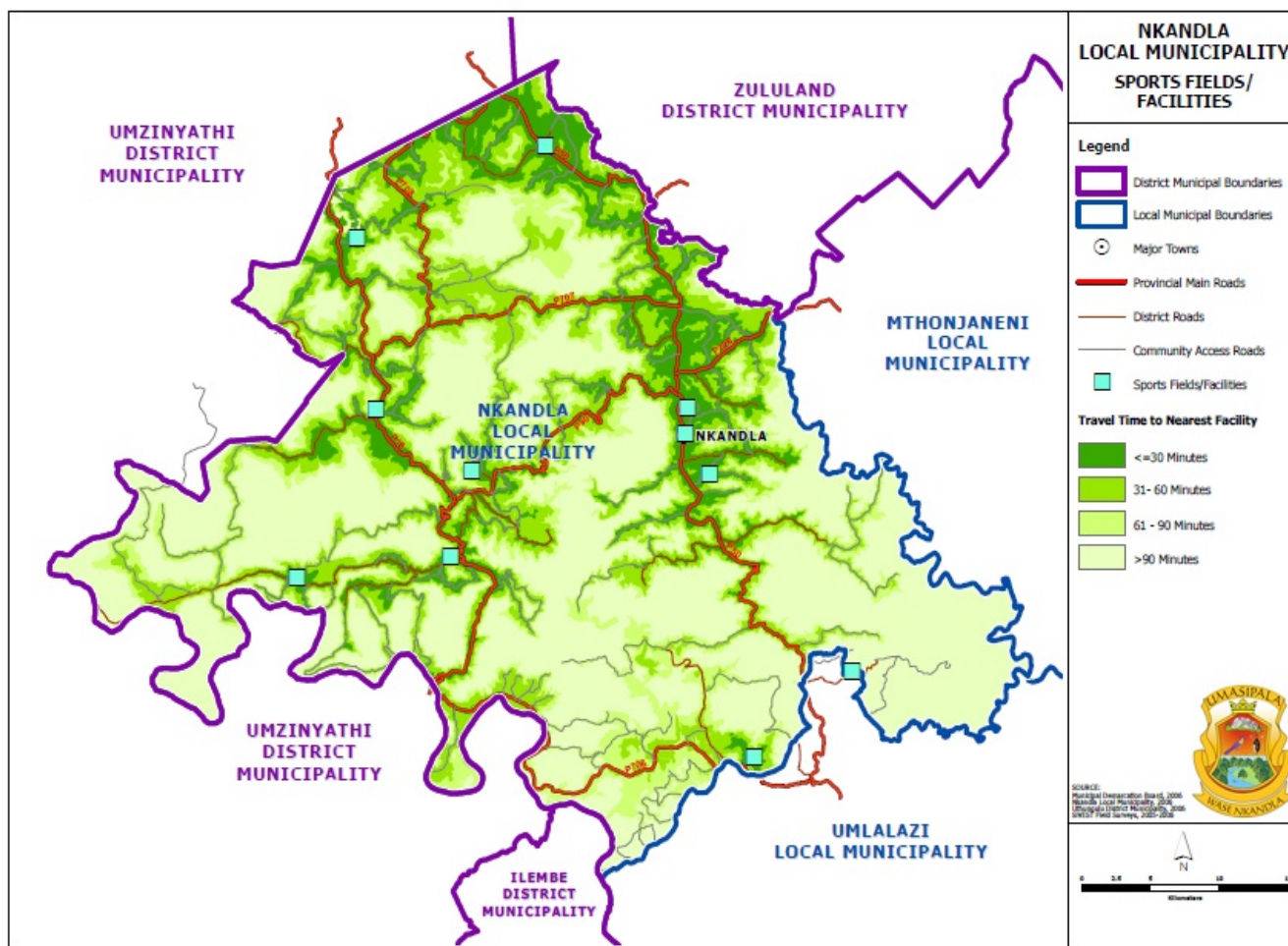
- Clubs and Sports Development
- Facility Management
- Funding and Sponsorship
- Coaching and Mentorship

#### Sports Action Plan

Sports code	Activity	Ward
<b>Football</b>	-Registration of 60 players -Nkandla Mayoral Cup -Senior Citizens Soccer Tournament	All ward
<b>Horse riding</b>	-Registration of jockeys -Nkandla Horse riding event	In four ward: 2,8,3, and 1
<b>Dance sport</b>	Training of dance instructors	In three words 5,1,10 and
<b>Indigenous games</b>	Train 20 technical official in all indigenous games	Ward 8,4,5,6,11,1,and 7
<b>Netball</b>	To train 10 netball umpires and 40 netball coaches	All ward
<b>Athletic</b>	Training of athletic technical officials	In seven ward: 9,13,14,8,6,1 and 4

<b>Volleyball</b>	Recruit and train 10 coaches and 10 volleyball empire	Wards: 9,8,1,4,6 and 5
<b>Karate</b>	Recruit 6 coaches and register all Karate players	Ward 7,11,5,4, and 1
<b>Rugby</b>	Recruit 6 rugby coaches and train 40 rugby players with rugby basic technique	Ward 5,6,11,7 1 and 4
<b>Chess</b>	Register all schools and communities chess players	All ward
<b>Cricket</b>	Register players and coaches	04, 05 and 14

- Map indicating the Sports field facilities around Nkandla



The municipality in conjunction with UNICEF embarked on a research that led to the development of Local ECD Strategy on children matters. Nkandla Municipality with its council is committed to the implementation of the ECD strategy. As part of the implementation the UNICEF has developed an OVC programmes that includes establishment of child care for a. The partnership between the municipality and Department of Social Development is ongoing with regards to Early Childhood Facilities:

<b>Development Objective</b>	<b>ECD Projects</b>	<b>Budget</b>
<b>To promote self-sustenance through capacitating Nkandla's community, with emphasis on vulnerable groups</b>	Capacitating ECD Practitioners	Operational Budget
	Implementation of OVC Program	
	Building of Infrastructure for ECD	Operational Budget

## **6.2.7. HIV and AIDS**

### **6.2.7.1. Introduction**

In South Africa, many programmes exist to reduce the spread of HIV and AIDS, but despite this, the infection rate is rapidly increasing. This increase in the infection rate is calling for renewed efforts from all South African citizens, organised formations and government bodies.

Nkandla municipality saw the need to develop a plan that will help it in its endeavours to fight against this disease. This strategic plan is envisaged to be a tool that will guide the municipality in co-ordinating efforts of all those that have committed their time, energy and resources to trying to reduce the impact of the disease.

In heeding the call, the municipality convened a strategic planning workshop to develop a plan for tackling this disease. Nkandla Municipalities **Senior Programmes officer** facilitated this workshop.

The main aim of the workshop was to develop a strategy for the municipality to deal with HIV and AIDS. Focussing on the following:

- ❑ Educating the delegates on the issue
- ❑ Analyzing the situation by looking at
  - ✓ Statistics
  - ✓ Available services
  - ✓ Future impact of AIDS
  - ✓ Key needs and gaps in responding to AIDS
  - ✓ Setting an overall goal and immediate objectives
- ❑ Examining the possible co-ordination of services for better effectiveness

Representatives attended this workshop from the All Nkandla Clinics, Lay Councillors, Nutritionist, PLWHAs, NGOs and CBOs, DSD and DOH within the jurisdiction of Nkandla Municipality.

#### **6.2.7.2. PURPOSE OF THE STRATEGIC PLAN:**

Response to the epidemic requires the involvement of every member of our society. For all contributions to be effective, co-ordination communication and planning becomes a necessity and this document serves as a plan for such. Further, the struggle against HIV/AIDS needs all the sectors, formations and stakeholders of our society to be involved. Nkandla Municipality recognises these realities and is envisaging that everyone will work together in a co-ordinated approach for maximized efficiency and effectiveness in fighting against HIV and AIDS.



### 6.2.7.3. WHY SHOULD NKANDLA MUNICIPALITY ADDRESS THE ISSUE OF HIV/AIDS

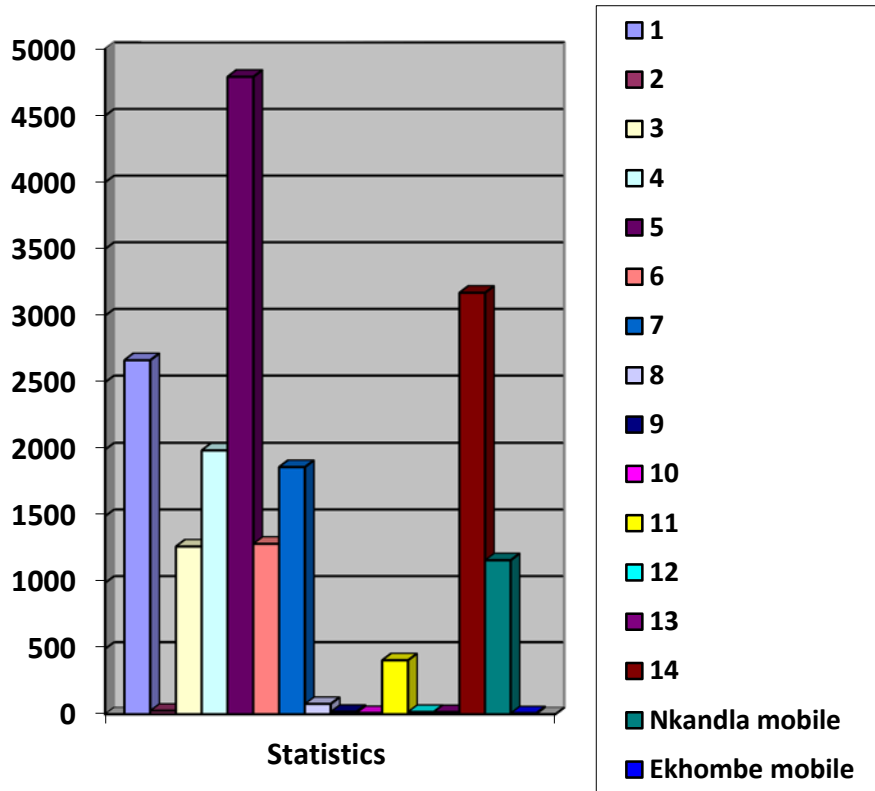
- HIV/AIDS is one of the biggest challenges we face as a country. The rate of infection is rapidly increasing and more and more people are getting ill and dying from AIDS. The department of Health estimates that Kwa- Zulu Natal has an infection rate among antenatal women of **37.4% (2007- 2011) Source ANC (Ante - Natal Care) Sentinel Survey**
- Individuals, families and communities are badly affected by the epidemic. The burden of care falls on the families and children of those who are ill. Often they have already lost a breadwinner and the meager (poor or not enough) resources they have left are not enough to provide care for the ill person and food for the family.
- Orphaned children are deprived not only of parental care, but also of financial support. Many of them leave school and have no hope of ever getting a decent education or job. The children grow up without any support or guidance from adults; this may become our biggest problem in the future.
- Most of the people who are dying are between the ages of 20 and 45 – an age when most people are workers and parents. This has serious consequences for our economy and the development of the country.
- AIDS can affect anyone. However, it is clear that it is spreading faster to people who live in poverty and lack access to education, basic health services, nutrition and clean water.
- Young people and women are the most vulnerable. Women are often powerless to insist on safe sex and are easily infected by HIV positive partners. When people have other diseases like sexually transmitted diseases, TB or malaria they are also more likely to contract and die from AIDS.

- Although AIDS has become very common, it is still surrounded by silence. People are ashamed to speak about being infected and many see it as a scandal when it happens in their families. People living with AIDS are exposed to daily prejudice born out of ignorance and fear, the stigma is minimal when compared to early 1980s
- We cannot tackle this epidemic unless we break the silence and remove the stigma [shame] that surrounds it. As elected representatives in communities, councillors have to provide leadership on how to deal with AIDS.
- To deal with the results of the disease and the social problems it creates, we have to make sure that people living with AIDS get care and support to help them live longer and healthier lives.
- We also have to make sure that those who are dying are properly looked after. For the children who are orphaned, we have to find ways of looking after them so that they do not become hopeless and turn to crime or live on the streets because of poverty.
- National and Provincial government cannot fight this battle alone. They can provide health and welfare services, development programmes and information. However, municipalities, together with organizations on the ground, have to provide the type of leadership and direction that will lead to real change in people's attitudes and behavior.
- Municipalities are also ideally placed to identify the needs of people in their area and to co-ordinate a coherent response to those needs. Municipalities can engage with civil society, other government departments, as well as schools, churches and so on to make sure that everyone works together to combat the spread of AIDS and to care for those affected by the disease.
- Mayors and Councillors should act as role models for communities and be an example to people. We should take the lead in promoting openness and ending the silence that surrounds AIDS. We should also work closely with people living with AIDS and through our action show that we accept and care for those affected. As political leaders, we should

use our influence and popularity to mobilize the community and involve volunteers in projects that provide care for people living with AIDS and orphans.

**6.2.7.4. Present Situation In Nkandla Municipality And Possible Impact**

- **Estimated infection rate in Nkandla Municipality per wards**



Estimated number of children who lost both parent is 1600

- **Number of infected people and number of orphans and the actual number of those who are reached by existing services or projects**

<b>Numbers</b>	<b>Treated by Clinic or Health services</b>	<b>Support from Dept. of Social welfare (grants etc.)</b>	<b>Support from projects</b>
People living with AIDS	24171	1600	35
People at home ill with AIDS	24171	35	+_35
Orphans	<b>1600</b>	25	33

The municipality has got 14 wards (18 Traditional Authorities) of which all of them are experiencing effects of poverty and HIV/AIDS

The estimated numbers of people living with /on ARVs at Nkandla are 9000 with almost 2,000 of those being children under the age of 14 years (DOH Presentation during OSS Cabinet Day 25 March 2015)

Interaction research indicates that ward 5, 14, 1, and 9 are the worst hit.

#### **6.2.7.5. Possible Impact Of HIV/AIDS In Nkandla Municipality**

Local government has the responsibility of providing services to its community members. Residents do not only serve as recipients of services delivered, but they also have the responsibility of providing the necessary support to the local municipality by, for example, paying for services or contributing volunteer labour.

The rapid spread of HIV/AIDS has an impact on the services rendered by the Municipality; provincial and national government and the workshop identified the following areas as being the most affected:

#### **6.2.7.5.1. HEALTH:**

For any community to prosper, it needs healthy citizens who can improve the living conditions of each an every member. Local government has to ensure that all its citizens are provided with the necessary health facilities. With the rapid spread of HIV/AIDS, health provision will be affected especially in the following areas:

- More money will have to be spent on buying drugs that will help PLWHA's and this will affect the effective delivery
- More resources will have to be committed on health at the expense of other services.
- More health workers will have to be employed to educate and take care of people who are unable to take care of themselves.

#### **6.2.7.5.2. Welfare**

With more people getting sick and unable to provide for themselves, government will have to ensure that social assistance to communities is drastically increased. Impact of HIV/AIDS will have an impact on the following issues:

- More and more families are headed by children and these children cannot support themselves therefore government will have to provide more support for them.
- As the number of people living with AIDS increases, there will be a need for government to ensure that they are able to get support in the form of grants.
- The need for social grants is also increasing. Most affected people are unemployed and their health condition does not allow them to get jobs. In this case government has to rescue the situation by providing people with disability grants and grants that are aimed at helping orphaned children.

#### **6.2.7.5.3. Economy and Labour**

Nkandla municipality is one of the municipalities in our country that is hard hit with the high rate of unemployment about 52%. With HIV/AIDS affecting our municipality about 9000 people on ARVs, the following affects will be felt on the local:

- More money will have to be committed on buying drugs instead of investing it on job creation projects.
- The most productive members of the society are the ones that are highly infected with HIV/AIDS. This impacts on production levels within the area and this has an impact on economic development of the municipality.
- More money will have to be dedicated to capacitating communities on survival and preventative skills. Fewer funds will be available as investment on capital projects that have a potential of improving living conditions of the citizens of the municipality.

#### **6.2.7.5.4. Education**

The number of child-headed families is on the rise. In such situations one of the children or most of them, have to leave schooling in order to survive. In some cases nobody takes care of their education.

In families where both or a single parent is unable to take care of him or herself, the responsibility of caring for that parent is left to children of that parent. If this happens, the child has to leave school and play the role of caregiver, therefore every wards and sub-wards (IZIGODI) need to have CCGs.

Few children will be able to attend school and many of them will die at an early age and this will impact negatively on the future of our country.

Teachers as well as children have disrupted the schooling programme due to continuous absence from school due to poor health conditions.

#### **6.2.7.5.5. Crime, Poverty And Family Life**

Absence of adults in families exposes young children to abuse and recruitment by people who are involved in criminal activities. Children who have lost parents are an easy target for such people. These children end up in jails or as prostitutes others become serial killers (Malgaju)

When resources are committed to other issues, there will be fewer resources dedicated to protection and fighting crime.

Unemployment rise results in the increase in criminal activities like the stock theft, selling of drugs etc.

Young girls become active in the sex industry (which is private) because of poverty and become exposed to danger and drug abuse, and become exposed in STIs and HIV

Family life is disrupted especially with the absence of adults from homes. Young boys and girls have to play senior roles in their families.

#### **6.2.7.5.6. Housing**

More children will need shelter from government, as their parents are not able to pay their bonds or rent due to them not working.

PLWHAs will not be able to access bonds due to them denied bonds by big banks.

Child headed families will not able access bonds or government houses due to them not qualifying because of age.

Human Settlement has to play a role in their OSS (Operation Sukuma Sakhe initiative).

<b>INTERVENTIONS</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>RESPONSIBILITY</b>
<b>Provision of ARV treatment for all eligible pregnant women and children as per National guidelines</b>	100% of both mother and child to receive ARV'S	100%	100%	DOH, Private Sector and Nkandla Municipality
<b>Development / Scaling up /Strengthening of community base strategies / programs that support women during pregnancy</b>	At least 10% of Nkandla municipality's area implement community based strategies that support women during and after pregnancy	At least 15%	At least 20%	All stakeholders involve
<b>Provision of formula milk to children of HIV infected women who choose and are eligible for replacement feeding and those unable to breastfeed</b>	At least 50% of eligible children be provided with formula milk	At least 60%	At least 70%	DOH and Civil Society



<b>Raising Public awareness on HIV risk through unsafe traditional practices</b>	At least 85% of public awareness of the dangers of unsafe traditional practices	Atleast 95%	Atleast 100%	LM, Traditional healers, DOH and Civil Society
<b>Training of Traditional Health Practitioners on infection control</b>	Atleast 40% of traditional health practitioners trained on infection control	Atleast 50%	Atleast 60%	DOH, LM
<b>Provision of supplies to traditional practitioners to ensure safe practices</b>	Atleast 20% of traditional practitioners receive supplies.	Atleast 30%	Atleast 40%	DOH,LM,
<b>Implementation of infection control guidelines in Home Base Care Palliative care setting</b>	100% of Home Base Care givers adherent to infection control guidelines	100%	100%	DOH
<b>Implementation of infection guidelines in all Health Facilities</b>	100% of Health Facilities adhere to infection control guidelines	Atleast 100%	Atleast 100%	DOH,LM,Other stakeholders
<b>Establishment of public sector</b>				

<b>Increase the number of adults and youth who have ever had an HIV test, with a special focus on men</b>	Atleast 20%	Atleast 30%	Atleast 40%	LM,DOH, NGO's
<b>Conduct VCT campaigns in workplace and through organised trade unions</b>	20% of workplaces and trade unions conduct VCT campaigns	Atleast 30%	Atleast 40%	Unions in all departments and Private sector.
<b>Initiate ARV's to all eligible clients within 1 week</b>	Atleast 30% of all clients receive ARV within 1 week	Atleast 30%	Atleast 40%	DOH,Private sector
<b>Provision and implementation of community based ART support and literacy programme</b>	Atleast 15% of community based ART literacy programme	Atleast 20%	Atleast 25%	DOE,DOH,LM, Other stakeholders
<b>Strengthen support, mentoring and supervision of health care providers</b>	Support and Mentoring system	Support and Mentoring system	Support and Mentoring system	DOH,LM,Other stakeholders

### 6.2.7.5.7. Library and Information Services

The municipality in partnership with Department of Arts and Culture provides day to day operations of the municipal library services to the citizens of Nkandla. This includes Cyber Cadet Initiative.

Development Objective	Library and Information Services	Budget
To promote self-sustenance through capacitating Nkandla's community, with emphasis on vulnerable groups	<ul style="list-style-type: none"> <li>• Schools Outreach projects</li> <li>• Schools Orientation projects</li> <li>• Book Exchange – Update Library</li> <li>• Computer Skills Development</li> <li>• Community Internet Café</li> <li>• Public Photocopying</li> <li>• Career Guidance</li> </ul>	Operational Budget Grants

### 6.3. SWOT Analysis of Socio Economic Development and Local Economic Development

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>▪ Youthful population</li> <li>▪ Availability of historic sites and conservation areas</li> <li>▪ Good relationship with the Amakhosi in the municipal area</li> </ul>	<ul style="list-style-type: none"> <li>▪ High indigent population</li> <li>▪ High Unemployment rate</li> <li>▪ High infection rate on communicable diseases</li> <li>▪ High Illiterate rate</li> </ul>

<ul style="list-style-type: none"> <li>▪ Large tracts of arable land</li> <li>▪ Scenic Landscapes</li> <li>▪ Two natural Forests</li> </ul>	<ul style="list-style-type: none"> <li>▪ Unavailability of local constructors with high capacity</li> <li>▪ Reduction in Population</li> <li>▪ Matshenezimpisi Nature Reserve is poorly maintained</li> </ul>
<p><b>Opportunities</b></p>	<p><b>Threats</b></p>
<ul style="list-style-type: none"> <li>▪ Land within the municipal jurisdiction is highly arable</li> <li>▪ Tourism is a major economic development opportunity</li> <li>▪ Use Natural forests to generate tourism economic activities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reduction in recent population figures</li> <li>▪ Lack of circulation of economic resources locally</li> <li>▪ Unreview LED Strategy</li> <li>▪ Poor accessibility to the Municipal Area</li> <li>▪ Unavailability of commercial activities to support growth and development</li> </ul>

## **7. FINANCIAL VIABILITY AND MANAGEMENT**

### **7.1. Introduction**

The 2017 National Budget Review emphasized that, while the global economic growth outlook has improved, it is clouded by the prevailing policy uncertainty due to the increasing pressure within the world trading system. These factors may jeopardize South Africa's prudent macroeconomic and fiscal policies, which include inflation targeting and a flexible exchange rate, the local economy's ability to adjust to global volatility and the stable investment platform.

The economic challenges will continue to pressurize municipal revenue generation and collection levels hence a conservative approach has been adopted for the projecting revenue. The municipality will have to improve its efforts to limit non-priority spending and to implement stringent cost-containment measures.

The municipality is grant dependent as 72.5 percent of its revenue is from Transfers and Grants from both Provincial and National government.

### **Legislative requirement and Approach**

In terms of Section 16 (1) of the MFMA the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. (2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year. (3) Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

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

- The budget process.
- Supply Chain Management.
- Financial in-year reporting.

- Adjustment budgeting
- Annual reporting.
- Compilation and implementation of various policies.
- Compilation of procedural notes for main financial accounting processes.
- The budget and Treasury office has been established in accordance with the requirements
- Service Delivery and Budget Implementation plans are applied as monitoring tools
- Audit Committee has been established

#### Compliance with MFMA Circular No. 86

The budget circular is compiled annually to guide municipalities on how to prepare their budget inputs. This circular is a follow-up to the MFMA Budget Circular No.85 that focused on the preparation of the 2017/18 Medium Term Revenue and Expenditure Framework (MTREF). This guidance includes national policy imperatives that should be accommodated and other relevant information. The circular provides a summary of South Africa's economic outlook, inflationary targets, financial management issues and specific reference on how to give effect to National Treasury's Municipal Budget and Reporting Regulations (MBRR).

The budget tables have been prepared in terms of MFMA Circular No. 28, it is however brought to Council's attention that the budget is prepared to comply with the requirements of the Municipal Budget and Reporting Regulations (MBRR). It for this reason that Council is urged to acquaint itself with the format, since Council is expected to scrutinize and approved the budget prepared only in terms of Gazette 32141.

#### Legislations

Nkandla Municipality has complied with a number of legislations amongst others-

- Municipal Finance Management Act (No. 56 of 2003)
- Municipal Budget and Reporting Regulations (Government Gazette 32141)
- Annual Division of Revenue Act
- Municipal Structures Act (No. 117 of 1998), as amended
- Municipal Systems Act (No. 32 of 2000), as amended
- Municipal Property Rates Act (No. 6 of 2004), as amended
- Municipal Fiscal Powers and Functions Act (No. 12 of 2007)

#### Other National Treasury Circulars

- MFMA Circular No. 55

- MFMA Circular No. 71
- MFMA Circular No. 80
- MFMA Circular No. 82
- MFMA Circular No. 85
- MFMA Circular No. 86
- Budget Formats Guidelines

### KZN Provincial Circular

- Provincial Treasury Circular No. PT/MF 06 of 2016/17 dated 24 February 2017.

### 7.2 Capital Investment Plan

PROJECT	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	TOTAL
Furniture & Equipment	R 600 000,00	R 200 000,00				<b>R 800 000,00</b>
Computers	R 50 000,00	R 100 000,00				<b>R 150 000,00</b>
IT System Upgrades		R 300 000,00	R 500 000,00	R 400 000,00	R 2 000 000,00	<b>R 3 200 000,00</b>
Municipal Road Upgrade			R 1 200 000,00			<b>R 1 200 000,00</b>
Car Ports / Parkings	R 300 000,00	R 200 000,00	R 150 000,00	R 80 000,00	R 30 000,00	<b>R 760 000,00</b>
Machinery & Equipment						<b>R 0,00</b>
Grader					R 1 000 000,00	<b>R 1 000 000,00</b>
Tractor	R 3 000 000,00					<b>R 3 000 000,00</b>
TLB			R 120 000,00			<b>R 120 000,00</b>
Waste Truck				R 120 000,00		<b>R 120 000,00</b>
Compactor					R 800 000,00	<b>R 800 000,00</b>
Repairs of swimming pool	R 500 000,00	R 200 000,00	R 100 000,00	R 50 000,00	R 50 000,00	<b>R 900 000,00</b>
Purchase of vehicles		R 2 000 000,00	R 1 000 000,00	R 1 000 000,00		<b>R 4 000 000,00</b>
Extention of offices	R 1 200 000,00					<b>R 1 200 000,00</b>
Upgrade sreet lights	R 500 000,00	R 300 000,00	R 0,00	R 350 000,00	R 0,00	<b>R 1 150 000,00</b>
Standby generators	R 400 000,00	R 50 000,00	R 50 000,00	R 50 000,00	R 50 000,00	<b>R 600 000,00</b>
Creche Equipment		R 200 000,00				<b>R 200 000,00</b>
CSC Furniture & Equipment	R 0,00	R 100 000,00				<b>R 100 000,00</b>
Hall Furniture & Equipment	R 40 000,00	R 50 000,00	R 50 000,00	R 30 000,00	R 20 000,00	<b>R 190 000,00</b>
Fruniture for Municipal House	R 100 000,00	R 50 000,00	R 50 000,00	R 50 000,00	R 50 000,00	<b>R 300 000,00</b>
<b>CSC's</b>						<b>R 0,00</b>
Nhloshana - Ward 9	R 4 500 000,00					<b>R 4 500 000,00</b>

Amazondi - Ward 3	R 2 000 000,00			R 2 000 000,00
Ezinduneni- Ward	R 2 000 000,00			R 2 000 000,00
Ndatshe - Ward 01	R 4 500 000,00			R 4 500 000,00
Vumanhlamvu Phase 2 - Ward 6	R 4 500 000,00			R 4 500 000,00
Maphuthu - Ward 10		R 4 500 000,00		R 4 500 000,00
Mabhuqwini - Ward 2			R 5 000 000,00	R 5 000 000,00
Nhlababo - Ward 7			R 5 000 000,00	R 5 000 000,00
Khabela - Ward 3			R 5 000 000,00	R 5 000 000,00
<b>HALLS</b>				<b>R 0,00</b>
Mfongosi - Ward 3		R 2 000 000,00		R 2 000 000,00
Mtswili - Ward 2		R 2 000 000,00		R 2 000 000,00
Zungeni - Ward 5		R 2 000 000,00		R 2 000 000,00
Mathiya - Ward 6		R 2 000 000,00		R 2 000 000,00
Nqundu - Ward 5			R 2 500 000,00	R 2 500 000,00
Ngomankulu - Ward 11			R 3 000 000,00	R 3 000 000,00
Emakhanyezi - Ward 7			R 2 500 000,00	R 2 500 000,00
Makhendle - Ward 6			R 2 500 000,00	R 2 500 000,00
Ezintinini - Ward 7			R 2 500 000,00	R 2 500 000,00
				<b>R 0,00</b>
<b>SPORTS CENTRE</b>				<b>R 0,00</b>
Mahlayizeni - Ward 6			R 3 500 000,00	R 3 500 000,00
<b>SPORTS GROUNDS</b>				<b>R 0,00</b>
Ekukhanyeni - Ward 4	R 2 500 000,00			R 2 500 000,00
Ophindweni - Ward 11	R 2 500 000,00			R 2 500 000,00
Ndweni - Ward 6	R 2 500 000,00			R 2 500 000,00
Ntingwe - Ward 12		R 2 675 000		R 2 675 000,00
Nongamlana - Ward 3		R 2 675 000		R 2 675 000,00
Maphuthu - Ward 10		R 2 675 000		R 2 675 000,00
Nomanci - Ward 11 / 7			R 3 000 000	R 3 000 000,00
Jabavu - Ward 8 / 12			R 3 000 000	R 3 000 000,00
Pholela - Ward 9 / 12			R 3 000 000	R 3 000 000,00



Magwaza CSC				R3 000 000		R 3 000 000,00
<b>ACCESS ROADS</b>						
All 14 Wards	R 3 000 000	R 2 750 000	R 3 000 000			R 8 750 000,00
CBD - Sakhile	R 1 000 000	R 775 000	R 810 062			R 2 585 062,00
Sinqobile						R 0,00
Whithe City						R 0,00
<b>ELECTRICITY</b>						
Thalaneni/Vimbimbobo & Nhloshana	10 000 000	3 000 000,00	0	0	0	R 13 000 000,00
MvutshinMalunga/Madlozi/Sidashi	8 000 000	5 000 000	0	0	0	R 13 000 000,00
Landfill Site -New Connection						
Electrification & borehole - Ward 5	350 000,00	200 000,00	0	100 00,00	0	#VALUE!
upgrade of transformers	0,00	250 000,00	300 000,00	300 000,00	0	R 850 000,00
SakhileRecreational Park -						
Electrification - Ward 5-Upgrading	R 150 000,00	150 000	0	20 000,00	0	R 320 000,00
Sinqobile Recreational Park -						
Electrification - Ward 5-Upgrading	R 15 000,00	150 000	0	20 000,00	0	R 185 000,00
<b>ELECTRICITY INFILLS</b>						
Amashushu/Cuphuchuku - Ward 11	550 000	1 500 000,00	0	0	0	R 2 050 000,00
Maqhashiya - Ward 5	550 000,00	2 000 000,00	0	0	0	R 2 550 000,00
Bangamanzi - Ward 9	1 750 000,00	2 500 000,00	0	0	0	R 4 250 000,00
Emaswazini - Ward 2	550 000,00	1 200 000,00	0	0	0	R 1 750 000,00
Ezibondweni-ward8	750 000,00	1 000 000,00	0	0	0	R 1 750 000,00
<b>RENOVATIONS</b>						
Indoor-Sports Centre	R 80 000,00	R 85 000,00	R 50 000,00	R 30 000,00	R 30 000,00	R 275 000,00
Multi- Purpose Hall	R 0,00	R 100 000,00	R 50 000,00	R 50 000,00	R 0,00	R 200 000,00
CSC: Lindela MPCC	R 0,00	R 50 000,00	R 50 000,00	R 50 000,00	R 0,00	R 150 000,00
Hall: Ndweni	R 150 000,00	R 30 000,00	R 20 000,00	R 5 000,00	R 50 000,00	R 255 000,00
Market Stall-Sangweni	R 0,00	R 30 000,00	R 0,00	R 5 000,00		R 35 000,00
CSC: Esibhudeni	R 250 000,00	R 100 000,00	R 50 000,00	R 0,00	R 5 000,00	R 405 000,00
CSC: Jameson's Drift	R 30 000,00	R 30 000,00	R 30 000,00	R 5 000,00	R 5 000,00	R 100 000,00
CSC: Thuma	R 50 000,00	R 30 000,00	R 10 000,00	R 0,00	R 5 000,00	R 95 000,00
CSC: King Cetshwayo	R 30 000,00	R 10 000,00	R 5 000,00	R 0,00	R 0,00	R 45 000,00
CSC: Dolwane	R 400 000,00	R 50 000,00	R 10 000,00	R 5 000,00	R 0,00	R 465 000,00
Hall: Ophikweni	R 150 000,00	R 300 000,00	R 50 000,00	R 0,00	R 0,00	R 500 000,00
CSC: Mvutshini	R 30 000,00	R 30 000,00	R 30 000,00	R 0,00	R 0,00	R 90 000,00
CSC: Mdlelanga	R 30 000,00	R 50 000,00	R 50 000,00	R 0,00	R 0,00	R 130 000,00
CSC: Bhacane	R 200 000,00	R 200 000,00	R 50 000,00	R 0,00	R 0,00	R 450 000,00
CSC: Vimbimbobo	R 80 000,00	R 0,00	R 300 000,00	R 50 000,00	R 0,00	R 430 000,00
CSC: Chwezi	R 0,00	R 0,00	R 50 000,00	R 30 000,00	R 5 000,00	R 85 000,00
CSC: Thala	R 30 000,00	R 300 000,00	R 50 000,00	R 0,00	R 0,00	R 380 000,00
CSC: Thalaneni	R 30 000,00	R 30 000,00	R 30 000,00	R 0,00	R 0,00	R 90 000,00
Market Stall: Thalaneni	R 0,00	R 20 000,00	R 0,00	R 0,00	R 0,00	R 20 000,00
Recreational Park: Esakhile	R 10 000,00	R 50 000,00	R 50 000,00	R 5 000,00	R 5 000,00	R 120 000,00

Recreational Park: Esinqobile	R 10 000,00	R 50 000,00	R 50 000,00	R 5 000,00	R 5 000,00	R 120 000,00
Hall Amakhosi - Ward 5	R 610 000,00	R 0,00	R 0,00	R 30 000,00	R 0,00	R 640 000,00
Hall Mthiyahwa - Ward 5	R 500 000,00	R 0,00	R 0,00	R 30 000,00	R 0,00	R 530 000,00
Ophindweni Hall - ward 11	150000	R 30 000,00	R 20 000,00	R 0,00	R 0,00	R 200 000,00
Mangidini Hall - Ward 7	R 100 000,00	R 30 000,00	R 30 000,00	R 0,00	R 0,00	R 160 000,00
Godide Hall - Ward	R 30 000,00	R 100 000,00	R 100 000,00	R 0,00	R 0,00	R 230 000,00
Echibini Hall - Ward	R 0,00	R 100 000,00	R 50 000,00	R 50 000,00	R 0,00	R 200 000,00
Power Sports Field - Ward 14	R 0,00	R 300 000,00	R 100 000,00	R 50 000,00	R 0,00	R 450 000,00
Chwezi Sports Field - Ward 1	R 300 000,00	R 150 000,00	R 100 000,00	R 0,00	R 0,00	R 550 000,00
Vimbimbobo CSC - Ward 3	R 80 000,00	R 60 000,00	R 40 000,00	R 0,00	R 0,00	R 180 000,00
KwaXulu Sports field - Ward 10	R 0,00	R 300 000,00	R 100 000,00	R 50 000,00	R 0,00	R 450 000,00
Qhudeni Sports field - Ward	R 0,00	R 300 000,00	R 200 000,00	R 0,00	R 0,00	R 500 000,00
Municipal House - Ward 5	R 200 000,00	R 50 000,00	R 50 000,00	R 30 000,00	R 20 000,00	R 350 000,00
<b>Total per Financial Year</b>	<b>R 3 530 000,00</b>	<b>R 1 420 000,00</b>	<b>R 790 000,00</b>	<b>R 240 000,00</b>	<b>R 20 000,00</b>	<b>R 6 000 000,00</b>

### 7.3 Executive Summary

The financial framework of the IDP three year period is based on the funding that would be available to the Municipality from its own funds and grants received from the national government in terms of Distribution of Revenue Act (DORA).

The Municipality therefore finds itself in the unfortunate position that it will be unable to fund some of the integrated mandates that it would like to undertake as planned for in the IDP. The municipality has to outsource additional external sources of funding , if it is to undertake the integrated functions indicated in the IDP.

Possible sources for additional funding for IDP projects could be obtained from the following:

- Increase in the payment for municipal services through the establishment of a municipal valuation roll for the entire municipality;
- Additional external sources of funding not yet identified could be sourced such as international and domestic donor funds, additional national and provincial government funding and private sector involvement projects
- In addition stringent financial control measures should be introduced in order to ensure that the limited financial resources are managed

KZN286 Nkandla - Table A1 Budget Summary

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	1 668	7 902	11 125	8 203	10 480	10 480	10 480	12 314	13 077	13 848
Service charges	7 192	7 509	8 549	14 194	14 078	14 078	14 078	15 176	16 117	17 068
Investment revenue	1 588	1 288	989	1 100	1 200	1 200	1 200	950	1 009	1 068
Transfers recognised - operational	50 990	54 265	70 651	86 720	86 516	86 516	86 516	83 881	85 548	88 975
Other own revenue	3 289	4 155	2 864	13 599	12 558	12 558	12 558	6 837	3 608	9 481
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>64 727</b>	<b>75 120</b>	<b>94 178</b>	<b>123 815</b>	<b>124 832</b>	<b>124 832</b>	<b>124 832</b>	<b>119 157</b>	<b>119 359</b>	<b>130 441</b>
Employee costs	13 970	24 055	30 982	37 457	36 068	36 068	36 068	39 345	41 785	44 250
Remuneration of councillors	5 445	6 731	7 524	7 623	7 623	7 623	7 623	8 526	9 054	9 589
Depreciation & asset impairment	4 672	5 144	8 221	2 585	2 585	2 585	2 585	2 755	2 926	2 742
Finance charges	51	67	93	83	83	83	83	-	-	-
Materials and bulk purchases	8 031	8 073	10 999	16 000	12 000	12 000	12 000	23 404	23 888	29 592
Transfers and grants	439	563	719	830	1 503	1 503	1 503	885	940	995
Other expenditure	32 867	64 752	42 495	58 327	64 768	64 768	64 768	43 907	40 163	42 384
<b>Total Expenditure</b>	<b>65 474</b>	<b>109 385</b>	<b>101 032</b>	<b>122 904</b>	<b>124 630</b>	<b>124 630</b>	<b>124 630</b>	<b>118 822</b>	<b>118 756</b>	<b>129 552</b>
<b>Surplus/(Deficit)</b>	<b>(748)</b>	<b>(34 265)</b>	<b>(6 854)</b>	<b>912</b>	<b>202</b>	<b>202</b>	<b>202</b>	<b>335</b>	<b>604</b>	<b>889</b>
Transfers recognised - capital	43 228	29 327	35 582	57 188	57 188	57 188	57 188	39 795	48 295	39 429
Contributions recognised - capital & contributed	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>42 481</b>	<b>(4 938)</b>	<b>28 728</b>	<b>58 100</b>	<b>57 390</b>	<b>57 390</b>	<b>57 390</b>	<b>40 130</b>	<b>48 899</b>	<b>40 318</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>42 481</b>	<b>(4 938)</b>	<b>28 728</b>	<b>58 100</b>	<b>57 390</b>	<b>57 390</b>	<b>57 390</b>	<b>40 130</b>	<b>48 899</b>	<b>40 318</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>31 244</b>	<b>52 461</b>	<b>39 721</b>	<b>60 208</b>	<b>57 588</b>	<b>57 588</b>	<b>57 588</b>	<b>43 312</b>	<b>52 030</b>	<b>43 384</b>
Transfers recognised - capital	29 252	49 148	38 286	57 188	57 188	57 188	57 188	39 795	48 295	39 429
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	1 992	3 313	1 435	3 020	400	400	400	3 517	3 735	3 955
<b>Total sources of capital funds</b>	<b>31 244</b>	<b>52 461</b>	<b>39 721</b>	<b>60 208</b>	<b>57 588</b>	<b>57 588</b>	<b>57 588</b>	<b>43 312</b>	<b>52 030</b>	<b>43 384</b>
<b>Financial position</b>										
Total current assets	57 260	9 453	20 948	15 129	15 129	15 129	17 642	18 322	13 860	11 511
Total non current assets	263 975	258 107	285 643	325 673	326 772	326 772	319 657	330 860	379 044	370 937
Total current liabilities	30 792	15 958	22 065	19 330	5 863	5 863	4 000	15 227	8 227	7 227
Total non current liabilities	4 158	4 433	4 637	4 646	4 646	4 646	4 646	4 158	4 158	4 158
Community wealth/Equity	286 284	247 169	279 889	316 826	331 393	331 393	328 654	329 796	380 518	371 062
<b>Cash flows</b>										
Net cash from (used) operating	46 628	7 681	48 170	58 099	61 226	61 226	61 226	34 346	46 546	33 284
Net cash from (used) investing	(45 389)	(53 452)	(40 438)	(57 188)	(57 188)	(57 188)	(57 188)	(37 295)	(48 295)	(36 055)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>47 091</b>	<b>1 320</b>	<b>9 051</b>	<b>4 051</b>	<b>7 178</b>	<b>7 178</b>	<b>7 178</b>	<b>6 101</b>	<b>4 352</b>	<b>1 581</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	47 091	1 319	9 051	1 503	2 603	2 603	20 566	4 224	4 479	4 747
Application of cash and investments	24 111	13 319	16 454	6 237	(8 485)	(8 485)	7 484	3 078	100	826
<b>Balance - surplus (shortfall)</b>	<b>22 980</b>	<b>(12 000)</b>	<b>(7 403)</b>	<b>(4 734)</b>	<b>11 088</b>	<b>11 088</b>	<b>13 083</b>	<b>1 146</b>	<b>4 379</b>	<b>3 921</b>
<b>Asset management</b>										
Asset register summary (WDV)	153 753	171 215	15 165	70 604	209 986	209 986	50 852	50 852	60 022	51 856
Depreciation & asset impairment	4 672	5 144	8 221	2 585	2 585	2 585	2 755	2 755	2 926	2 742
Renewal of Existing Assets	499	2 751	-	10 866	-	-	-	-	-	-
Repairs and Maintenance	661	499	-	10 866	10 317	10 367	4 100	4 100	3 261	3 453
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	605	6 882	12 698	51 998	51 998	2 798	1 983	1 983	2 106	2 230
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

#### 7.4 Operating Revenue Framework

For Nkandla municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. But 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, at the same time, we do not have core sources of funding in exception of government Grants. 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 municipal environment and continued economic development;
- ❖ Efficient revenue management, which aims to ensure a reasonable percentage 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);
- ❖ The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- ❖ The municipality's Indigent Policy and rendering of free basic services; and
- ❖ Tariff policies of the municipality.
  
- ❖ Revenue enhancement strategy

#### Tariff of Charges

The following are proposed tariff increases and other allocations as indicated below:

Assessment Rates	6.4%
Electricity	1.88%
Refuse Removal	6.4%

Revenue from property rates is proposed to increase by only 6.4% from the 2016/17 adjusted budget of R17.9 million. The rates revenue is projected at R18.3 million in the 2017/18 financial year.

Category of Property (Description)	Randage	Amount
Agriculture	0.0029	R 165.14
Business and commercial properties	0.0346	R 2 853 715
Place of Worship	0.0201 (100% exempted)	R 0
Protected Areas	0.0030 (100 % exempted)	R 0
Public Benefit Organisation	0.0000	R 0
Public Service Infrastructure	0.0000	R 0
Residential	0.0119	R 905 504
Specialized Property	0.0000	R 0
State Owned Property	0.0369 (Phase in exemption applies)	R 16 335 151
State Trust Land	0.0029	R 340 873
Vacant Land	0.0029	R 225 307
Multiple Use Property	Dominant use ratio will apply	R 193 648

Electricity tariffs are expected to boost the operating revenue by R16.3 million, an increase of R763 000 from R15.4 million in the 2016/17 adjusted budget. The municipality awaits approval from NERSA for electricity tariff increases.

Waste management is budgeted to generate R1.7 million in the 2017/18 financial year. The budgeted Waste management revenue has increased by R1.1 million (65.5 percent) from R596 000 in 2016/17.

Total grant allocations to fund operating budget are expected to be R87.5 million, being the equitable share, the Finance Management Grant (FMG) and various provincial allocations.

The equitable share allocation to be received from National Government has increased by R3.2 million from R79.2 million to R82.4 million.

Revenue from investments interest is projected at R1.9 million, an increase of R70 000 from the adjusted budget of R1.8 million in the 2016/17 financial year.

The total budgeted revenue for the 2017/18 financial year is estimated at R129.9 million.

## The following table is a summary of 2017/18 MTREF

KZN286 Nkandla - 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
<b>R thousand</b>											
<b>Revenue By Source</b>											
Property rates	2	7 902	11 125	7 794	11 878	17 930	17 930	17 930	18 338	19 420	20 546
Service charges - electricity revenue	2	6 775	7 775	13 799	14 625	15 425	15 425	15 425	16 318	16 188	17 096
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	734	773	393	551	596	596	596	1 729	1 831	1 937
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		838	750	570	726	713	713	713	720	816	860
Interest earned - external investments		1 288	989	2 077	950	800	800	800	2 400	2 600	2 800
Interest earned - outstanding debtors		1 790	1 549	1 718	1 880	1 880	1 880	1 880	1 950	1 660	1 750
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	131	56	56	56	331	349	368
Agency services		-	-	-	5	-	-	-	-	-	-
Transfers and subsidies		54 265	70 651	86 872	83 881	83 881	83 881	83 881	87 545	89 064	91 236
Other revenue	2	1 526	565	4 853	3 630	1 481	1 688	1 688	631	444	471
Gains on disposal of PPE		-	-	368	900	400	400	400	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>75 120</b>	<b>94 178</b>	<b>118 444</b>	<b>119 157</b>	<b>123 162</b>	<b>123 369</b>	<b>123 369</b>	<b>129 962</b>	<b>132 373</b>	<b>137 065</b>
<b>Expenditure By Type</b>											
Employee related costs	2	24 055	30 982	37 457	39 445	39 571	39 571	39 571	43 075	43 599	44 096
Remuneration of councillors		6 731	7 524	7 896	8 526	8 126	8 126	8 126	9 071	9 588	10 125
Debt impairment	2	2 341	2 177	5 580	560	795	795	795	1 500	1 700	1 900
Depreciation & asset impairment	3	5 144	8 221	2 585	2 755	5 870	5 870	5 870	6 500	6 871	7 255
Finance charges		67	93	-	-	-	-	-	-	-	-
Bulk purchases	2	8 073	10 999	16 000	11 000	12 000	12 000	12 000	14 000	14 496	14 252
Other materials	8	-	-	-	12 404	5 130	5 130	5 130	4 963	5 246	5 540
Contracted services		4 843	5 165	7 504	15 372	18 447	18 447	18 447	18 690	18 756	21 001
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	32 383	57 314	37 616	27 380	32 761	32 761	32 761	30 518	30 770	31 230
Loss on disposal of PPE		254	437	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>83 890</b>	<b>122 912</b>	<b>114 638</b>	<b>117 442</b>	<b>122 699</b>	<b>122 699</b>	<b>122 699</b>	<b>128 319</b>	<b>131 027</b>	<b>135 400</b>
<b>Surplus/(Deficit)</b>		<b>(8 771)</b>	<b>(28 733)</b>	<b>3 807</b>	<b>1 714</b>	<b>463</b>	<b>670</b>	<b>670</b>	<b>1 643</b>	<b>1 346</b>	<b>1 664</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		29 327	35 582	57 187	39 795	39 795	39 795	39 795	23 170	24 296	25 485
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)		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>20 556</b>	<b>6 849</b>	<b>60 994</b>	<b>41 509</b>	<b>40 258</b>	<b>40 465</b>	<b>40 465</b>	<b>24 813</b>	<b>25 642</b>	<b>27 149</b>
Taxation		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>20 556</b>	<b>6 849</b>	<b>60 994</b>	<b>41 509</b>	<b>40 258</b>	<b>40 465</b>	<b>40 465</b>	<b>24 813</b>	<b>25 642</b>	<b>27 149</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>20 556</b>	<b>6 849</b>	<b>60 994</b>	<b>41 509</b>	<b>40 258</b>	<b>40 465</b>	<b>40 465</b>	<b>24 813</b>	<b>25 642</b>	<b>27 149</b>
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>20 556</b>	<b>6 849</b>	<b>60 994</b>	<b>41 509</b>	<b>40 258</b>	<b>40 465</b>	<b>40 465</b>	<b>24 813</b>	<b>25 642</b>	<b>27 149</b>

## **Summary of Operating Revenue from the Frame Work.**

### **Property Rates**

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

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 R65 000 reduction on the market value of a property will be granted in terms of the Rates Policy and 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy.

Property rates revenue have been budgeted to increase by R408 000 (2.3 percent) from R17.9 million in 2016/17 to R18.3 million in 2017/18. The Property rates tariff increase of 6.4 percent is in line with the guideline as per MFMA Circular no. 86.

### **Service charges - refuse**

Service charges refuse revenue has been budgeted to increase by R1.1 million from R596 000 in 2016/17 to R1.7 million in 2017/18. This is reflective of the budgeted number of households increase as well as the increase in commercial activities in the town of Nkandla.

### **Interest earned on external investments**

The municipality has budgeted R2.4 million for Interest earned on external investments in 2017/18 to be realized from call account deposits for conditional grants not yet utilized.

### **Licenses and permits**

*License and permits* revenue has been budgeted to increase by R275 000 in 2017/18 from R56 000 in 2016/17 to R331 000 in 2017/18. This is due to the completion of the Traffic Department which will be fully functional in the 2017/18 financial year.

### **Other income**

The budgeted *Other income* revenue has decreased by R1.1 million in 2017/18 from R1.7 million in 2016/17 to R631 000 in 2017/18. This has been done to correct the revenue items which were incorrectly budgeted under *Other income* in 2016/17.

## 7.5 Operating Expenditure Framework

- **Employee related cost** has increased by 7.4 percent (average CPI + 1 per cent ). In terms of the Collective Agreement on Wages and Salaries signed by the Local Government National Bargaining Council, salaries increases for 2017/18 financial year is based on the average inflation rate (CPI) plus 1 percent. The consumer price index for the next financial year is projected to be 6.4 percent.
- The municipality has budgeted to increase the expenditure for the Employee related costs by R5.5 million from R39.6 million in 2016/17 to R45.1 million in 2017/18. The municipality has budgeted for additional vacant position which were not budgeted for in 2016/17. Employee related costs and Councillors' remuneration as a percentage of total operating expenditure is 40 percent. The norm is 25 to 40 percent. The municipality is looking at its organogram to mitigate possible overstaffing and/or inefficiencies.
- **Expenditure of Councillors' Allowances** is budgeted to increase from R8.1 million to R9.1 million in the 2017/18 financial year. The provision for the councillors' remuneration has been budgeted for from the basis of the published government notice number R40519 dated 21 December 2016.
- **Debt impairment** has been budgeted at R2.5 million in 2017/18. *Debt impairment* as a percentage of billable revenue amounts to 6.9 percent in 2017/18.
- **Depreciation** has been budgeted to increase by R3.1 million from R5.9 million in 2016/17 to R9 million in 2017/18 which is based on the asset register and the anticipated new capital acquisitions.
- **Bulk purchases** have been budgeted to increase by R2 million from R12 million in 2016/17 to R14 million in 2017/18. This will be achieved by curbing electricity losses to a minimal as the municipality is currently replacing faulty metres.
- The budgeted **Contracted services** expenditure has increased by R243 000 from R18.4 million in 2016/17 to R18.7 million in 2017/18.
- **Other expenditure** has been budgeted to increase by R1.3 million from R31.8 million in 2016/17 to R33.1 million in 2017/18.



## 7.6 Operational Grants funded for the Municipality

KZN286 Nkandla - 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
<b>RECEIPTS:</b>										
<b>Operating Transfers and Grants</b>										
National Government:		58 202	70 206	85 997	83 143	83 143	83 143	87 545	89 064	91 236
Local Government Equitable Share		52 832	65 897	82 242	79 169	79 169	79 169	82 435	86 214	88 386
Finance Management		1 650	1 713	1 800	1 825	1 825	1 825	1 900	2 850	2 850
Municipal Systems Improvement		890	934	930	-	-	-	-	-	-
EPWP Incentive		2 830	1 663	1 025	2 149	2 149	2 149	3 210	-	-
Provincial Government:		658	249	723	738	1 243	1 243	1 301	1 366	1 925
Provincialisation of libraries		658	249	553	559	559	559	583	613	644
Community library Service				170	179	684	684	718	753	781
Schemes Support Programme								-	-	500
0										
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	<b>58 860</b>	<b>70 455</b>	<b>86 720</b>	<b>83 881</b>	<b>84 386</b>	<b>84 386</b>	<b>88 846</b>	<b>90 430</b>	<b>93 161</b>
<b>Capital Transfers and Grants</b>										
National Government:		41 081	35 852	57 188	39 795	39 795	39 795	23 170	24 296	25 485
Municipal Infrastructure Grant (MIG)		21 081	31 852	22 188	21 795	21 795	21 795	23 170	24 296	25 485
Electrification grant		20 000	4 000	35 000	18 000	18 000	18 000	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	<b>41 081</b>	<b>35 852</b>	<b>57 188</b>	<b>39 795</b>	<b>39 795</b>	<b>39 795</b>	<b>23 170</b>	<b>24 296</b>	<b>25 485</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		<b>99 941</b>	<b>106 307</b>	<b>143 908</b>	<b>123 676</b>	<b>124 181</b>	<b>124 181</b>	<b>112 016</b>	<b>114 726</b>	<b>118 646</b>

References

1. Each transfer/grant is listed by name as gazetted together with the name of the transferring department or municipality, donor or other organisation
2. Amounts actually **RECEIVED**; not revenue recognised (objective is to confirm grants transferred)
3. Replacement of RSC levies
4. Housing subsidies for housing where ownership transferred to organisations or persons outside the control of the municipality
5. Total transfers and grants must reconcile to Budgeted Cash Flows
6. Motor vehicle licensing refunds to be included under 'agency' services (Not Grant Receipts)

## Expenditure on allocations

Grants and subsidies from National and Provincial governments, as reported in the 2016 Division of Revenue Act and reflected in SA 19, have been included the 2017/18 budget and each allocation will be utilised for the purpose as described below.

## **National Grant Allocations**

### **Equitable Share**

The equitable share is an unconditional grant and as such can be regarded as general revenue, however, it is a matter of co-operative governance that municipalities should prioritise its expenditure budget towards poor households and national priorities like free basic services.

### **Municipal Infrastructural Grant (MIG)**

The Municipal Infrastructural Grant is a conditional grant which gives effect to national objectives to:

- Expand the delivery of basic services to all households, including the delivery of free basic services to poor households and other poverty alleviating objectives.
- Stimulate local economic development and job creation over the medium term.

### **Finance Management Grant**

The Finance Management Grant is a capacity building grant provided by National Treasury to assist municipalities in building management planning, technical and financial management skills and capacity for effective service delivery.

It will be utilised for the upgrading of skills and capacity of Nkandla Finance officials for workshops and training programmes, funding financial programmes such as mSCOA with a view to capacitate financial systems, as well as for the remuneration of the interns currently employed by the municipality and cover costs of their training and its facilities. There are currently five interns employed as per National Treasury guide.

KZN286 Nkandla - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

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	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure, to be appropriated</b>	2										
EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-
OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-
CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
TECHNICAL SERVICES		49 148	38 286	67 355	39 795	39 795	39 795	39 795	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	49 148	38 286	67 355	39 795	39 795	39 795	39 795	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-
OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
BUDGET AND TREASURY		-	577	1 380	42	307	307	307	1 200	280	-
CORPORATE SERVICES		-	1 377	-	-	-	-	-	-	-	-
COMMUNITY SERVICES		-	-	1 398	-	-	-	-	-	-	-
TECHNICAL SERVICES		-	1 359	55	39 795	42 295	42 295	42 295	23 170	24 296	25 485
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	3 313	2 833	39 837	42 602	42 602	42 602	24 370	24 576	25 485
<b>Total Capital Expenditure - Vote</b>		49 148	41 599	70 188	79 632	82 397	82 397	82 397	24 370	24 576	25 485
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		1 954	1 380	42	517	307	307	307	326	344	364
Executive and council		-	-	-	10	-	-	-	-	-	-
Finance and administration		1 954	1 380	42	507	307	307	307	326	344	364
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	1 398	-	-	-	-	-	-	-
Community and social services		-	-	1 398	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		50 507	38 341	67 355	42 795	42 295	42 295	42 295	23 170	24 296	25 485
Planning and development		1 359	55	67 355	39 795	39 795	39 795	39 795	-	-	-
Road transport		49 148	38 286	-	3 000	2 500	2 500	2 500	23 170	24 296	25 485
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	-	-	-	-	-	-	2 660	2 812	2 969
Energy sources		-	-	-	-	-	-	-	2 660	2 812	2 969
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	52 461	39 721	68 795	43 312	42 602	42 602	42 602	26 156	27 452	28 818
<b>Funded by:</b>											
National Government		49 148	38 286	67 355	39 795	39 795	39 795	39 795	23 170	24 296	25 485
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	49 148	38 286	67 355	39 795	39 795	39 795	39 795	23 170	24 296	25 485
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		3 314	1 435	1 440	3 517	2 807	2 807	2 807	2 986	3 156	3 333
<b>Total Capital Funding</b>	7	52 461	39 721	68 795	43 312	42 602	42 602	42 602	26 156	27 452	28 818

## 2017/18 BUDGET TABLES AND SUPPORTING TABLES

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*Please refer to Annexure A. 217/48 A1 Schedule.*

### **7.7 Political Oversight of Budget Process**

The concept of political oversight over the budget process is an important one and it is the key to ensuring that strategy informs budget.

The political oversight role of the Mayor is contained in Section 53 (1)(a) and (b) of the Municipal Finance Management Act (MFMA). It requires that the Mayor must provide political guidance over the budget process and the priorities that guide the preparation of the budget. It further requires that the Mayor co-ordinate the revision of the IDP and the preparation of the annual budget and to determine how the IDP is to be taken into account for the purpose of the budget.

The demands on the Municipality to address service delivery backlogs and to improve service delivery to all of its citizens, within current financial resources, are challenging. Political oversight of the budget process is therefore essential to ensure that the priorities of the municipality are addressed through budget allocations.

#### Schedule of Key Deadlines Relating of Budget Process

One of the objectives of the budget timetable is to ensure the development of IDP and the budget and also to ensure that a funded budget is tabled for consideration and approval. The timetable schedule for the compilation of the 2017/18 budget cycle was approved by Council during August 2016 in compliance with the MFMA.

#### Process for Consultations with Stakeholder Groups and Outcomes [MFMA 21(1)(b)]

Section 22 of the MFMA requires that after tabling of the annual budget in Council, the municipality must make public the draft budget and also invite the local communities to submit representations thereon. Accordingly the tabling of this draft budget in the Council on 28 March 2017 will be followed by the following activities:

- The summarised draft budget and consultation meetings will be published in News Letter
- Draft budget will be submitted to Provincial and National Treasuries as well as Department of Provincial and Local Government
- The Draft budget will be presented to the IDP Representative Forum
- The Draft budget will be presented to the Ward Committees
- Public meetings will be held in various wards

- The Draft budget will be presented to the Business Community
- The Draft budgeted document will be generally distributed to libraries and other municipal offices to allow the wide invitation of comments and representations to the draft budget.

The public budget road show meetings will take place during April and May 2017. The schedule of budget road shows will be publicised in the local newspaper, website, and libraries as well as in the municipal notice boards.

## **7.8 Overview alignment of IDP and budget with, monitoring and implementation through SDBIP**

### **PURPOSE**

This document presents an Integrated Development Plan (IDP) for Nkandla Local Municipality. The IDP is prepared in compliance with the requirements of Chapter 5, particularly Section 25 of Local Government Municipal Systems Act (32 of 2000), which obliges a municipal council to adopt a single, all inclusive and strategic plan for the development of the municipality, within a prescribed period after the start of its elected term. It outlines a development agenda for the municipality for the next five years.

### **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 Nkandla, 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 Nkandla 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 Nkandla's response to these requirements.

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 municipal development objectives are mainly orientated and aligned to National Key Performance Areas which are the following:-

- Institutional development and transformation
- Basic Service Delivery
- Good Governance and Public Participation
- Local Economic Development
- Financial Viability

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

- Provision of quality basic services and infrastructure which includes, amongst others:
- Provide electricity;
- Provide waste removal;

- Provide roads and storm water;
- Provide city planning services; and
- Maintaining the infrastructure of Nkandla.

Economic growth and development that leads to sustainable job creation by:

- Ensuring there is a clear structural plan for Nkandla;
- Ensuring planning processes function in accordance with set timeframes;
- Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.

3.1 Fight poverty and build clean, healthy, safe and sustainable communities:

- Effective implementation of the Indigent Policy;
- Working with the provincial department of health to provide primary health care services;
- Extending waste removal services and ensuring effective city cleansing;
- Ensuring all waste water treatment works are operating optimally;
- Working with strategic partners such as SAPS to address crime;
- Ensuring safe working environments by effective enforcement of building and health regulations;
- Promote viable, sustainable communities through proper zoning; and
- Promote environmental sustainability by protecting wetlands and key open spaces.

3.2 Integrated Social Services for empowered and sustainable communities

- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme

4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:

- Optimising effective community participation in the ward committee system; and
- Implementing Batho Pele in the revenue management strategy.

5.1 Promote sound governance through:

- Publishing the outcomes of all tender processes on the municipal website

5.2 Ensure financial sustainability through:

- Reviewing the use of contracted services
- Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organizational structure to optimize the use of personnel;
- In line with the MSA, the IDP constitutes a single, inclusive strategic plan for Nkandla. The five-year programme responds to the development challenges and opportunities faced

by the Nkandla by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

### **IDP and service delivery and budget implementation plan.**

The Nkandla'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.

- 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 2017/18 MTREF, based on the approved 2015/16 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2017/18 MTREF, 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 2016/17 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

The 2017/18 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure

### **Community consultation**

The 2017/18 MTREF will be published on the municipality's website, and hard copies will be made available at customer care offices, municipal notice boards and various libraries for consultation.



All documents in the appropriate format (electronic and printed) are 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.

### **7.9 Indigent Support (Free Basic Service)**

State of Indigence in the Municipality

The municipality has developed an Indigent Register for the purpose of identifying and assisting indigent. Nkandla Municipality has about 1300 total households registered as indigents.

In terms of water the King Cetshwayo District gives free 6 6kl of free water per household per month (in areas with functional schemes). Nkandla Municipality have various support services for Indigent people which include:-

- Free Basic Energy (Free 50KWH per moth)
- Community Student Bursary
- Indigent/Pauper Burial Support
- Free Refuse Removal

Refuse is collected daily a week in ward 5, one collection is for free and others are paid for , In the other wards Nkandla Municipality only collects in key areas like schools, community halls , clinics, etc. on request. Nkandla Municipality also collects weekly at Ekhombe Hospita

### **7.10 Revenue Enhancement Strategy**

Nkandla Municipality has developed the Revenue Management Enhancement Strategy, the strategy is developed to ensure that all policies of the municipality are aligned and given effect through the by-laws.

The following priorities in the Revenue Management Enhancement Strategy, has been identified. These relate to the improvements in the collection system, exploring potential additional revenue streams, improving accuracy of meter reading and billings, cleaning of the consumer data, replacement of faulty meters and the reduction of internal inefficiencies.

***The short-term issues to be addressed are:-***

- Data cleansing – i.e. updates of stand records for ownership, postal addresses, correct tariffs for correct category and zoning, undertake house-to-house surveys and incorporate updated information into indigent registers
- Collection of outstanding debtors' balances – including the Top 200 customers.
- Service costing and tariff review – including bulk contribution levies and basic charges.
- Explore new/ expanded revenue streams on traffic fines, billboard advertising, renting of municipal property and possible disposal of unused municipal land and buildings.
- Indigent Management – including a far more vigorous indigent identification, profiling and management policy.
- The management, improvement and accuracy of the meter reading and billing – specifically focussing on the accuracy and completeness of meter readings and the identification of areas where the Municipality is not billing or is billing incorrectly.
- Service Agreements with consumers– including enforcement of more vigorous deposit policies and better information on new agreements. Terms and conditions of the service agreement must be aligned to key principles of the credit control policy. Furthermore, the clause on deposit must be reviewed on all Lease Agreements and changes be implemented. Preferably deposits be extended to a period of 3 months instead of one month that currently applies.
- Illegal connections – including stricter action required and a mechanism to monitor illegal connections, with timely corrective action taken.
- Clearance Certificates and other inter-connected services – including the improvement of related administrative processes.

- Resourcing the Budget and Treasury Office (BTO) – including the better use of information technology.
- Increasing current collection rates – including the introduction of pro-active profiling of debtors and collection strategies. The Municipality must ensure that accurate statements of account reach the correct customer on time and that pay points are accessible so that customers can pay. Given the fact that the Municipality has outsourced the printing of consumer accounts, the municipality must ensure distribution thereof reaches the correct customers on a timely basis.
- Dedicated credit control task team – including Revenue Collection, Customer Care and Control Room.
- Internal Controls – including the detection and prevention of fraud by consumers.
- Replacement of faulty meters.
- Fully implement incentive scheme to encourage consumers to pay.
- Implement electricity restrictors on indigent households.
- An action plan to reduce the current electricity losses must be developed and implemented.
- Issue consumer accounts on a monthly basis to all consumers.
- Follow up and report monthly to management on consumer enquiries.

the use of consultants.

#### 7.11 **Employee Related Costs**

The budgeted allocation for employee related costs for all the last audited three years is within the norm of 40%.

KZN286 Nkandla - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		5 018	5 290	7 488	4 941	4 941	4 941	5 859	6 222	6 590
Pension and UIF Contributions		673	762	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	1 788	1 788	1 788	1 953	2 074	2 197
Cellphone Allowance		302	323	-	626	626	626	609	646	684
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		139	1 414	36	269	269	269	105	111	118
<b>Sub Total - Councillors</b>		<b>6 132</b>	<b>7 789</b>	<b>7 524</b>	<b>7 623</b>	<b>7 623</b>	<b>7 623</b>	<b>8 526</b>	<b>9 054</b>	<b>9 589</b>
<b>% increase</b>	4		27.0%	(3.4%)	1.3%	-	-	11.8%	6.2%	5.9%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		733	4 877	2 765	2 692	2 692	2 692	4 004	4 253	4 504
Pension and UIF Contributions		-	-	-	1	1	1	3	3	3
Medical Aid Contributions		-	-	-	(1 703)	(1 703)	(1 703)	-	-	-
Overtime		-	-	-	(17)	(17)	(17)	-	-	-
Performance Bonus		-	-	62	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	736	933	933	933	933	991	1 050
Cellphone Allowance	3	-	-	-	(284)	(284)	(284)	56	60	63
Housing Allowances	3	-	-	175	172	172	172	261	277	294
Other benefits and allowances	3	-	-	-	4	4	4	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>733</b>	<b>4 877</b>	<b>3 738</b>	<b>1 799</b>	<b>1 799</b>	<b>1 799</b>	<b>5 258</b>	<b>5 584</b>	<b>5 914</b>
<b>% increase</b>	4		565.2%	(23.4%)	(51.9%)	-	-	192.3%	6.2%	5.9%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		11 961	8 098	18 016	20 971	22 024	22 024	28 832	30 652	32 491
Pension and UIF Contributions		1 866	4 416	2 726	3 787	3 787	3 787	4 141	4 398	4 657
Medical Aid Contributions		651	90	945	1 849	1 849	1 849	1 762	1 871	1 981
Overtime		256	824	275	747	747	747	812	862	913
Performance Bonus		509	2 031	1 244	1 748	1 748	1 748	-	-	-
Motor Vehicle Allowance	3	-	-	3 004	3 396	3 396	3 396	2 593	2 754	2 916
Cellphone Allowance	3	101	386	-	332	332	332	300	319	337
Housing Allowances	3	320	772	35	47	47	47	312	331	350
Other benefits and allowances	3	2 554	620	998	641	641	641	594	599	603
Payments in lieu of leave		-	1 939	-	-	-	-	-	-	-
Long service awards		-	-	-	70	70	70	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>18 219</b>	<b>19 177</b>	<b>27 244</b>	<b>33 589</b>	<b>34 642</b>	<b>34 642</b>	<b>39 345</b>	<b>41 785</b>	<b>44 250</b>
<b>% increase</b>	4		5.3%	42.1%	23.3%	3.1%	-	13.6%	6.2%	5.9%
<b>TOTAL Parent Municipality</b>		<b>25 084</b>	<b>31 843</b>	<b>38 505</b>	<b>43 011</b>	<b>44 064</b>	<b>44 064</b>	<b>53 128</b>	<b>56 423</b>	<b>59 752</b>
			26.9%	20.9%	11.7%	2.4%	-	20.6%	6.2%	5.9%
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>25 084</b>	<b>31 843</b>	<b>38 505</b>	<b>43 011</b>	<b>44 064</b>	<b>44 064</b>	<b>53 128</b>	<b>56 423</b>	<b>59 752</b>
<b>% increase</b>	4		26.9%	20.9%	11.7%	2.4%	-	20.6%	6.2%	5.9%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>18 952</b>	<b>24 053</b>	<b>30 981</b>	<b>35 388</b>	<b>36 441</b>	<b>36 441</b>	<b>44 603</b>	<b>47 369</b>	<b>50 164</b>

**References**

1. Include 'Loans and advances' where applicable if any reportable amounts until phased compliance with s164 of MFMA achieved
2. s57 of the Systems Act
3. In kind benefits (e.g. provision of living quarters) must be shown as the cost (full market value) to the municipality, as part of the relevant allowance
4. B/A, C/B, D/C, E/C, F/C, G/D, H/D, I/D
5. Must agree to the sub-total appearing on Table A1 (Employee costs)
6. Includes pension payments and employer contributions to medical aid
7. Correct as at 30 June

**Column Definitions:**

A, B and C. Audited actual as per the audited financial statements. If audited amounts are unavailable, unaudited amounts must be provided with a note stating these are unaudited

D. The original budget approved by council for the budget year.

E. The budget for the budget year as adjusted by council resolution in terms of section 28 of the MFMA.

F. An estimate of final actual amounts (pre audit) for the current year at the point in time of preparing the budget for the budget year. This may differ from E.

G. The amount to be appropriated for the budget year.

H and I. The indicative projection

## 7.12 Auditor-General Opinion 2014/2015

The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of Section 122 of the Municipal Finance Management Act. Material misstatements of non-current assets, current assets, liabilities, and revenue, expenditure and disclosure items identified by the auditors in the submitted financial statement

were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

2014-2015 AG report will be included after the adoption of the draft Budget 2016-2017.

<b>Summary of Audit Opinions over the Last Three Years</b>			
	2012/13	2013/14	2014/15
	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion

### **7.13 SWOT ANALYSIS**

<b>STRENGTHS</b>	<b>WEAKNESS</b>
<ul style="list-style-type: none"> <li>▪ Full Support by Treasury for capacity building</li> <li>▪ Recent appointment of the chief financial officer</li> <li>▪ Majority of staff within the unit falls under youth category</li> <li>▪ Finance Regulated policies are in place</li> <li>▪ Steady progress is made on the last three audit opinions</li> <li>▪ Payments to service and third parties on time</li> <li>▪ Adopted valuation roll leads to improved billing</li> </ul>	<ul style="list-style-type: none"> <li>▪ Grant dependency</li> <li>▪ Poor revenue collection</li> <li>▪ Major portion of land belongs to traditional authorities</li> <li>▪ High Distribution Losses</li> <li>▪ Land ownership not registered appropriately affects revenue collection (Billing)</li> <li>▪ High rate of indigent households negatively affects the revenue collection</li> </ul>

<ul style="list-style-type: none"> <li>▪ The Municipality functions within its budget</li> <li>▪ Municipal finances are managed in corruption free environment</li> <li>▪ Unqualified reports for three consecutive years.</li> <li>▪ Adherence to MFMA</li> <li>▪ Developed Sound financial policies</li> </ul>	
<b>OPPORTUNITIES</b>	<b>THREATS</b>
<ul style="list-style-type: none"> <li>▪ Vacant land available for revenue generation</li> <li>▪ Minimal utilization of consultants with conditions in Service Level Agreement of skills transfer and strict monitoring.</li> <li>▪ Potential sources of revenue that have not been explored</li> <li>▪ Potential Revenue on Electrical services</li> <li>▪ Establishment of Traffic Unit for Safety and Revenue Enhancement</li> <li>▪ Full Implementation of Property Rates Act.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lack of transfer of skills by consultants</li> <li>▪ Municipal land ownership is minimal (2% of 1828km)</li> <li>▪ Dependency on financial system</li> <li>▪ Reduction in population figures may results to a decrease in the budget allocation</li> <li>▪ Risk Assessment</li> <li>▪ Non-Compliance with MFMA Legislation</li> <li>▪ Fraud and Corruption</li> <li>▪ Increase of indigent population</li> </ul>

**6.14 M – SCOA**

## **VIII. GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

### **8.3 Introduction**

In terms of good governance the municipality is complying with regulated ways for good governance including efficient and effective oversight. The municipality has engaged in a number of trainings and workshops to make sure that the KPA of good governance is of a high importance. The training of different portfolios including MPAC is evident to the commitment of good governance and oversight. The strategic planning sessions for the municipality shows the commitment of the institution with regard to good governance. The oversight and support role given by the KZN Department of Corporative Governance Traditional Affairs (KZN COGTA), Provincial Treasury, Auditor-General's office is worth to be articulated in producing this IDP. All internal and external oversight committees are functional. In addition to that the council has adopted a communication strategy to guide the council on communication matters. The analysis is as follows:

### **8.4 National and Provincial Programmes**

#### **8.4.1 Operation Sukuma Sakhe and Other Role Players**

Nkandla Municipality works hand in hand with Office of the Premier and other government departments in the implementation of Operation Sukuma Sakhe (OSS) where all stakeholders sit in the Nkandla LTT Monthly meetings aiming to fast-track service delivery to the community and addressing all social ills i.e. HIV/AIDS, TB etc.

Sometimes LTT sit as a joint meeting with IDP committee, Local AIDS Committee where all government departments and NGOs are actively involved. Actual LTT meetings and coordination of Sukuma Sakhe are trying to implement the IDP. Consultative meetings have been held and communication channels are open from municipality and ward committees.

The War rooms sit in all municipal wards and are actively involved in the implementation of IDP, as all stakeholders at ward levels are involved i.e. civil society, Government department and the entire community sit together discussing community needs and provide services.

In 2015 March Nkandla municipality was doing OSS operation MBOs in all wards to fast-track services delivery in preparation for Cabinet OSS Day.

## **8.5 Intergovernmental Relations**

Intergovernmental Relations Act No. 13 of 2005 stipulates the importance of communication between the Municipalities and other spheres of Government (Provincial and National). This enhances the service delivery to the Public because there is one common goal to ensure provision of services to the Public. Communication amongst the different spheres of Government in South Africa must be understood against the backdrop of our Intergovernmental system. South Africa has three spheres of Government- National, Provincial and Local-which are distinctive, interdependent and interrelated.

Progressive intergovernmental system had to be balanced with other prescripts that had to ensure consistency of policies and governing styles- and that the South African state was pulling in the same direction. The notion of cooperative government was born within this context. Organs of state shall comply with good governance norms. As a result the Constitution grants National and Provincial government oversight over local government. Provincial Government in particular is charged with capacitating, monitoring and in cases of serious maladministration, intervening in local government.

### **8.5.1 Communication with the District Municipality**

Through the recognized structures Nkandla Municipality shall from time to time liaise with the King Cetshwayo District Municipality. King Cetshwayo District Municipality is Nkandla Municipality's district Municipality certain issues on development must be communicated to the Nkandla Municipality IDP 2017/2018



District. King Cetshwayo District shall give support to the Nkandla Municipality. Nkandla Municipality shall form Local Communicator's Forum (LCF) that will communicate with the District Communicator's Forum (DCF).

The DCF shall communicate with Provincial Communicator's Forum that report and communicate information to the Government Communication and Information Systems (GCIS). The GCIS should coordinate the DCF with assistance from Department, South African Local Government Association and Government Communication and Information Systems. The DCF should be attended by the Head of Communication within Local Municipalities. The DCF should be used for information sharing and ironing out communication problems at a district level.

### **8.5.2 Communication with National and Provincial Government**

Nkandla Municipality is obliged to communicate with National and Provincial Government about the core development policies and plans. The most important of these are the:

- Integrated Development Plan (IDP)
- The Budget
- Annual Financial Statements
- Performance Management System

The Nkandla Municipality is supposed to establish a process of regular reporting to appropriate organs of state. The Nkandla Municipality shall prepare an annual report for each financial year, which consists of:

- A performance report
- Financial statements in line with the Public Finance Management Act No1 of 1998
- An annual Audit on the financial statements and the Auditor-General's report.

### **8.5.3 Public Participation**

Nkandla municipality has developed a unit dealing with public participation matters; this department is supported and monitored by COGTA. A need was identified and a unit was established. This unit is meant to address all function related to Public Participation and Stakeholders management. Amongst other functions of this unit is to come up with a comprehensive methods of fully utilizing the functions of ward committees. Municipal Public Participation policy has been developed together with an operational plan. A Public Participation Plan was developed to visits various was to monitor the state of development and services required in Nkandla Municipalities wards. A schedule of service delivery backlogs was collated after the completion of a consultative process. This schedule is composed of all services needed by citizens of Nkandla in almost all service providers and sector departments.

#### **8.5.4 Community Based Planning**

Nkandla Municipality has undertaken the Community Based Planning Approach with regards to collecting the needs of the Community. IDP consultation meetings were held in all 14 wards of Nkandla where the Ward based plans were developed. These ward based plans have been taken in to consideration when developing the IDP. The Municipality has used these plans to prioritise for the community programmes.

#### **8.5.5 Summary of Communication Strategy**

The objective of the communication strategy is to strengthen the communication channels between the municipality, the community and other stakeholders. The major focus area for the communication strategy is as follows.

- Outlining and enhancing communication channels.
- Transparency in the internal and external communication.
- On-going maintenance of Municipal website and accessibility.
- Promoting a more interactive local government.
- Cascading of information to the Public.
- Identifying relevant Medium of Communication to reach the target audience.

- Participation in IGR structures in order to promote Municipal overall development.

### **8.5.6 Communication Task Team**

The Communication Task Team will be established to communicate issues which involve strategic activities of the municipality and planning in order to maximize Public Participation. The Communication Task Team shall be a Communication tool that links the Public and the Municipality as a whole. The duties of the Communication Task Team will be unfolded on regular meetings that will be held for easy understanding. The Communication Task Team shall be constituted by four Administration Staff and members of the community. The primary focus of the strategy is to ensure efficiency and effectiveness of the Municipal communication tools.

## **8.6 Municipal Structures**

### **8.6.1 Council Portfolios**

The portfolio committees are established in terms of section 33 of the Municipal Structures Act and are aligned with areas of functionality of each municipality as stated by the Act. The elementary reason for Portfolio committees to be established is to support the council to achieve its development strategy. The committees are formed in line with the municipal internal departments. Portfolio Committees are arranged to enable the council to be equipped to fulfil the requirements determined by the needs and priorities of the Municipality as a whole and to provide political oversight of the municipality's departmental administration. The following portfolios exist:

- Finance Portfolio Committee
- Technical Portfolio Committee
- Community Services Portfolio Committee
- Corporate Services Portfolio Committee

## **8.6.2 List of Existing and Functional Committees**

1. Performance Audit Committee
2. Municipal Public Accounts Committee
3. Executive Committee
4. Portfolio Committees
5. Management Committee
6. Bid Committees
  - Specification Committee
  - Evaluation Committee
  - Adjudication Committee

## **8.6.3 Ward Committees**

Ward Committees are functional in all wards and COGTA is giving full support on the establishment and operations of Ward Committee. Monthly meetings are held and reports are forwarded to the responsible official. Monthly stipend is paid on monthly basis and attachments are made thereof as proof of evidence. Ward Committee Functional Plan has been adopted and it is implemented by the municipality. Most of municipal regulated reports are presented to them and participation is satisfactory.

## **8.6.4 IDP Steering Committee**

The committee is composed by management committee as a whole. It is a joint committee of IDP and Budget, this committee seats as per timeframes schedules presented on the process plan. Further to this committee there are other supporting committees namely; IDP Forum formed by sector department and District IDP /Planners Forum. All these committees they seat to make sure that adequate review is made on the IDP and other matters that are relevant to these committee for discussions and recommendations.

#### **8.6.5 Performance Audit Committee**

This is a joint committee which combines functions of Auditing and Performance Management. The committee is functional and it seats on scheduled dates to monitor the operations of the municipality. Compliance matters and regulated reports are handling by this committee.

#### **8.7 Status of Municipal Policies**

<b>Policy</b>	<b>Status</b>
Leave Policy	✓
Recruitment Selection and Retention Policy	✓
Vehicle Usage Policy	✓
IT Internet and Security Policy	✓
IT Governance and Framework	✓
Municipal Property Rates Policy	✓
Credit Control Policy	✓
Supply Chain Management Policy	✓
Subsistence and Travelling Policy	✓

- ✓ *Means the policy is reviewed and updated*
- ❖ *Means the policy is not reviewed and update is due*

#### **8.8 Municipal Risk Management**

Risk management, a Corporate Governance imperative, is one of Management's core responsibilities in terms of section 62 of the Municipal Finance Management Act (MFMA) and is an integral part of the internal processes of the municipality. It is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the service delivery capacity of the municipality. It also focuses on reducing materialized risks to acceptable levels. When properly executed risk management provides reasonable assurance that the institution will be successful in achieving its goals and objectives.

In order to enhance risk management processes to ensure a truly integrated and enterprise-wide approach, the City has approved and is in the process of reviewing an Enterprise Risk Management Policy and Strategy, which when applied, will ensure:

- more sustainable and reliable delivery of services
- informed decisions underpinned by appropriate rigour and analysis
- innovation
- reduced waste
- prevention of fraud and corruption
- better value for money through more efficient use of resources
- better outputs and outcomes through improved project and programme management
- pursuing institutional objectives through transparent identification and management of risk
- prioritizing risk management activities
- enhancing risk response decisions
- reducing operational losses and surprises
- seizing opportunities
- increasing the probability of achieving organizational objectives; and
- Identifying and planning for any other negative events which may confront the municipality.

## 8.9 Enterprise Risk Management involves:

- Objective setting
- Risk Identification
- Risk Assessment
- Risk Response
- Communication and reporting
- Monitoring and review

The municipality has in place the Risk Management Committee reporting to Council as oversight. The PMS Manager Co-ordinates risk management activities. Risk Champions in each department report to Management on risk management matters. Continuous training and awareness is an important part of the process affected to ensure that risk management is understood, embraced and integrated into the organizational culture- filtering from Top Management to all levels of staff. Risk Assessments are conducted, reviewed and updated annually and on a continuous basis- and are carried out on both a strategic and operational level to ensure a thorough approach. The Municipal Manager is the ultimate Chief Risk Officer and is responsible for championing risk management and ensuring that its activities are monitored in terms of performance management throughout the organization.

Overall, the role players in Risk Management are as follows



## **8.10 Municipal Bylaws**

It is a compliance requirement in terms of Section 6 of the MPRA and Section 14 Promulgation of resolutions levying rates that approved Property Rates bylaws and approved municipal tariffs must be gazetted for each financial year.

The Approved tariffs and The Property Rate Act has been submitted to Government Printing works to be gazetted. Different Municipal Bylaws have been translated to IsiZulu and due to financial constraints the Municipality cannot afford to submit the all bylaws to be gazetted. This process will be budgeted for the next financial year

## **8.11 IDP Process Plan**

The Integrated Development Plan is a process through which municipalities prepare strategies and mechanisms on development aspects for that particular municipal boundary for a certain term. In that period municipalities are expected to review these strategies on annual basis. The process plan aims to review these strategies and introduce new strategies that the council prioritized for the current term and beyond, within the process plan there should be plans that the municipality is outlining in answering the question of how the IDP is going to be reviewed in that particular year. Below is a summary of a plan on how the current IDP 2014/15 was developed. Key scheduled dates were developed and compliance thereto was made:

<b>DATE</b>	<b>IDP/BUDGET/ PMS</b>	<b>RESPONSIBLE UNIT</b>
<b>Quarter 1</b>		
July	Closing Of Financial Accounts	Budget and Treasurer
July	Submission Of IDP's To COGTA	Office Of The MM
July	Submission Of Sec 71 Report	Budget and Treasurer



July	Submission Of Process Plans	Office Of The MM
July	Distribution Of Approved SDBIP and IDP	Office Of The MM
Aug	Publication Of Service Delivery and Budget Implementation Plan	Office Of The MM
Aug	Submission Of Sec 71 Report	Budget and Treasurer
Aug	Publication Of Annual Performance Agreements	Office Of The MM
Aug	Placement Of Performance Agreements On Municipal Websites	Budget and Treasurer
Aug	Table In Council Budget and IDP Time Schedules	Budget and Treasurer and Office Of The MM
Aug	Advertisement Of Budget and IDP Time Schedules	Finance
Aug	Submission Of AFS and AR	Budget and Treasurer and Office Of The MM
Sept	Submission Of Sec 71 Report	Budget and Treasurer
Sept	Monthly Reports and Contracts Awarded	Budget and Treasurer
Sept	District Stakeholders Alignment	Office Of The MM
Sept	Implementation Of IDP / Budget Key Dates For Next Three Years	Budget and Treasurer and Office Of The MM
Sept	Ward Committee Consultation Starts	Office Of The MM
<b>Quarter 2</b>		
Oct	Section 71 Reports	Budget and Treasurer
Oct	Ward Committee Consultation In Progress	Office Of The MM
Oct	Submit Monthly Reports On Salaries To Council	Budget and Treasurer
Oct	Review Implementation Of Budget, Service Delivery and Service Delivery Plan	Budget and Treasurer
Oct	Submit Report To Council and Make Public Any Amendment To The SDBIP	Office Of The MM
Nov	Monthly Reports	Office Of The MM

Nov	Salaries and Wages Report To Council	Budget and Treasurer
Nov	Contracts Awarded Report To Council	Budget and Treasurer
Nov	1 <sup>st</sup> IDP Stakeholders Forum	Office Of The MM
Nov	Final Month For Ward Committees Consultation	Office Of The MM
Dec	Monthly Reports	Budget and Treasurer
Dec	COGTA's IDP Indaba	Office Of The MM
Dec	Salaries Expenditure To Council	Budget and Treasurer
Dec	Audit Report, Action Plan	Budget and Treasurer
<b>Quarter 3</b>		
Jan	Quarterly Reports	Office Of The MM
Jan	Report On Salaries To Council	Budget and Treasurer
Jan	Budget Review	MANCO
Jan	Table In Council Impact Of Adjustments In Budget To Council	Budget and Treasurer
Jan	Submit Adjusted Budget To Province	Budget and Treasurer
Jan	Finalize Annual Performance Report	Office Of The MM
Jan	Table In Council Annual Report	Office of the MM
Jan	Finalise Budget Policies and Tariffs Policies	Budget and Treasurer
Jan	Report To Council Auditors Report	Office Of The MM
Feb	Monthly Report	Budget and Treasurer
Feb	Received Proposed Budget From The Directors	Budget and Treasurer
Feb	COGTA's IDP Requirement Meeting	Office Of The MM
Feb	Incorporation Of National/ Provincial Funding To The Budget	Budget and Treasurer
Feb	2 <sup>nd</sup> IDP Stakeholders Meeting	Office Of The MM
Feb	Finalise The Audit Action Plan	Budget and Treasurer
Mar	Notification Of Transfers	Budget and Treasurer

Mar	Monthly Reports	Office of the MM
Mar	Tariffs Hike Indicators From Stakeholders	Budget and Treasurer
Mar	Final Inputs Of The Draft Budget From The HOD's	Budget and Treasurer
Mar	Tabling Of Drafts IDP and Budge in Council	Budget and Treasurer
Mar	Submission Of IDP To COGTS	Office Of The MM
<b>Quarter 4</b>		
Apr	Monthly Reports	Budget and Treasurer
Apr	Advert For Comments On Drafts IDP's and Budget	Budget and Treasurer
Apr	Consolidate Comments On The IDP	Office Of The MM
Apr	Development Of Events Proposals Youth, IDP, Budget.	Finance and Office Of The MM
May	Monthly Reports	Office Of The MM
May	Final Adoption Of The Budget and IDP	Office Of The MM
June	Monthly Reports	Finance
June	Submission Of The approved Budget and IDP To relevant Stakeholders	Office Of The MM and Finance

### 8.12 Concerns of the Auditor-General

There were no concerns relating to Good Governance and Public Participation raised by the Auditor-General in the financial year 2015/2016.

### 8.13 SWOT Analysis Good Governance

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>❖ <b>Municipal core policies are in place</b></li> <li>❖ <b>Effective Public Participation Programme</b></li> <li>❖ <b>Functional council committees</b></li> </ul>	<ul style="list-style-type: none"> <li>❖ Trainings on Proper Political oversight may lead to the function not being performed properly</li> </ul>

❖ <b>Political Stability leads to efficient adoption of regulated documents</b>	❖ Weakness in systems documentation
<b>Opportunities</b>	<b>Threats</b>
❖ <b>Facilitation of Adult Education with DOE</b>	❖ High illiterate rate leads to poor understanding of basic municipal functions
❖ <b>Democratic Representation in council for all parties.</b>	❖ Low Levels of education may lead to riots.

## IX. STAKEHOLDERS FUNDED PROJECTS

### 9.3 Introduction

This section looks at all projects that are funded by various Sector Departments.

### 9.4 Human Settlement Projects

Nkandla housing Sector Plan was has been reviewed and the draft of the Plan served on the Council Meeting dated 27 March 2015 and it is now due for the Final adoption.

#### IDENTIFIED/ PROPOSED PROJECTS:

The following Projects have been identified for planning and implementation:

Project Name	Traditional Authority	Proposed Number of units
<b>PRIOTITY 1: 2015 – 2020</b>		
Sibisi Rural Housing Project	Sibisi Traditional Authority	1200
Izindlozi Rural Housing Project	Izindlozi Traditional Authority	1000
Khabela Rural Housing Project	Khabela Traditional Authority	1500
Zuma Rural Housing Project	Zuma Traditional Authority	1000

Godide Phase 2 Rural Housing Project	Godide Phase 2 Traditional Authority	1000
<b>PRIORITY 2: 2017 – 2022</b>		
Machunwini Phase 2 Rural Housing Project	Machunwini Traditional Authority	500
Magwaza Rural Housing Project	Magwaza Traditional Authority	1000
Mangidini Rural Housing Project	Mangidini Traditional Authority	1000
Mpungose North Rural Housing Project	Mpungose Traditional Authority	1200
Ntuli Phase 2 Rural Housing Project (Ngono)	Ntuli Traditional Authority	
<b>PRIORITY 3: 2019 -2024</b>		
Chube Phase 2 Rural Housing Project	Chube Traditional Authority	1200
Ekukhanyeni Phase 2 Rural Housing Project	Ekukhanyeni Traditional Authority	1000
Godide Phase 3 Rural Housing Project	Godide Traditional Authority	1000

### 9.5 DEPARTMENT OF TRANSPORT PROJECTS 2017/2018 PROJECTS

The following projects are prioritised by the Department of Transport.

PROJECT		ROAD		BUDGET
REGRAVELLING OF ROADS	MANGIDINI / SIBHUDENI	D2226	INKOSI BIYELA	
	NDIKWE / KHOMBE	D2224	DLOMO / KHANYILE	
	EZIDLOZINI / MAIN ROAD	P50/2	KHANYILE	
	NTINGWE TEA FACTORY	D1572	ZULU	
	MACALA AREA / MAIN ROAD P16	D2227	NTULI	
	SIMANJALO SCHOOLS	L571	SHEZI	
	ACCESS TO MANQONDO PRIMARY	D2244	NXAMALALA	

	VUMANHLAMVU / KWACHUBE	D1666	SHEZI	
	ZIDLONZI COMMUNITY P50-2	L689	KHANYILE	
	MATSHEZIMPISI COMMUNITY / P226	D1636	BIYELA	
	QHUDENI / KHOMBE	P16-3	MCHUNU	
	NTINGWE TEA	D2228	ZULU	
	NHLABABO P50-2	D2226	BIYELA	
	MACHUBENI / FORTLIIOUS P50-3	P708	MCHUNU	
	QHUDENI, P16-3	L1240	TRUST FARM	

## 9.6 AGRICULTURE and RURAL DEVELOPMENT APPROVED PROJECTS 2017/2018

District	LM	Ward Number	Project Name	Project size	Project Type	Budget
King Cetshwayo	Nkandla	3	Zondi cluster	200ha	Bean production	R2 797 752.80
King Cetshwayo	Nkandla	5	Mpungose cluster	200ha	Bean production	R3 565 752.80
King Cetshwayo	Nkandla	4	Ngwegweni project	50ha	Bean production	R1 648 917.70
King Cetshwayo	Nkandla	10	Nkandla cluster	107ha	Bean Production	R2 991 076.44
King Cetshwayo	Nkandla	2	Dlomo cluster	107ha	Bean production	R1 719 076.44

#### 9.7 DEPARTMENT OF ARTS and CULTURE 2015/2016 PROJECTS

STRATEGIC	INTERVENTIONS	ACTIVITIES	BENEFICIARIES	BUDGET	LM and
Promote SMME and Entrepreneurial development.	No. of Cooperative and SMMEs registered in KZN that have been in operation for more than 2 years. No of co-operative established and supported	Mobilization and establishment of cooperatives, support to cooperatives- funding , training, registration, link to markets and relevant structures	The District will identify previous beneficiaries from its Grant in Aid Recipient's	-	1 Cooperative in Nkandla LM

**STRATEGIC GOALS: (Human Resource Development)**

STRATEGIC	INTERVENTIONS	ACTIVITIES	BENEFICIARIES	BUDGET	LM and
Support skills alignment to economic growth	provide accredited and non accredited training for artist Accreditation of Art centres	Visual Arts and Craft Skills Development, (PP) (WRIP)	Visual Artists and Crafters	R 80 000	All LM's in King Cetshwayo District
Support skills alignment to economic growth	Conduct Performing Arts Workshop and link upcoming artists with production houses, casting agencies etc. as part of mentorship initiative (WRIP	Identification of performing artist and groups in wards  Identification of artists who need training in instruments,  Training of identified artists. .Training and awarding trainees with accredited certificates	Four wards per LM have been identified as beneficiaries. Beneficiaries will be Artists in all LMs of King Cetshwayo District	R80 000	King Cetshwayo District  4 Wards per LM
No of Structures Established/ supported	Provide support to arts and culture forums	Support to Structures (Arts and Culture Forums, Cultural Practitioners)	Artists and Cultural experts	R20 000	All LMs within King Cetshwayo District



**STRATEGIC GOALS: (Human and Community Development)**

<b>STRATEGIC OBJECTIVES</b>	<b>INTERVENTIONS</b>	<b>ACTIVITIES</b>	<b>BENEFICIARIES</b>	<b>BUDGET</b>	<b>LM and Ward</b>
Poverty alleviation and social welfare	No of promotional and/or advocacy projects rolled out to communities	Participate in OSS PTT, DTT, LTT, WTT Meetings and Interventions /Operation MBOs. Meetings War room, LTT, DTT,PTT, Operation MBO, House-hold profiling (PSW)	District and Local Municipalities, Cultural organizations	-	All LMs within King Cetshwayo District
No of promotional and/or advocacy projects rolled out to communities	Identify and train choirs which will represent King Cetshwayo District in the Provincial Choral Competition Choral Music Competition	Choral Music Development	3 Choirs from King Cetshwayo District	R40 000	2 Choirs from UMhlatuze LM Nkandla LM
No of promotional and/or advocacy projects rolled out to communities	Develop and implement programs that promote norms and behaviors that	Moral regeneration and Behavioral Change Campaign	Youth and Community at Large	R40 000	All LMs within King

	create an enabling environment for successful community level institution				Cetshway o District
No of promotional and/or advocacy projects rolled out to communities	Conduct Advocacy campaigns, training and promotions	Intercultural Dialogue	Community	R30 000	All LMs within King Cetshwayo District
<b>TOTAL</b>				<b>R600 000</b>	

#### 9.8 DEPARTMENT OF HEALTH

INSTITUTION NAME	LM	PROJECT DESCRIPTION	START DATE	ESTIMATED END DATE	PROJECT BUDGET ( R'000)	PROGRESS	PROJECT COMMENT
Ekhombe Hospital	Nkandla	New staff accommodation for 38 staff ( nursing staff and medical officers) and	8 Aug 2012	16 Oct 2013	17 729	99%	Project practically complete, contractor finishing minor snags.

		3x3 bedroom doctors' house					
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**9.9 DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM and ENVIRONMENTAL AFFAIRS 2015/2016 PROJECTS**

INVASIVE ALIEN SPECIES PROGRAMME		
Ward	Budget Allocation	No of Job
<b>1, 2, 3, 12 and 14</b>	R 5108 238	138
<b>1 and 13</b>	R 584 553	26

**9.10 DEPARTMENT OF EDUCATION 2015/2016 PROJECTS**

PROJECTS	NUMBER
<b>ECD CENTRES</b>	09
<b>UPGRADES</b>	07
<b>SANITATION</b>	03
<b>CURRICULUM REDRESS</b>	02
<b>RENOVATION AND REPAIRS</b>	01

**9.11 COMBINED SWOT ANALYSIS**

This diagnosis aims to achieve SWOT analysis of all KPA's for Nkandla Municipality. An assessment of the entity was done thoroughly, below is a reflection of the state of affairs for the

municipality. A preferred analysis of examining the state of development in a municipality is to conduct SWOT in all Key Performance Areas:

### **Strengths**

- Development of the disaster management plan
- Workplace training
- Presents of related policies
- All critical posts filled
- Youthful population
- Availability of historic sites and conservation areas
- Good relationship with the Amakhosi in the municipal area
- Large tracts of arable land
- Scenic Landscapes
- Two natural Forests
- Full Support by Treasury for capacity building
- Recent appointment of the chief financial officer
- Majority of staff within the unit falls under youth category
- Finance Regulated policies are in place
- Steady progress is made on the last three audit opinions
- Payments to service and third parties on time
- Adopted valuation roll leads to improved billing
- Municipal core policies are in place
- Effective Public Participation Programme
- Functional council committees
- Political Stability leads to efficient adoption of regulated documents

### **Weaknesses**

- Do not have a specialized environment personnel

- Do not have ICT policy framework
- Lack of enforcement of municipal by Laws
- Lack of skills transfer by consultants and capacitated employees
- High indigent population
- High Unemployment rate
- High infection rate on communicable diseases
- High Illiterate rate
- Unavailability of local constructors with high capacity
- Reduction in Population
- Matshenezimpisi Nature Reserve is poorly maintained
- Grant dependency
- Poor revenue collection
- Major portion of land belongs to traditional authorities
- High Distribution Losses
- Land ownership not registered appropriately affects revenue collection (Billing)
- High rate of indigent households negatively affects the revenue collection
- Trainings on Proper Political oversight may lead to the function not being performed properly
- Weakness in systems documentation

### **Opportunities**

- Provincial Support on relevant grants
- Employment of youth results in a sustainable human resource
- Land within the municipal jurisdiction is highly arable
- Tourism is a major economic development opportunity
- Use Natural forests to generate tourism economic activities
- Vacant land available for revenue generation

- Minimal utilization of consultants with conditions in Service Level Agreement of skills transfer and strict monitoring.
- Potential sources of revenue that have not been explored
- Potential Revenue on Electrical services
- Establishment of Traffic Unit for Safety and Revenue Enhancement
- Facilitation of Adult Education with DOE
- Democratic Representation in council for all parties.

## **THREATS**

- The rural nature of the municipality may result in the loose of well capacitated and capable employees
- Should the grants be terminated the municipality may suffer on the grants supported systems
- Reduction in recent population figures
- Lack of circulation of economic resources locally
- Unreview LED Strategy
- Poor accessibility to the Municipal Area
- Unavailability of commercial activities to support growth and development
- Lack of transfer of skills by consultants
- Municipal land ownership is minimal (2% of 1828km)
- Dependency on financial system
- Reduction in population figures may results to a decrease in the budget allocation
- High illiterate rate leads to poor understanding of basic municipal functions
- Low Levels of education may lead to riots.

## **X. SECTION D: VISION, STRATEGIES, GOALS and OBJECTIVES**

### **9.1. Vision**

The vision of the municipality was developed in 2011 soon after council inauguration. The vision should determine the long term plans of the municipality and it should contains strategic direction of the institution. This can be summarized in few words or it should be stated in a detailed statement. In most organization a vision can never be reached, it shifts from time to time. Nkandla municipality in its strategic plan resolves that the following statement be regarded as its vision:

***To be a high performing rural municipality driven by continuous improvement of quality of lives for Nkandla citizens***

### **9.2. Mission**

Mission in simplest terms can be regarded as what an institution will do to achieve its vision, this statement should answer the how part in questions that may arise from its vision. The mission statement give answers to the questions in the vision but not everything can be answered in a mission statement. Detailed information on how to drive the undertaking towards its vision can be defined in the implementation plan. Nkandla Municipality reviewed its Mission statement inits strategic plan to:

***Nkandla Municipality renders effective service delivery encompassing nature and heritage to ensure poverty alleviation, sustainable economic growth and development through self-help and self- reliance.***

### **9.3 GOALS**

A goal is a desired result or possible outcome that an institution envisions, plans and commits to achieve: an organizational desired end point in some sort of assumed development. It is similar to a purpose or an aim, the anticipated result which guides reaction or an end.

#### Nkandla Municipality Goals

1. Good Governance
2. Institutional Development
3. Social and Economic Development
4. Sustainable Infrastructure and Development
5. Sound Financial Management
6. Environmental Development and Management

#### **9.3. Strategic Objectives**

The strategic objectives of Nkandla municipality are linked and developed to the KwaZulu Natal Key Performance Areas. This was used as a guideline, comparison to the situational analysis of the area was considered. Six strategic objectives are as follows:

1. To decrease municipal risk through risk management
2. To ensure efficient and effective internal and external communication
3. To promote a safe and healthy environment for Nkandla
4. To attain effective and efficient Municipal administration
5. To improve Organizational skills development and capacity building for staff and councillors
6. To strengthen and improve employment equity in the municipality
7. To improve service delivery and the image of the municipality



8. To create a conducive environment for socio -economic growth
9. To improve quality of life through social infrastructure development
10. To advance and maintain the financial viability of the municipality
11. To improve institutional efficiency through adequate systems and effective internal controls
12. To promote a safe and healthy environment for Nkandla community

**F. Good governance, community participation, and ward committee systems**

STRATEGIC OBJECTIVES	STRATEGIES	REF	KEY PERFORMANCE INDICATORS	UNIT OF MEASURE	RESPONSIBLE DEPARTMENT
Decrease municipal risk through risk management	To develop/revision of Risk management plan		Approved risk management plan	Date	OMM
To ensure efficient and effective internal and external communication	To hold quarterly IGR forums		Number of Sakume Sakhe Local Task teams established	Number	OMM
			Number of Sukumasakhe Local task team meetings held	Number	OMM
To create a conducive environment for socio economic growth	To establishment of functional ward committees		Number of ward committees established	Number	OMM
			Number of ward committee meetings held	Number	OMM
	To develop an effective and fully functional Municipal HIV/AIDS council		Number of Local AIDS Council meetings held	Number	OMM
			HIV/AIDS Campaign held	Date	OMM
			community awareness events held	Number	OMM
	To develop/review HIV/AIDS Strategy/plan		Approved HIV/AIDS Strategy/plan	Date	OMM
	To develop a functional disability forum		No of disability awareness events held	Date	OMM
			Date t of Nkandla Disability Forum Established	Date	OMM
			Approved Local Plan of disabled/ Strategy/plan	Date	OMM
To empower youth through Sports		Mayoral sports event held	Date	OMM	

			Number sports events held		Date	OMM
			Participate in SALGA games		Date	OMM
			Nkandla horse riding held		Date	OMM
	To implement youth empowerment program		Date Develop/Review youth development policy		Date	OMM
			Date of Nkandla youth summit held		Date	OMM
			Number of youth supported with tertiary registration program		Number	OMM
			No of youth provided with skills		Number	OMM
			Review Nkandla youth forum		Date	OMM
		To provide gender empowerment		Number of gender awareness events held		Date
			Approved Local Plan of gender empowerment/ Strategy/plan		Date	OMM
	To have a functional Senior citizen forum and programs		Approved Senior citizen Strategy/plan		Date	OMM
			Number of senior citizen awareness events held		Date	OMM
			Establish/review senior citizen forum		Date	OMM
Attain effective and efficient municipal administration	To Develop/review Audit Plan		Adopted Audit Plan		Date	OMM
	Hold quarterly Audit Committee meetings		Number of Audit Committee meetings held		Number	OMM
	To Develop/review PMS policy framework		PMS Framework/Policy reviewed and adopted		Date	OMM

		To Submit quarterly performance reports to Internal audit		Number of PMS reports submitted		Number	OMM
		To Hold quarterly Performance Audit Committee meetings		Number of PAC meetings		Number	OMM
		To Submission of annual report to AG		Annual report submitted		Date	OMM
		To Develop/review communication framework/strategy		Adopted communication framework/strategy		Date	OMM
		To implement effective risk management		Establish/review of risk committee		Date	OMM
				Quarterly update risk register		Date	OMM
		To prevent fraud and corruption activities within Municipality.		Develop/Review fraud prevention strategy		Date	OMM
				Establish fraud and corruption committee		Date	OMM
<b>G. Municipal Transformation and institutional development</b>							
To improve service delivery and the image of the municipality	To fill all identified critical vacant posts as per the revised organogram			No. of critical posts filled		Number	Corporate service
				No. of critical posts filled		Number	Corporate service
Organizational skills development and capacity building	To Development employees training program			Developed training program		Date	Corporate service
	To develop/review Skills development plan			Adopted skills development plan		Date	Corporate service
	Implementation of Skills Development Plan			% of budget spent on implementation of WSP		Percent	Corporate service
Strengthen and improve employment	To develop Employment equity plan adopted and implementation			% of women appointed in S54/56 posts		Percent	Corporate service

equity in the municipality					
Attain effective and efficient municipal administration	To decrease Municipal risk through risk management		Establish/review IT steering committee		Date Corporate service
	To develop/review IT polices		Developed/review I.T. Security Policy and back procedure		Date Corporate service
			Develop/review I.T. Governance Framework		Date Corporate service
			Develop and review change management control		Date Corporate service
	To Administer council portfolio committee meetings		Number of portfolio committee meetings		Number Corporate service
	To Administer Executive committee meetings		Number of Executive committee meetings held		Number Corporate service
	To Administer council meetings		Number of council meetings held		Number Corporate service
	To Administer councillor oversight committee meetings		Number of Municipal Public Accounts committee meetings		Number Corporate service
<b>H. Local economic development and social development</b>					
To improve the quality of life through	To effectively manage contract Management		Number of resolutions/projects		Number Community service

social infrastructure development	To Update indigent register		Approved Indigent Register		Date	Community service
To create a conducive environment for socio-economic growth	To Establish/review a LED Forum		Established LED Forum		Date	Community service
	To Establish /review a Tourism Forum		Established Tourism Forum		Date	Community service
	To ensure the functionality of LED Forum		Number of meetings		Number	Community service
	To ensure the functionality of Tourism Forum		Number of meetings		Number	Community service
	To Develop/review LED Strategy		Adopted LED strategy		Date	Community service
	To Implement LED Strategy		Number of SMME's supported		Number	Community service
	To Job creation through LED projects		Number of projects established		Number	Community service
	To Create Number of jobs		Number of Jobs created		Number	Community service
	To Develop/review LED Strategy		Adopted LED strategy		date	Community service
	To Implement Tourism Strategy			Number of projects implemented		Number
			Established agency		Date	Community service

**I. Infrastructure development and basic service delivery**

To improve quality of life through social infrastructure development	To Provide free basic services to all indigent households		Number of existing households with access to free basic services in terms of the indigent register	NUMBER	Technical service
	To implement Effective expenditure of infrastructure grants (100%)		% of Infrastructure Grants spend	PERCENT	Technical service
	To implement Effective expenditure of infrastructure grants (100%)		% of Infrastructure Grants spend	PERCENT	Technical service
	To Develop Municipality Basic infrastructure development programme		Reviewed and adopted Municipal infrastructure master plan	DATE	Technical service
			Reviewed and adopted Municipal infrastructure master plan	DATE	Technical service
	To facilitate roads infrastructure Through monitoring of implementation of the RRUP		Operations and maintenance Plan	DATE	Technical service
			Number of Km completed	NUMBER	Technical service
	To conduct waste Awareness campaigns		Number of communities waste awareness campaigns covered	NUMBER	Technical service
	To development and implementation of an infrastructure refurbishment plan		Completed/approved infrastructure refurbishment plan	DATE	Technical service
			Develop Developed business plan	DATE	Technical service
To source funding to implement the infrastructure refurbishment		Amount of funding sourced	AMOUNT	Technical service	

**J. Financial Viability and management**

1.Advance and maintain the financial viability of the municipality	To enhancing revenue collection		Percentage of annual collectors rate/debt coverage (reg 10(g)(i))	PERCENT	Budget and treasury
	Improve debt management				
	To Maintain acceptable norm of municipal liquidity management		Ratio of cash/cost coverage of monthly fixed operating commitments (reg 10(g)(iii))	RATIO	Budget and treasury
To improve institutional efficiency through adequate systems and effective internal controls	To Raise the amount of invoices billed to customers		Amount value of invoices billed	AMOUNT	Budget and treasury
	To decrease wasteful expenditure		Amount of irregular, fruitless and wasteful expenditure	AMOUNT	Budget and treasury
	To Minimise service delivery distribution losses		Percentage loss of potential revenue of services delivered	PERCENT	Budget and treasury
	To Develop/update SCM Policy		Approved SCM Policy	DATE	Budget and treasury
	To Develop/update Investment Policy		Approved Investment Policy	DATE	Budget and treasury
	To Develop/update Budget Policy		Approved budget policy	DATE	Budget and treasury
	To Develop/update Indigent Policy		Approved Indigent Policy	DATE	Budget and treasury
To Risk conduct risk assessment		To conduct risk assessment on quarterly	DATE	Budget and treasury	



Improve the financial performance of the municipality	Increase/maximise the budget amount spent in the municipality		Percentage of total municipal budget spent		PERCENT	Budget and treasury
Optimize budget implementation in the municipality	Increase/maximise the capital budget amount spent in the municipality (asset management		Percentage of total municipal budget spent		PERCENT	Budget and treasury
<b>F. Cross cutting measures</b>						
To promote a safe and healthy environment for Nkandla community	To establish a functional Disaster Management Centre		Reviewed management plan		DATE	Community service
			Established disaster management Centre		DATE	Community service
	To swiftly respond to incidents of disaster		Percentage/number disaster equipment procured		PERCENT	Community service
			Number of staff recruited		NUMBER	Community service
	To ensure the functionality of the Disaster Management Advisory Forum		Number of meetings convened within 24hrs after the disaster		NUMBER	Community service
	To capture all infrastructure on GIS		Percentage infrastructure captured		PERCENT	Technical service
			Percentage infrastructure captured		PERCENT	Technical service
			Number of identified Environmental Management		NUMBER	Technical service

	To Implement the Environment Management Framework		Plans/programmes implemented		DATE	Technical service
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## XI. SECTION E: STRATEGIC MAPPING and IMPLEMENTATION PLAN

### 11.3 Strategic Development Mapping

#### 11.3.1 Economic Development Nodes

The maps presented below are the strategic development maps that the municipality plans to develop in the near future. These maps include the nodal points that need to be unlocked for the development to take place in Nkandla as whole. The municipality is looking for relevant stakeholders that may come in, to assist in fast tracking the development priorities as presented to the following Nkandla Town is the only urban node within the municipality serves a vital function to communities within the entire municipal area and the structured planning and compaction of the town on limited land resources is important for continued growth and functioning. The developments plans differ from nodes to nodes. Other maps will be contained within the Spatial Development Framework on annexure section. Plans are in place to rehabilitate the town including interventions by the provincial department and the district to beautify the town and demolish/remove illegal structures in partnership with the King Cetshwayo District Municipality.

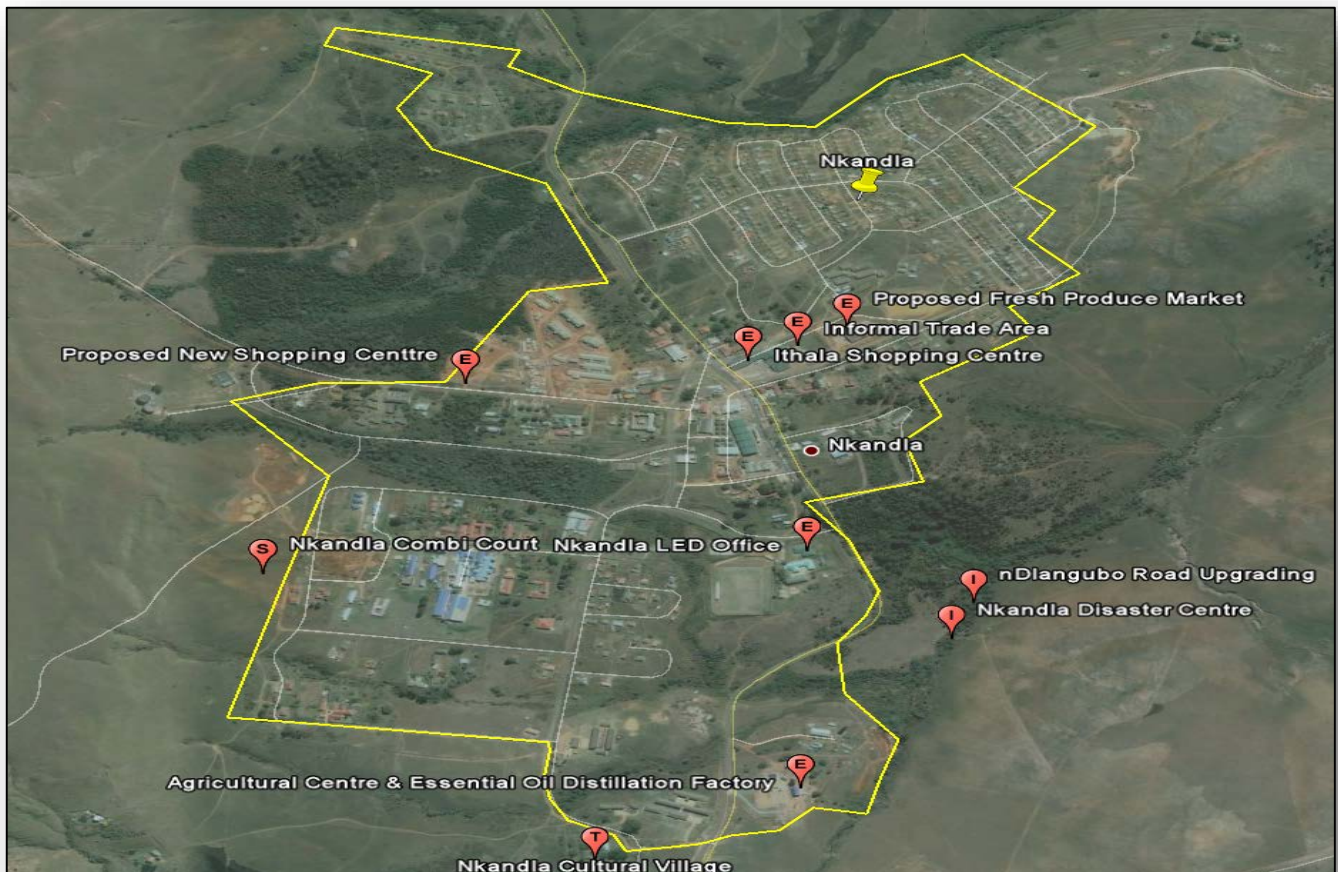
In terms of the functions assigned to a Main Economic Development / Services Node, Nkandla will have to:

- Serve as municipal administrative centre;
- Provide services and opportunities to higher density settled areas such as Machubeni, Ndweni, Mqubeni, Madiyani, Mjahweni, Emaromeni and Ngwegweni;
- Contain residential accommodation, financial services, health services, communication facilities and SMME facilities;
- Serve as a transportation node, specifically geared towards passenger services; and
- Serve as the locality for the establishment of infrastructure such as sports facilities, cemeteries, landfill sites, and so forth.

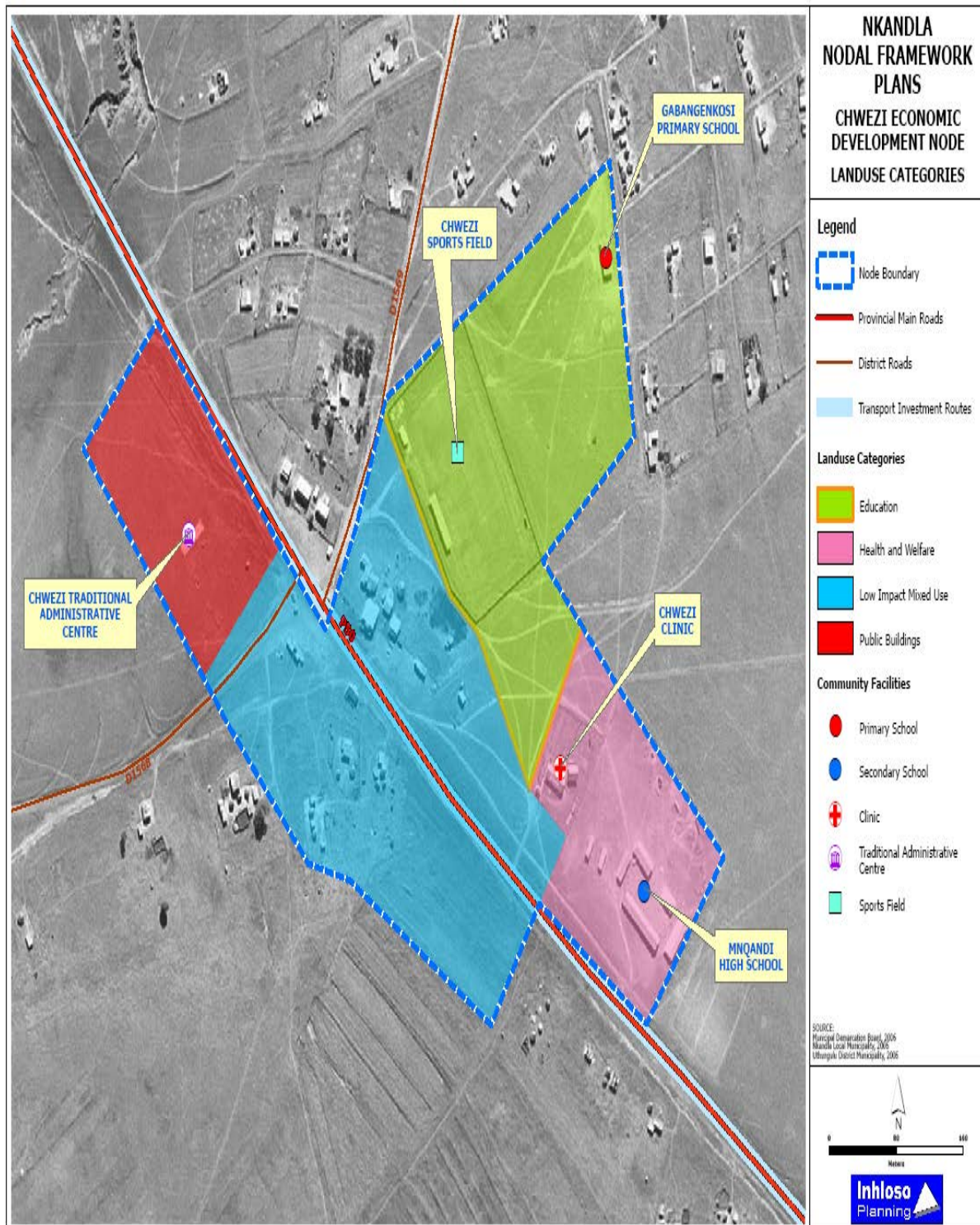
## Primary Node Development Plan



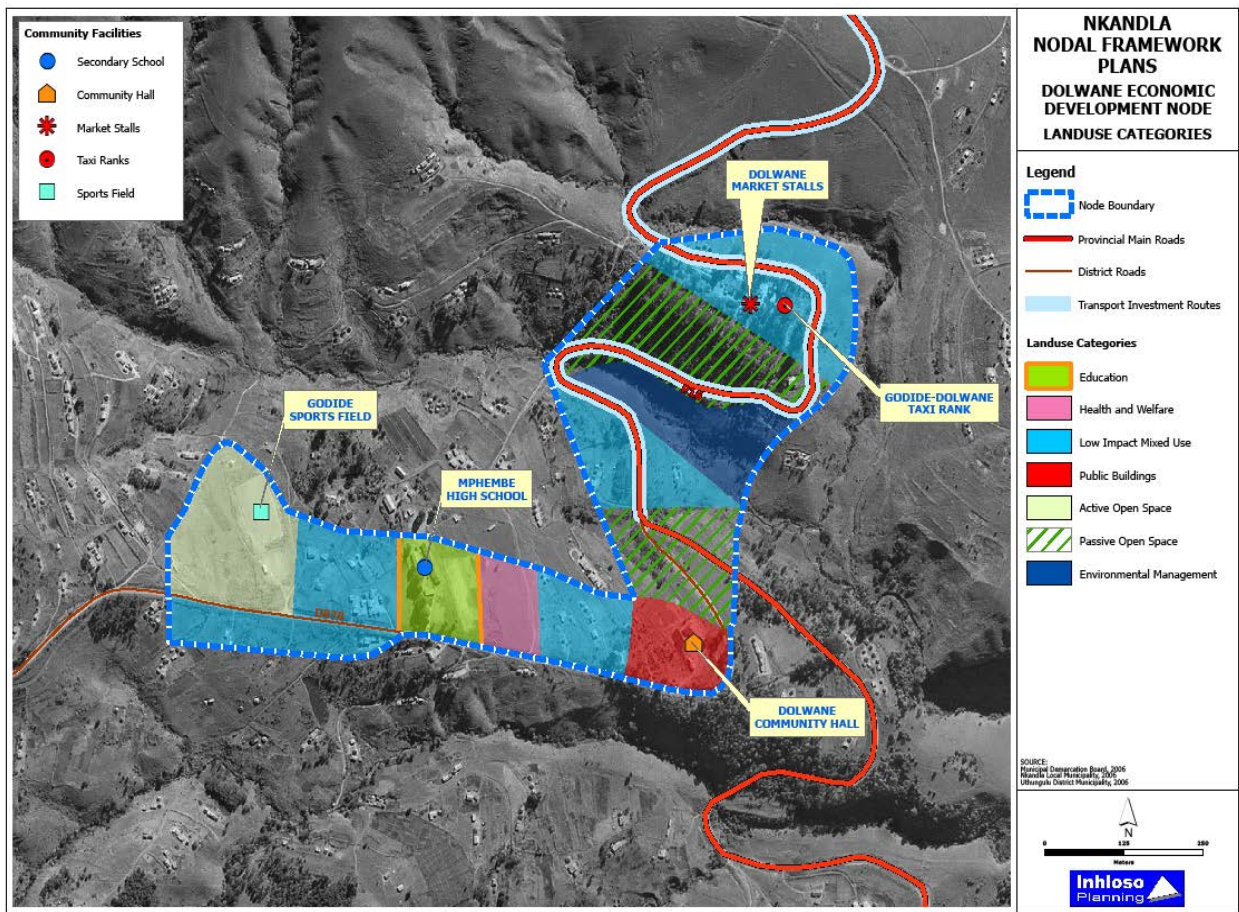
## Nkandla Urban Edge



## Chwezi Node

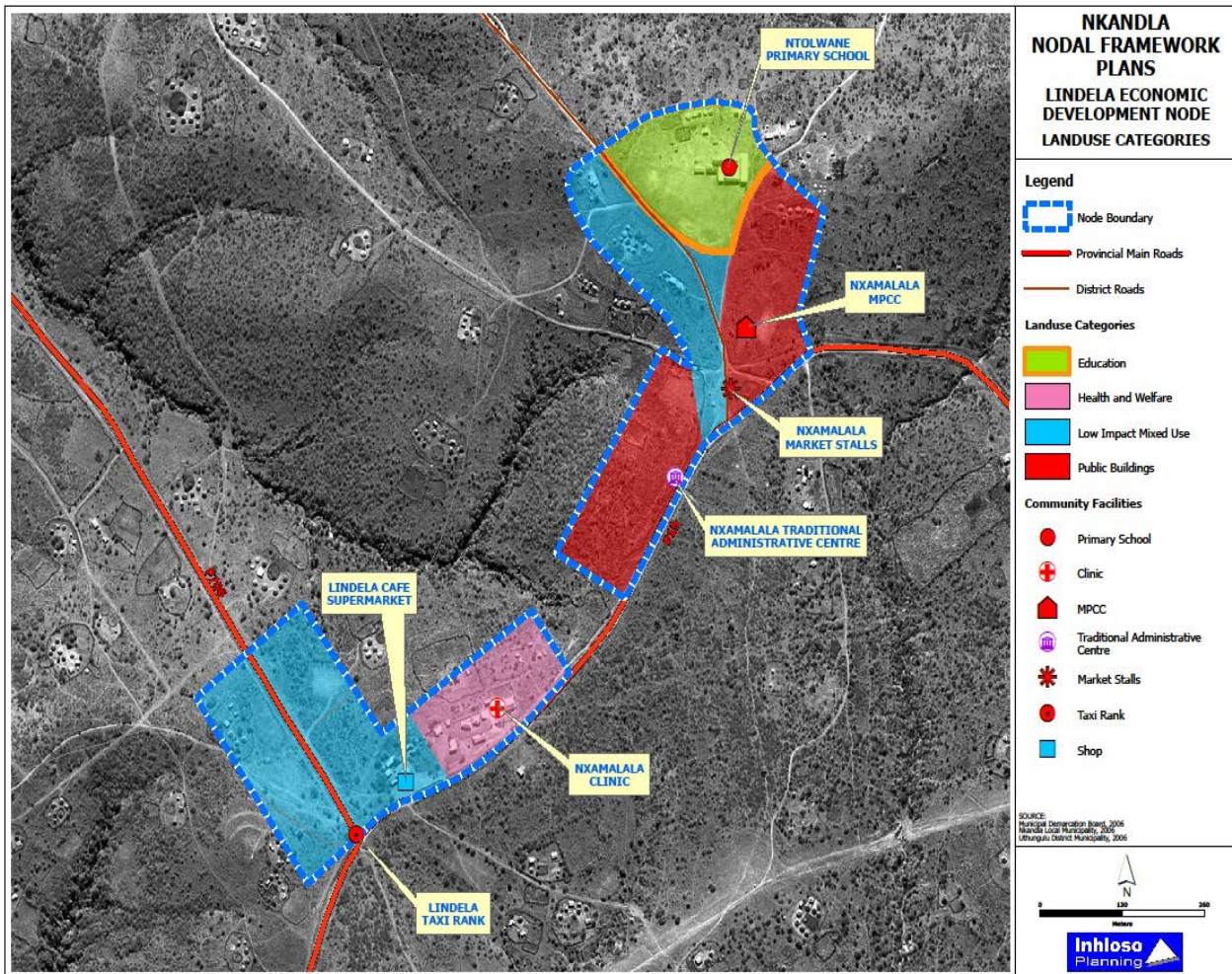


## Dlolwane Node



Dlolwane is centrally located in the western sub-region of the municipal area just to the west of the P16-2 Road where the P16-2 and the P90 tourism route join. The Dolwane Economic Development node is situated at an important junction between Jameson’s Drift, Esihosheni, Maphutini and Qhudeni Nodes. As is evident from the Water Services Plan, the node and surrounding areas, is well serviced with water. However, electricity provision is only evident to some existing land uses in the node with high backlogs in electricity provision in the rural hinterland. The node itself is relatively constrained in terms of suitable land for future development, as a result of the undulating topography

# Lindela Node

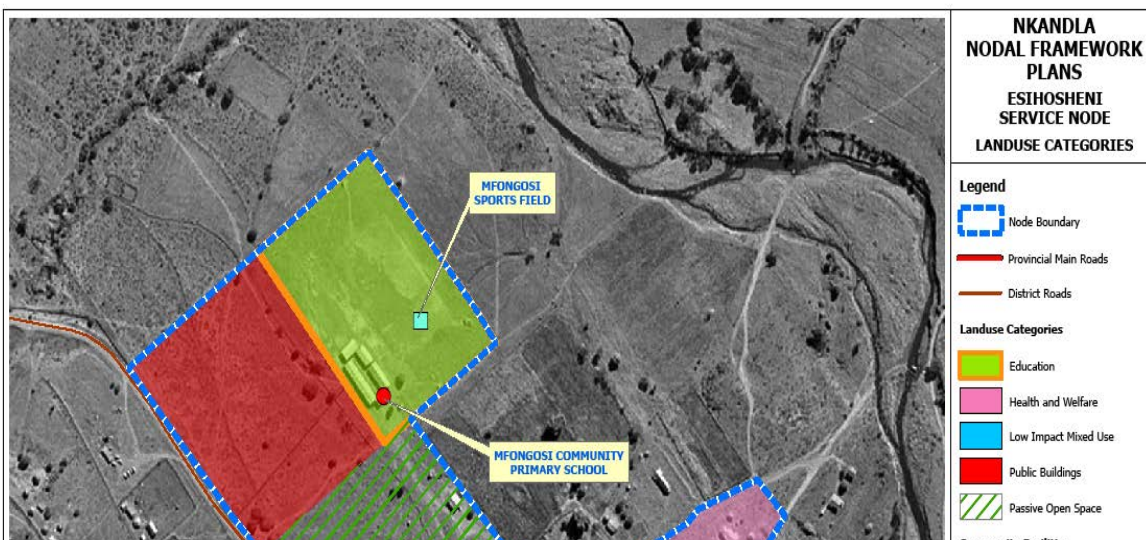


## Qhudeneni Development Node



Although Qudeni is mentioned within the Nodal Development Framework for Nkandla, it is not discussed within the document itself, as a separate development framework was compiled for Qudeni. This information is not available for perusal and can therefore not be incorporated into this SDF. The proposals that follow are thus based on information gathered through consultation with the municipality and other stakeholders. Apart from Nkandla, Qudeni is the only node with Formal Registered erven, which are all registered in the name of Department Land Affairs (Now Rural Development and Land Reform). The diagram below depicts the boundaries of Qudeni

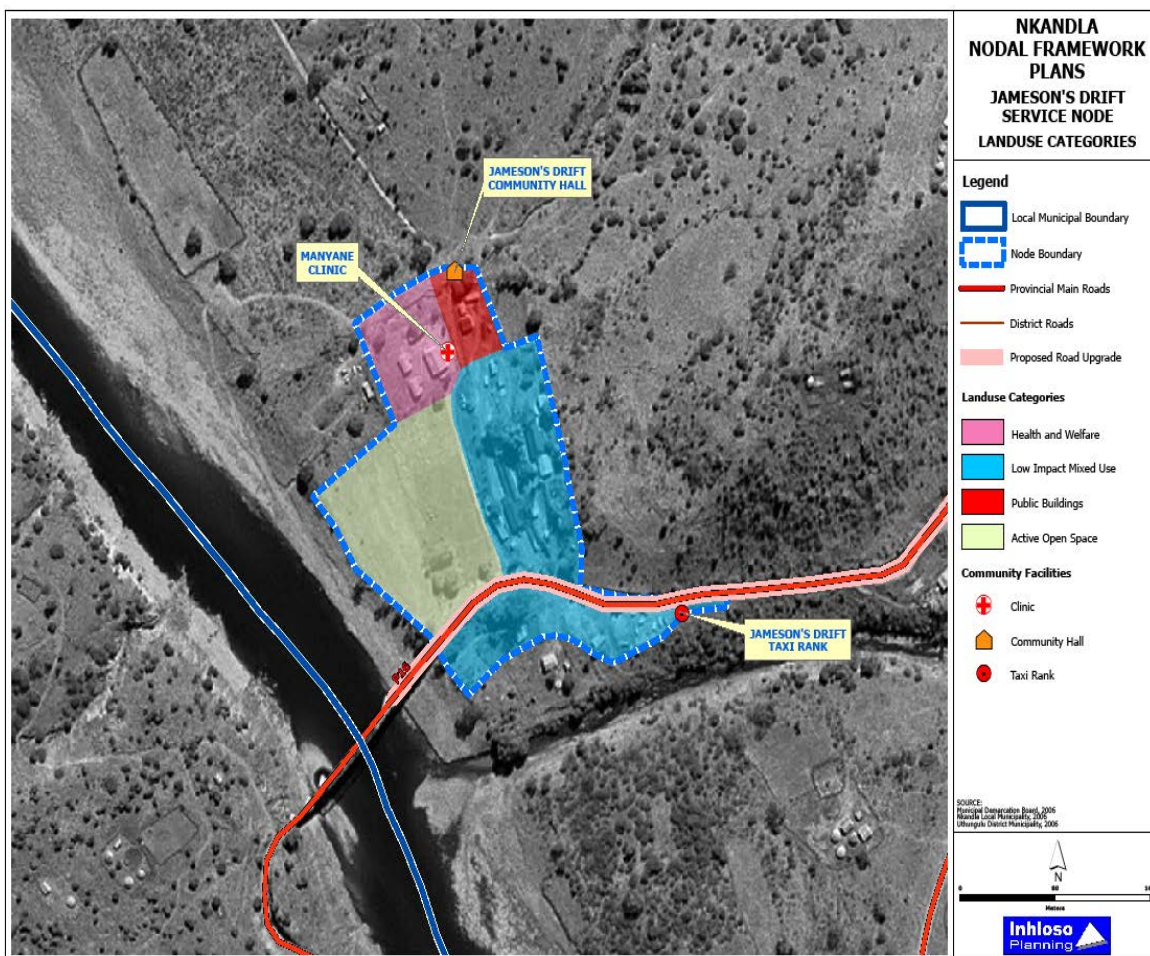
## Esihosheni Node



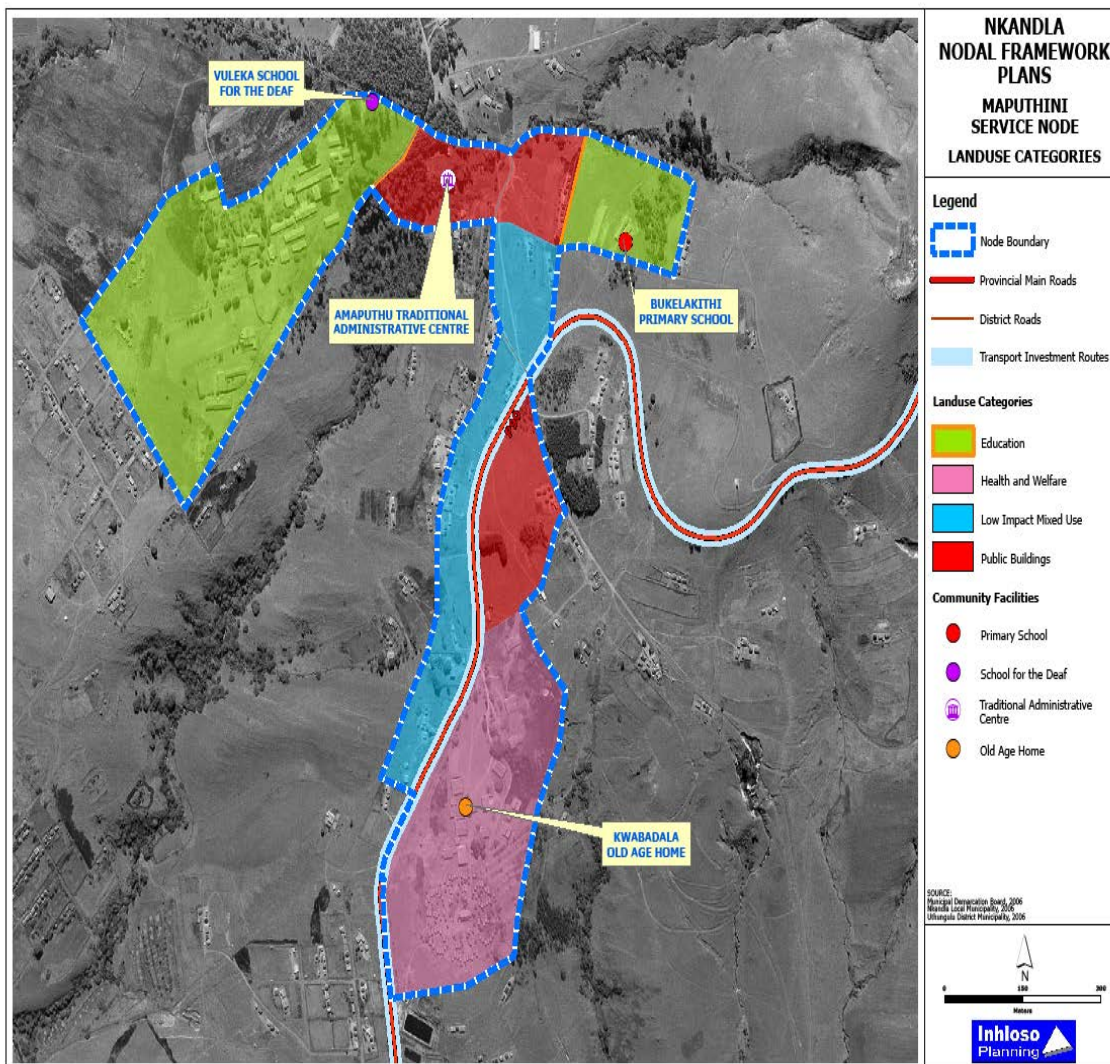


Esihosheni Service Node is located in the western portion of the municipal area. Access to the node is via the D878 gravel District Road. The route to Esihosheni Node from Dlolwane is characterized by a very scenic mountain range to the north of the road. The node is well served with water infrastructure which also includes part of its rural hinterland. Electricity provision is limited to the essential land uses in the node itself, with the rural hinterland still facing electricity reticulation backlogs. The availability of suitable land for further development is relatively scarce in light of the undulating topography and slopes, as well as flood plain.

**Jamsons drift node**

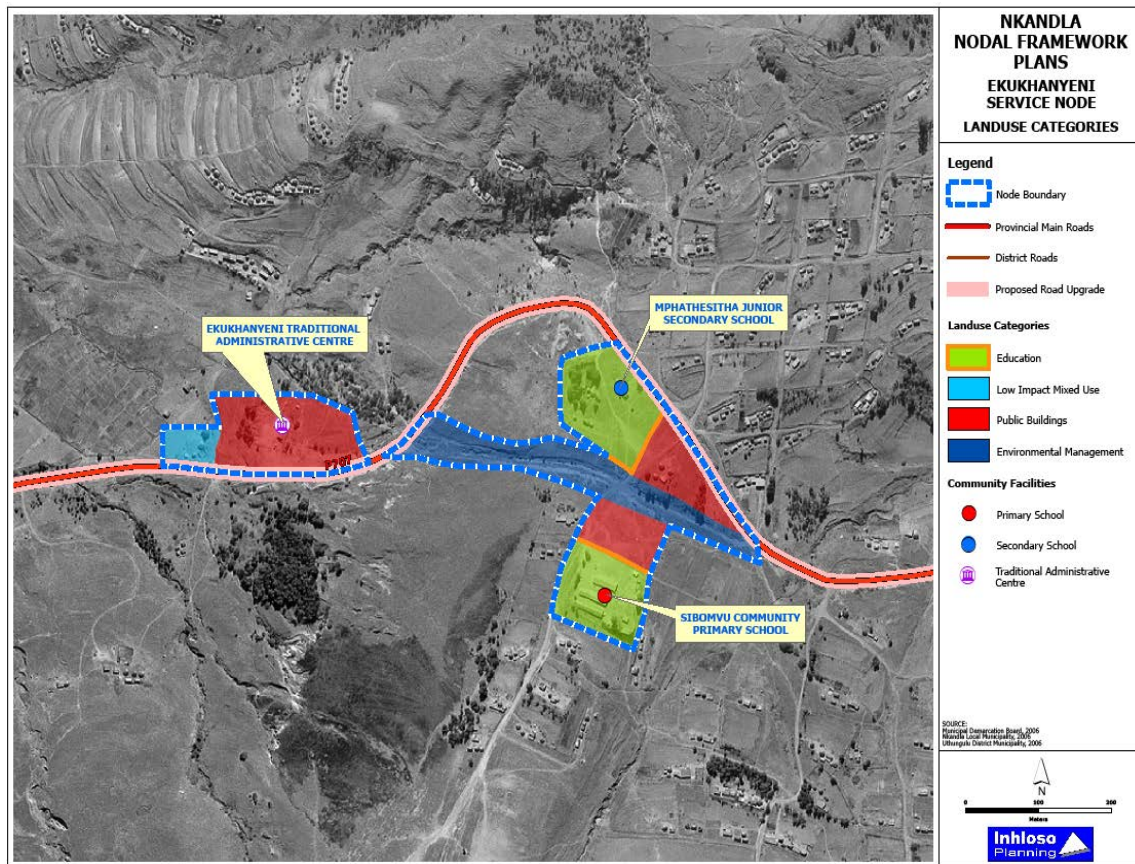


## Maphuthu Node



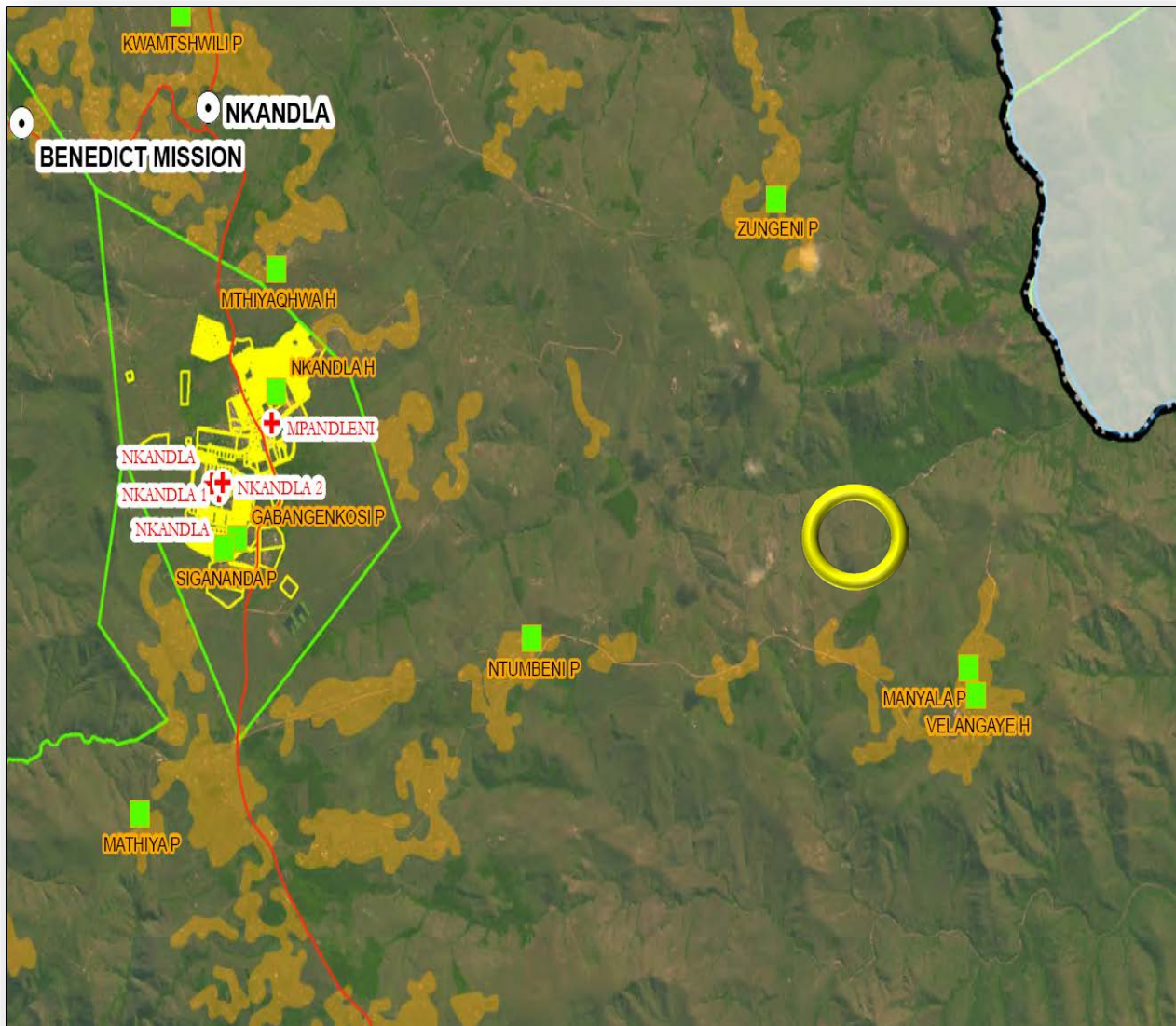
Maputhini Service Node has strategically been identified due to its proximity to the P50 main transport investment route, Nkandla Town, the Nkonisa Commercial Forest, the proposed P90 Tourism Node, as well as the agricultural investment area to its north. The node has very few desirable land uses. One of the well-known land uses in the node is the Vuleka School for the Deaf. The node is also home to the only old age home, evident at a node in Nkandla, namely the KwaBadala Old Age Home. The node and its immediate surrounds are well served with both water and electricity.

## Ekukhanyeni Node

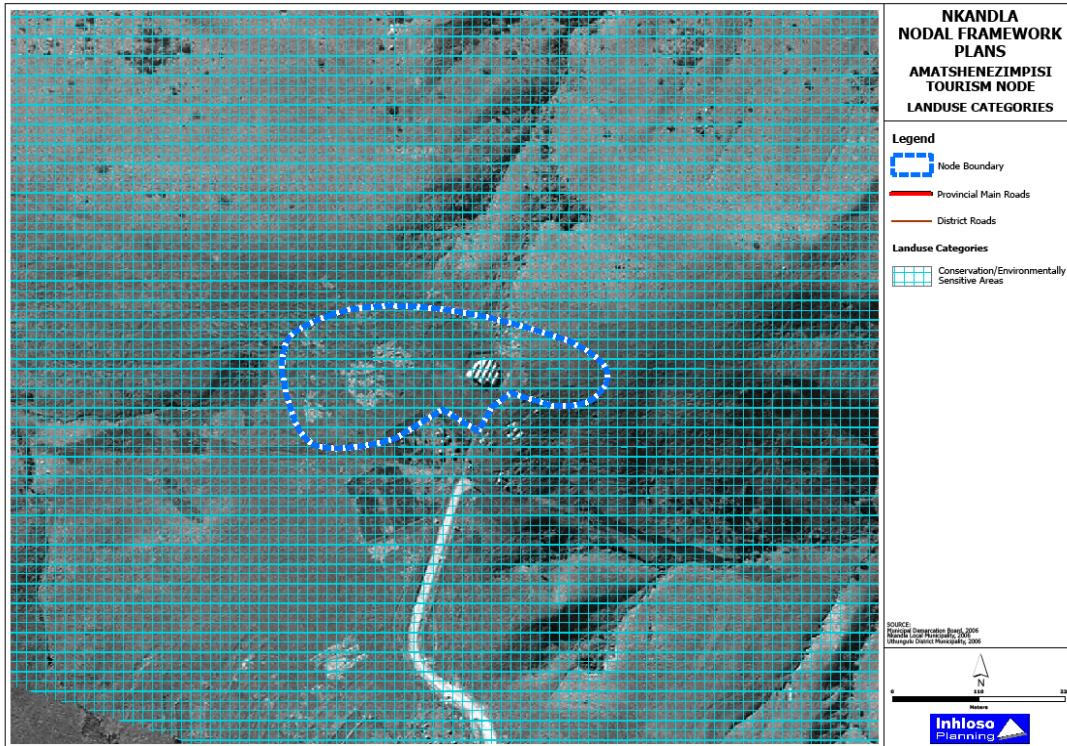


Ekukhanyeni Service Node is located along the P707 which is an alternative route to Qhudeni. It has been strategically identified due to its proximity to the P50 main transport investment route, and the agricultural investment areas to its north and south. The node is characterised by an undulating topography with denser settlement on the hillsides on both sides of the road. Further, existing land uses are also relatively scattered along the P707. As with the proposed Economic Development Nodes, it is also crucial that the identified Service Nodes are provided with sufficient basic infrastructure (water, sanitation and electricity). Suitable land for future development is relatively scarce. Social facilities, such as the Cemetery and Sogodi Primary School, as well as some tuck shops, are dispersed along the P707.

## Amatshenezimpisi Tourism Node

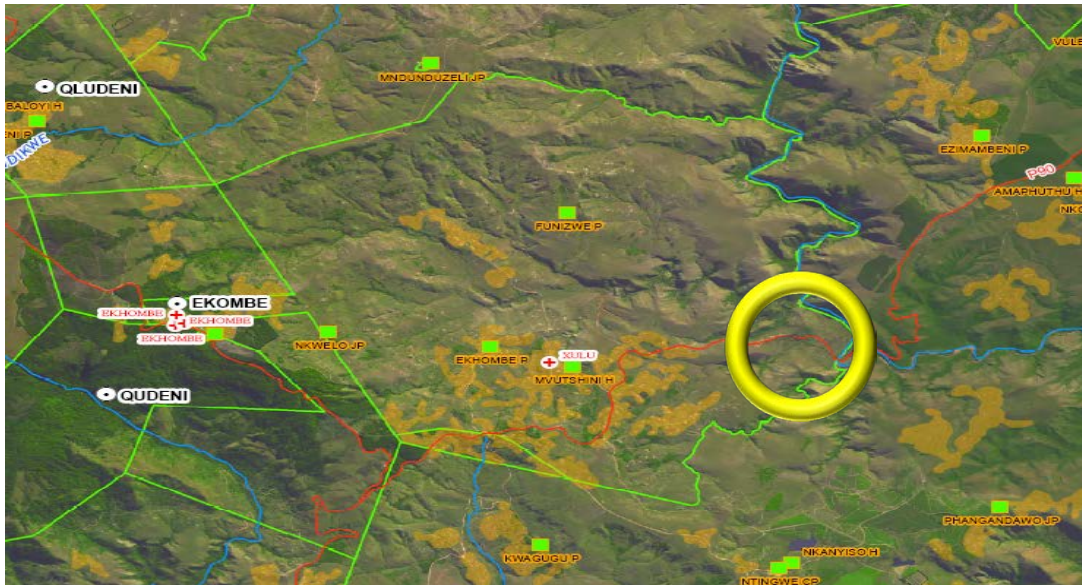


## Amatshenezimpisi Node



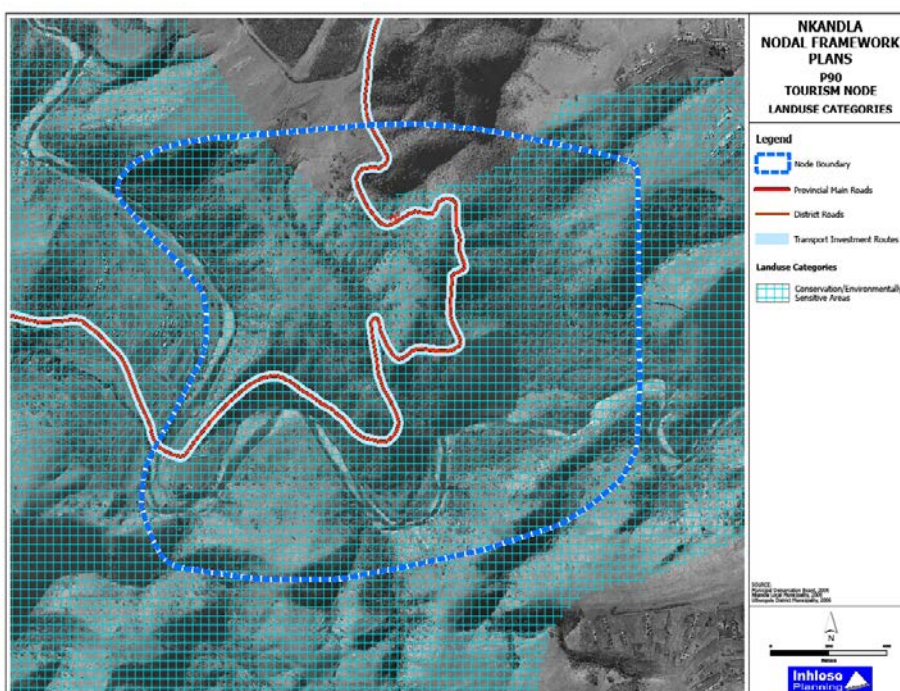
A Land use at the Amatshenezimpisi Tourism Node includes:

- 4 Self-Catering Chalets;
- Community Hall;
- Communal Washing Area; and
- Accommodation for staff.

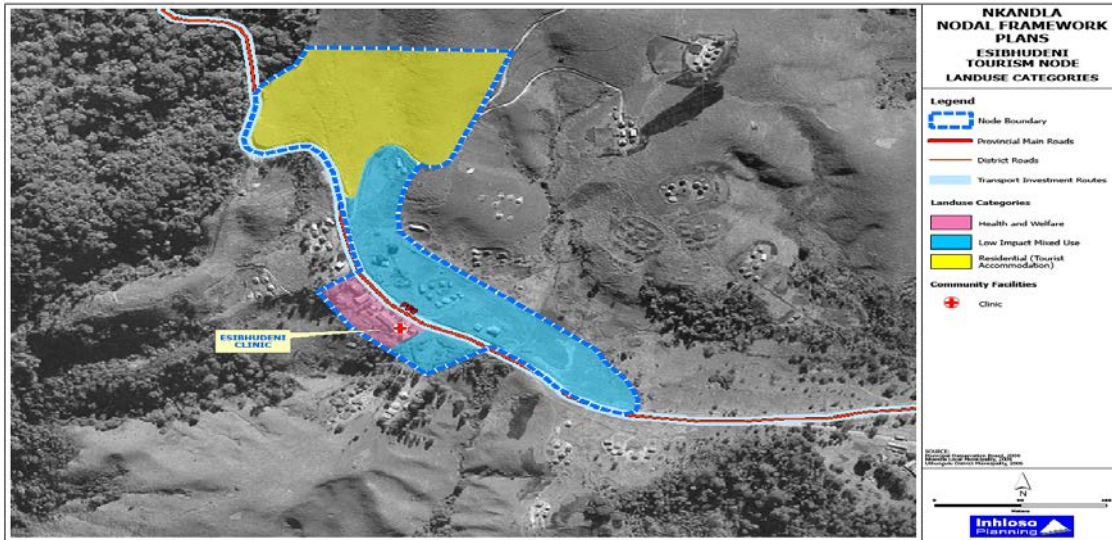


The node is characterized by breath-taking views. The node is currently not developed, but could offer excellent opportunities for tourist related development, such as chalets that blend in with the natural environment and walking trails. A walking trails can be developed at chalets (or camping areas) can be located at say 10kms intervals. The node is not served with any infrastructure.

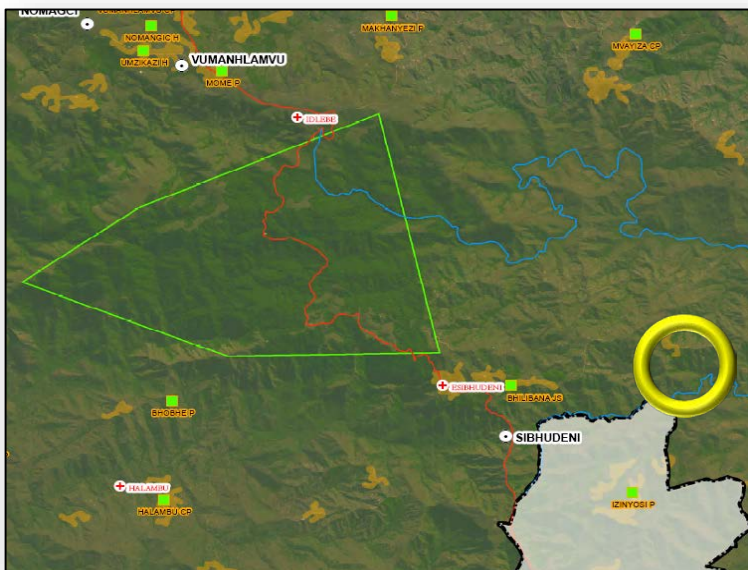
### P90 Node



## Esibhudeni Node



## Esibhudeni Node



The node is strategically located at the southern entrance to the Nkandla Forest Reserve. Apart from the Nkandla Forest Reserve, there is a number of other tourism attractions in close proximity to the Node, such as King Cetshwayo's Grave Site. Opportunities exist to link the provision of tourism facilities with the Nkandla Forest Reserve (such as accommodation, commercial facilities, an Information Office, restaurants, etc.). The node is served with a clinic, as well as water and electricity. Due to the undulating topography, the rural settlement pattern is scattered settlement.

## **XII. SECTION F: FINANCIAL PLAN**

### **12.3 Introduction**

Draft Budget for 2016-2017 will be adopted simultaneously with this review Document once the council has resolved on the adoption of Draft 2016-2017 than it will be incorporated to this section. So this section remains unchanged pending the council resolution on the draft budget.

### **12.4 PREVIOUS YEAR BUDGET EXECUTIVE SUMMARY**

The application of sound financial management principles for the compilation of the Nkandla's financial plan is essential and critical to ensure that the Nkandla remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Nkandla'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. Key areas where savings were realized were on telephone and internet usage, printing, workshops, accommodation, and catering.

The Nkandla has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Nkandla 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. 74 and 75 were used to guide the compilation of the 2016/17 MTREF.

The main challenges experienced during the compilation of the 2016/17 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy.



- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities.
- The increased cost of electricity (Eskom), which is placing upward pressure on service tariffs to residents.

The following budget principles and guidelines directly informed the compilation of the 2016/17 MTREF:

- The 2014/15 Adjustments Budget priorities and targets, 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 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2014/15 Medium-term Revenue and Expenditure Framework:

**Table 3 Consolidated Overview of the 2016/17 MTREF**

**TOTAL OPERATING BUDGET 2015/2016, 2016/2017 & 2017/2018  
SUMMARY OF ESTIMATES 2015/2016 FINANCIAL YEAR**

	Budget 2014/15	Adjustments budget 2014/2015	Budget 2015/16	Budget 2016/17	Budget 2017/18
PROPERTY RATES	5 400 000	7 700 000	7 793 600	8 253 422	8 715 614
PROPERTY RATES COLLECTION CHARGES	125 000	390 000	408 720	432 834	675 222
SERVICE CHARGES	16 531 876	17 758 633	17 338 263	18 361 220	19 389 449
RENTAL OF FACILITIES	491 500	255 000	893 065	945 756	998 718
INTEREST EARNED	1 460 000	500 000	1 100 000	1 164 900	1 230 134
LICENCES & PERMITS	10 000	10 000	20 000	21 180	22 345
OPERATING TRANSFERS	71 044 000	70 946 000	86 720 000	84 981 000	81 778 000
CAPITAL TRANSFERS	25 582 000	25 582 000	57 188 000	65 930 000	44 041 000
OTHER REVENUE	9 822 146	7 215 000	9 541 766	10 104 730	10 670 595
<b>TOTAL REVENUE</b>	<b>130 466 522</b>	<b>130 356 633</b>	<b>181 003 414</b>	<b>190 195 043</b>	<b>167 521 077</b>
<b>OPERATING EXPENDITURE</b>					
EMPLOYEE RELATED COSTS	28 325 803	32 166 204	37 456 601	39 666 540	41 887 866
REMUNERATION OF COUNCILLORS	7 274 116	7 274 116	7 623 274	8 073 047	8 525 138
FINANCE CHARGES	81 709	-	83 000	87 897	92 819
CONTRACTED SERVICES	6 930 000	9 430 000	7 504 400	7 947 160	8 392 201
OTHER EXPENDITURE	48 441 467	37 639 571	57 871 128	60 090 980	63 451 282
REPAIRS AND MAINTENANCE	9 832 750	10 574 500	10 866 000	11 507 094	12 151 491
CAPITAL EXPENDITURE	3 955 000	5 900 000	1 500 000	1 588 500	1 677 456
Capital Expenditure ( PROJECTS)	25 582 000	25 582 000	57 188 000	65 930 000	44 041 000
<b>TOTAL EXPENDITURE</b>	<b>130 422 845</b>	<b>128 566 392</b>	<b>180 092 403</b>	<b>194 891 217</b>	<b>180 219 254</b>
<b>NETT DEFICIT-/SURPLUS</b>	<b>43 677</b>	<b>1 790 242</b>	<b>911 011</b>	<b>(4 696 174)</b>	<b>(12 698 177)</b>
<b>SALARIES AND WAGES AS A PERCENTAGE OF REVENUE</b>	<b>27%</b>	<b>31%</b>	<b>25%</b>	<b>24%</b>	<b>28%</b>

**12.5 OPERATING REVENUE FRAMEWORK**

For Nkandla municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. But 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, at the same time, we do not have core sources of funding in exception of government Grants. 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 municipal environment and continued economic development;

- ❖ Efficient revenue management, which aims to ensure a reasonable percentage 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);
  - ❖ The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
  - ❖ The municipality's Indigent Policy and rendering of free basic services; and
  - ❖ Tariff policies of the municipality.
- 
- ❖ Revenue enhancement strategy
- 
- ✓ The municipality has budgeted an overall increase of 6.18 which is in line with inflation of 6%
  - ✓ The budgeted amount of 16 million for service charges is achievable in light of the credit control policy that has been adopted by council in the previous year and actual collection in previous year.
  - ✓ Municipality has a new approved valuation roll that has been adopted by the council, Public was invited to be informed with the new valuation and given the opportunity to dispute the value as per valuation roll in line with MPRA, this has led to increase of revenue to be collected from the property rate by 20% compared to the adjusted budget, large portion of this amount comes from government building and commercial building whereby collection has not been a challenge.
  - ✓ The revenue from property rate is expected to increase over the next three years as there are numerous development that are expected to take place e.g. Mall.

The following table is a summary of 2016/17 MTREF

**Table 2 Summary of revenue classified by main revenue source.**

KZN286 Nkandla - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue By Source</b>											
Property rates	2	1 494	1 667	6 912	5 400	7 700	7 700	-	7 794	8 254	8 716
Property rates - penalties & collection charges		-	-	-	125	390	390		409	433	675
Service charges - electricity revenue	2	2 569	6 591	10 669	14 500	14 500	14 500	-	13 800	14 614	15 433
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	378	601	734	420	100	100	-	394	417	441
Service charges - other		67	-	-	12	159	159	-	-	-	-
Rental of facilities and equipment		355	-	838	492	255	255	-	893	946	999
Interest earned - external investments		1 577	1 588	1 288	1 460	500	500	-	1 100	1 165	1 230
Interest earned - outstanding debtors		-	1 301	1 790	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	10	10	10	-	20	21	22
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		44 866	60 255	54 265	71 044	70 946	70 946	-	86 720	84 981	81 778
Other revenue	2	609	1 546	1 526	11 422	7 215	7 215	-	12 686	13 434	14 187
Gains on disposal of PPE		40	486	-	-	3 000	3 000	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>51 954</b>	<b>74 036</b>	<b>78 023</b>	<b>104 885</b>	<b>104 775</b>	<b>104 775</b>	<b>-</b>	<b>123 815</b>	<b>124 265</b>	<b>123 480</b>

**Summary of Operating Revenue from the Frame Work.**

	Budget 2014/15	Adjustments budget 2014/2015	Budget 2015/16	Budget 2016/17	Budget 2017/18
PROPERTY RATES	5 400 000	7 700 000	7 793 600	8 253 422	8 715 614
PROPERTY RATES COLLECTION CHARGES	125 000	390 000	408 720	432 834	675 222
SERVICE CHARGES	16 531 876	17 758 633	17 338 263	18 361 220	19 389 449
RENTAL OF FACILITIES	491 500	255 000	893 065	945 756	998 718
INTEREST EARNED	1 460 000	500 000	1 100 000	1 164 900	1 230 134
LICENCES & PERMITS	10 000	10 000	20 000	21 180	22 345
OPERATING TRANSFERS	71 044 000	70 946 000	86 720 000	84 981 000	81 778 000
CAPITAL TRANSFERS	25 582 000	25 582 000	57 188 000	65 930 000	44 041 000
OTHER REVENUE	9 822 146	7 215 000	9 541 766	10 104 730	10 670 595
<b>TOTAL REVENUE</b>	<b>130 466 522</b>	<b>130 356 633</b>	<b>181 003 414</b>	<b>190 195 043</b>	<b>167 521 077</b>



collection from increased tariffs from NERSA. Service Charges includes the amount of R19.4 million for the sale of electricity, The municipality will be changing all electricity metres to avoid bypassing of electricity thereby enhancing revenue income.

**Service Charges: Refuse:** Nkandla Municipality has increased its budget for 15/16 refuse revenue from R100 000 to R350 000. Nkandla Municipality has passed a council Resolution of recovering refuse money through the process of Section of the MSA where every time a purchase of electricity is made 50% of it will be deducted and it will be taken to decrease refuse account of that debtor.

**Rental of facilities and equipment:** Nkandla Municipality has increased its budget for Rentals to R893 000 because it has increase the base of its tenants. The municipality has not been receiving any rent for Tenants that occupy rooms at Lindela Community Service Centre and it has now signed Lease agreements with owners that occupy the place and it aims to receive more rent from there.

**Licences and permits:** Nkandla Municipality has increased its budget for Rentals to R20000 for 15/16 financial year because it has come with ways to ensure that all taxi and bus owners that have stand in the taxi rank do pay

#### **Other Revenue:**

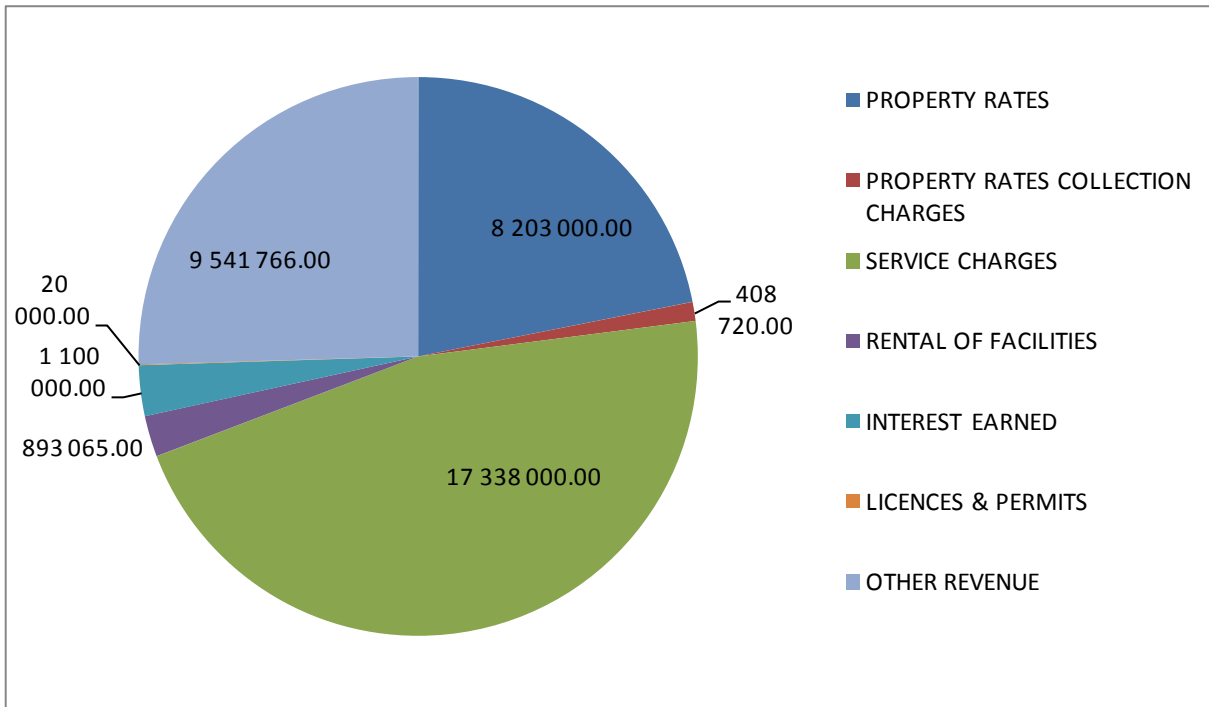
**Connection Fees:** Connection Fees have increased from R150 000 to R205 551.90., this is based on the actual amount collected as per Adjustment Budget. There are new developments one mall and a Shopping Centre which the municipality aims to receive more from through connection of electricity.

**Motor Licence Fees, Learners Licence Fees, Learners Licence Issue Fees, Penalties and Fines:** The municipality aims to receive revenue through a new traffic unit that is to be established.

The municipality has also establish new revenue sources which are Building Plan Reproduction, Rates Clearance Certificate Issue, Valuation Certificate Issue, Sale of Valuation Roll copy, Zoning subdivision and consolidation fee, Sale of printing maps, Electricity meter upgrade and conversion, Disconnection fee ,Tampering Fees, Swimming pool fees and advertising bill board.

Other revenue is inclusive of VAT refund of R9.5 million

## 12.6 OPERATING REVENUE PIE CHAT



### Operational Grants allocated for the municipality

OPERATING TRANSFERS	71 044 000.00	70 946 000.00	86 720 000.00	84 981 000.00	81 778 000.00
Equitable share	65 977 000.00	65 879 000.00	82 242 000.00	81 438 000.00	78 045 000.00
Finance management grant	1 800 000.00	1 800 000.00	1 800 000.00	1 825 000.00	1 900 000.00
Municipal systems improvement grant	934 000.00	934 000.00	930 000.00	957 000.00	1 033 000.00
Expanded Public Works Programme	1 648 000.00	1 648 000.00	1 025 000.00	-	-
Community library service (Cyber cadet)	150 000.00	150 000.00	170 000.00	179 000.00	188 000.00
Provincialisaiton of libraries	535 000.00	535 000.00	553 000.00	582 000.00	612 000.00

The total operating grants for 2016/17 is R86.7 million. The outer years are decreased by 2 percent and 3.75 per cent.

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

Operating Transfers and Grants										
<b>National Government:</b>		42 481	46 537	58 202	70 359	70 261	70 261	85 997	84 220	80 978
Local Government Equitable Share		40 191	43 237	52 832	65 977	65 879	65 879	82 242	81 438	78 045
Finance Management		1 500	1 500	1 650	1 800	1 800	1 800	1 800	1 825	1 900
Municipal Systems Improvement		790	800	890	934	934	934	930	957	1 033
EPWP Incentive		-	1 000	2 830	1 648	1 648	1 648	1 025	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		183	342	658	685	685	685	553	586	618
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Provincialisation of libraries		183	342	658	685	685	685	553	586	618
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	170	180	190
		-	-	-	-	-	-	-	-	-
Community library Service		-	-	-	-	-	-	170	180	190
<b>Total Operating Transfers and Grants</b>	5	42 664	46 879	58 860	71 044	70 946	70 946	86 720	84 986	81 787

## 12.7 OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2016/17 budget and MTREF is informed by the following:

- ❖ The asset renewal strategy and the repairs and maintenance plan;
- ❖ Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- ❖ Nkandla municipality's 2016/17 Adjustment Budget and MTREF
- ❖ Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;

The budgeted allocation for employee related costs for the 2016/17 financial year totals R35.3 million, which is less 35 per cent of the total operating expenditure. The increment for employees related cost is not finalised since SALGA is still negotiating with the UNIONS. 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 operating expenditure for 2015/2016 year has been appropriated at R180 092 403.00 and translate into a budgeted surplus of R 911 011.00. When compared to 2014/2015 adjustments budget, operational expenditure has 22.57 increased per cent.

<b>OPERATING EXPENDITURE</b>					
EMPLOYEE RELATED COSTS	28 325 803	32 166 204	37 456 601	39 666 540	41 887 866
REMUNERATION OF COUNCILLORS	7 274 116	7 274 116	7 623 274	8 073 047	8 525 138
FINANCE CHARGES	81 709	-	83 000	87 897	92 819
CONTRACTED SERVICES	6 930 000	9 430 000	7 504 400	7 947 160	8 392 201
OTHER EXPENDITURE	48 441 467	37 639 571	57 871 128	60 090 980	63 451 282
REPAIRS AND MAINTENANCE	9 832 750	10 574 500	10 866 000	11 507 094	12 151 491
CAPITAL EXPENDITURE	3 955 000	5 900 000	1 500 000	1 588 500	1 677 456
Capital Expenditure ( PROJECTS)	25 582 000	25 582 000	57 188 000	65 930 000	44 041 000
<b>TOTAL EXPENDITURE</b>	<b>130 422 845</b>	<b>128 566 392</b>	<b>180 092 403</b>	<b>194 891 217</b>	<b>180 219 254</b>
<b>NETT DEFICIT/-SURPLUS</b>	<b>43 677</b>	<b>1 790 242</b>	<b>911 011</b>	<b>(4 696 174)</b>	<b>(12 698 177)</b>
<b>SALARIES AND WAGES AS A PERCENTAGE OF TOTAL EXPENDITURE</b>	<b>27%</b>	<b>31%</b>	<b>25%</b>	<b>24%</b>	<b>28%</b>

### Employees related Costs

The employees related cost increased by 6.8 to accommodate SALGA negotiations with unions which are currently in place. Salaries for Section 56 managers have decreased because there is one director that is employed under the new COGTA guidelines. Another reason for increase in salaries and allowances is the establishment of a New Unit (Traffic Unit), posts have been advertised and vacancies will be filled from July 2015.

Pension Contributions for other municipal staff for 2016/17 financial year have been increased because of new staff establishment (Traffic Unit) that have been introduced.

**Motor Vehicle Allowance: Councillors:** The motor expenditure has increased from R2 000 000 to R4 000 000 because from July 2015 the municipality will offer car allowances for Speaker and Deputy Mayor.

### Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Nkandla's current infrastructure, the 2016/17 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of Nkandla.

The Following table gives a breakdown of Repairs and Maintenance for 2016/17 financial year

<b>REPAIRS AND MAINTENANCE</b>	<b>9 832 750.00</b>	<b>10 574 500.00</b>	<b>10 866 000.00</b>	<b>11 507 094.00</b>	<b>12 151 491.26</b>
Buildings	906 200.00	600 000.00	1 400 000.00	1 482 600.00	1 565 625.60
Furniture and Equipment	100 000.00	100 000.00	116 000.00	122 844.00	129 723.26
Public facilities	2 000 000.00	1 000 000.00	1 300 000.00	1 376 700.00	1 453 795.20
Computers	26 550.00	-	50 000.00	52 950.00	55 915.20
Standby generator	100 000.00	-	-	-	-
Roads and storm water	2 500 000.00	1 000 000.00	1 100 000.00	1 164 900.00	1 230 134.40
Street lights	200 000.00	174 500.00	1 000 000.00	1 059 000.00	1 118 304.00
Electricity Infrastructure	3 800 000.00	7 000 000.00	5 000 000.00	5 295 000.00	5 591 520.00
Vehicles	200 000.00	700 000.00	900 000.00	953 100.00	1 006 473.60

The total percentage of Repairs and Maintenance is 7.4% which is less than norm set by Circular 66 which is 8%. The reason for this is because the municipality have infrastructural buildings such as Community Service Centres which it takes them time to decrease its value. The municipality has established Facility Maintenance Committees so it takes for building to lose its value.

### Other Expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality, this group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

**Motor Vehicle allowances for Senior Managers:** This has increased from R33 000 to R933 000 because this accommodates travelling allowances and S and T claims.

**Motor Vehicle allowances for other municipal staff:** This has increased from R1.8 million to R3.2 million because this accommodates car allowances for field workers and Engineering Technicians. As part of a strategy to decrease fuel and petrol expenditure, the municipality has opted to give car allowances to all workers that are usually working out of the office.

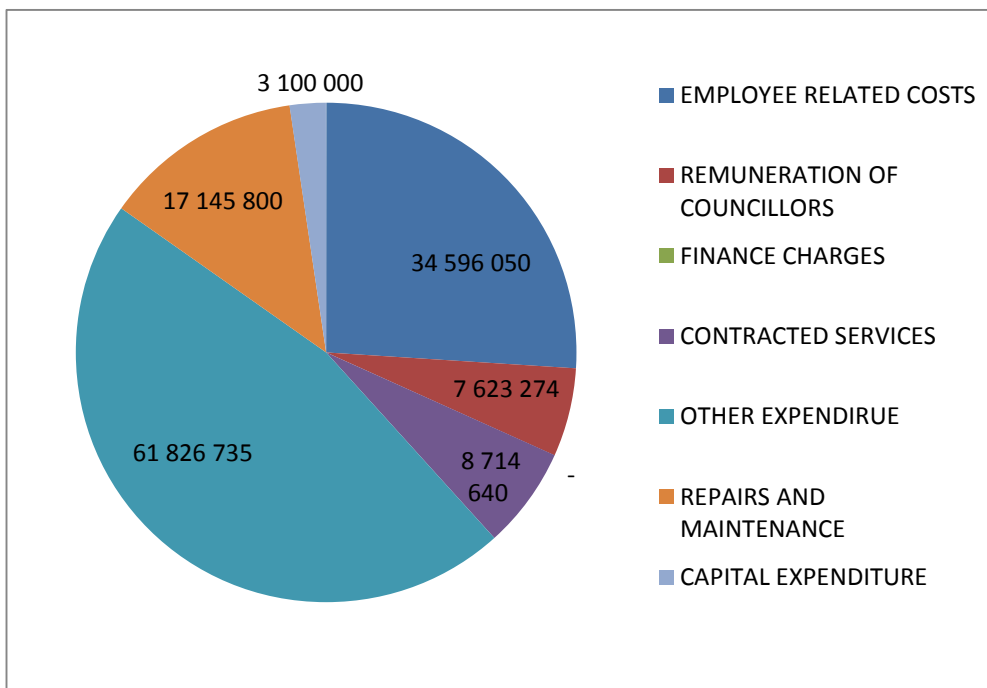
**Cell phone allowances for all municipal staff:** This has increased from R48 000 to R323 400 because this accommodates, Senior Managers, Assistant Directors, Public Participation workers and Engineering Technicians. As part of a strategy to decrease telephone and cell phone expenditure, the

municipality has opted to give cell phone allowances car allowances to all workers that are usually working out of the office.

**Overtime:** Overtime have increased from R32 000.00 to 730 000.00 in the 2016/17 financial year, this includes overtime for all employees that earns below the minimum threshold. It also includes Standby Allowances for all engineering technicians and Artisans.

**General Expenses:** General expenses line for Nkandla Municipality exceeds 10% as per MFMA Budget Format Guide: General Expenses this is because the budget format from National Treasury has few specific lines for general expenses compared to the number of expenditures we budget for as Nkandla Municipality.

**The Following table gives a breakdown of the operating expenditure for 2016/17 financial year.**



**12.8 CAPITAL EXPENDITURE**

	YTD (2014/15)	2015/16	2016/17
		27 691 252.40	22 930 000.00
Emathengeni Access Road	R 1 900 000.00	R 6 600 000.00	R 4 500 000.00
Ezimvubu Gravel Road	R 1 800 000.00	R 2 903 252.40	
KwaNtshiza Access Road	R 787 479.00	R 3 000 000.00	R 6 655 456.80
Bhacane to Malunga		R 3 000 000.00	R 4 500 000.00
Nkomeziphansi Road		R 3 688 000.00	R 2 274 543.20
Nkethabaweli to Manzawayo Road		R 3 000 000.00	R 5 000 000.00
Vumanhlamvu CSC		R 3 500 000.00	
Completion of Matshenezimpisi		R 2 000 000.00	R 0.00
	<b>R 4 487 479.00</b>	<b>R 27 691 252.40</b>	<b>R 22 930 000.00</b>

## Nkandla Municipality: Electricity Prioritized Projects

### Electrification Prioritized Projects 2015/16

Priority Project Name	Gross Budget	Eskom's 5%	Net Budget
Makhanyezi	R2 093 000.00	R104 650.00	R1 988 350.00
Ezijibeni	R1 978 000.00	R98 900.00	R1 879 100.00
Dlolwane	R1 817 000.00	R90 850.00	R1 726 150.00
Masolosolo	R1 610 000.00	R80 500.00	R1 529 500.00
Ntshiza	R2 750 000.00	R137 500.00	R2 612 500.00
Vuntshini/Madlozi	R3 119 000.00	R155 950.00	R2 963 050.00
Sixhokolo/Mpondo	R1 633 000.00	R81 650.00	R1 551 350.00
Nhloshane	R8 000 000.00	R400 000.00	R7 600 000.00
Thaleni/Vimbimbobo	R4 500 000.00	R225 000.00	R4 275 000.00
Vumanhlamvu	R3 000 000.00	-	R3 000 000.00
Sidasha/Qothu/Malunga	R4 500 000.00	R225 000.00	R4 275 000.00
<b>TOTAL</b>	<b>R 35 000 000.00</b>	<b>R 1 375 000.00</b>	<b>R 33 400 000.00</b>

### Electrification Prioritized Projects 2016/17

Priority Project Name	Gross Budget	Eskom's 5%	Net Budget
Makhanyezi	R 2 000 000.00	R 125 000.00	R 2 375 000.00
Ezijibeni	R 2 000 000.00	R 125 000.00	R 2 375 000.00
Dlolwane	R 2 000 000.00	R 125 000.00	R 2 375 000.00
Masolosolo	R 2 000 000.00	R 100 000.00	R 1 900 000.00
Ntshiza	R 5 000 000.00	R 250 000.00	R 4 750 000.00
Vuntshini/Madlozi	R 3 500 000.00	R 175 000.00	R 3 325 000.00
Sixhokolo/Mpondo	R 1 500 000.00	R 750 000.00	R 1 425 000.00
Nhloshane	R 8 000 000.00	R 400 000.00	R 7 600 000.00
Thaleni/Vimbimbobo	R 5 000 000.00	R 250 000.00	R 4 750 000.00
Sidasha/Qothu/Malunga	R 7 500 000.00	R 375 000.00	R 7 125 000.00
Vumanhlamvu	R 5 000 000.00	--	R 5 000 000.00
<b>TOTAL</b>	<b>R 43 000 000.00</b>	<b>R 2 375 000.00</b>	<b>R 40 625 000.00</b>

### Electrification Prioritized Projects 2017/18

Priority Project Name	Gross Budget	Eskom's 5%	Net Budget
Dlolwane	R 1 500 000.00	R 75 000.00	R 1 425 000.00
Masolosolo	R 1 500 000.00	R 75 000.00	R 1 425 000.00
Ntshiza	R 4 000 000.00	R 200 000.00	R 3 800 000.00
Vuntshini/Madlozi	R 1 500 000.00	R 75 000.00	R 1 425 000.00
Sixhokolo/Mpondo	R 1 500 000.00	R 75 000.00	R 1 425 000.00
Nhloshane	R 4 000 000.00	R 200 000.00	R 3 800 000.00
Thaleni/Vimbimbobo	R 2 000 000.00	R 100 000.00	R 1 900 000.00
Sidasha/Qothu/Malunga	R 4 000 000.00	R 200 000.00	R 3 800 000.00
<b>TOTAL</b>	<b>R 20 000 000.00</b>	<b>R 1 000 000.00</b>	<b>R 19 000 000.00</b>

## 12.9 ANNUAL BUDGET TABLES

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2016/17 budget and MTREF as approved by the Council.

KZN286 Nkandla - Table A1 Budget Summary										
Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	1 668	7 902	11 125	8 203	10 480	10 480	10 480	12 314	13 077	13 848
Service charges	7 192	7 509	8 549	14 194	14 078	14 078	14 078	15 176	16 117	17 068
Investment revenue	1 588	1 288	989	1 100	1 200	1 200	1 200	950	1 009	1 068
Transfers recognised - operational	50 990	54 265	70 651	86 720	86 516	86 516	86 516	83 881	85 548	88 975
Other own revenue	3 289	4 155	2 864	13 599	12 558	12 558	12 558	6 837	3 608	9 481
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>64 727</b>	<b>75 120</b>	<b>94 178</b>	<b>123 815</b>	<b>124 832</b>	<b>124 832</b>	<b>124 832</b>	<b>119 157</b>	<b>119 359</b>	<b>130 441</b>
Employee costs	13 970	24 055	30 982	37 457	36 068	36 068	36 068	39 345	41 785	44 250
Remuneration of councillors	5 445	6 731	7 524	7 623	7 623	7 623	7 623	8 526	9 054	9 589
Depreciation & asset impairment	4 672	5 144	8 221	2 585	2 585	2 585	2 585	2 755	2 926	2 742
Finance charges	51	67	93	83	83	83	83	-	-	-
Materials and bulk purchases	8 031	8 073	10 999	16 000	12 000	12 000	12 000	23 404	23 888	29 592
Transfers and grants	439	563	719	830	1 503	1 503	1 503	885	940	995
Other expenditure	32 867	64 752	42 495	58 327	64 768	64 768	64 768	43 907	40 163	42 384
<b>Total Expenditure</b>	<b>65 474</b>	<b>109 385</b>	<b>101 032</b>	<b>122 904</b>	<b>124 630</b>	<b>124 630</b>	<b>124 630</b>	<b>118 822</b>	<b>118 756</b>	<b>129 552</b>
<b>Surplus/(Deficit)</b>	<b>(748)</b>	<b>(34 265)</b>	<b>(6 854)</b>	<b>912</b>	<b>202</b>	<b>202</b>	<b>202</b>	<b>335</b>	<b>604</b>	<b>889</b>
Transfers recognised - capital	43 228	29 327	35 582	57 188	57 188	57 188	57 188	39 795	48 295	39 429
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>42 481</b>	<b>(4 938)</b>	<b>28 728</b>	<b>58 100</b>	<b>57 390</b>	<b>57 390</b>	<b>57 390</b>	<b>40 130</b>	<b>48 899</b>	<b>40 318</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>42 481</b>	<b>(4 938)</b>	<b>28 728</b>	<b>58 100</b>	<b>57 390</b>	<b>57 390</b>	<b>57 390</b>	<b>40 130</b>	<b>48 899</b>	<b>40 318</b>
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	31 244	52 461	39 721	60 208	57 588	57 588	57 588	43 312	52 030	43 384
Transfers recognised - capital	29 252	49 148	38 286	57 188	57 188	57 188	57 188	39 795	48 295	39 429
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	1 992	3 313	1 435	3 020	400	400	400	3 517	3 735	3 955
<b>Total sources of capital funds</b>	<b>31 244</b>	<b>52 461</b>	<b>39 721</b>	<b>60 208</b>	<b>57 588</b>	<b>57 588</b>	<b>57 588</b>	<b>43 312</b>	<b>52 030</b>	<b>43 384</b>
<b>Financial position</b>										
Total current assets	57 260	9 453	20 948	15 129	15 129	15 129	17 642	18 322	13 860	11 511
Total non current assets	263 975	258 107	285 643	325 673	326 772	326 772	319 657	330 860	379 044	370 937
Total current liabilities	30 792	15 958	22 065	19 330	5 863	5 863	4 000	15 227	8 227	7 227
Total non current liabilities	4 158	4 433	4 637	4 646	4 646	4 646	4 646	4 158	4 158	4 158
Community wealth/Equity	286 284	247 169	279 889	316 826	331 393	331 393	328 654	329 796	380 518	371 062
<b>Cash flows</b>										
Net cash from (used) operating	46 628	7 681	48 170	58 099	61 226	61 226	61 226	34 346	46 546	33 284
Net cash from (used) investing	(45 389)	(53 452)	(40 438)	(57 188)	(57 188)	(57 188)	(57 188)	(37 295)	(48 295)	(36 055)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>47 091</b>	<b>1 320</b>	<b>9 051</b>	<b>4 051</b>	<b>7 178</b>	<b>7 178</b>	<b>7 178</b>	<b>6 101</b>	<b>4 352</b>	<b>1 581</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	47 091	1 319	9 051	1 503	2 603	2 603	20 566	4 224	4 479	4 747
Application of cash and investments	24 111	13 319	16 454	6 237	(8 485)	(8 485)	7 484	3 078	100	826
<b>Balance - surplus (shortfall)</b>	<b>22 980</b>	<b>(12 000)</b>	<b>(7 403)</b>	<b>(4 734)</b>	<b>11 088</b>	<b>11 088</b>	<b>13 083</b>	<b>1 146</b>	<b>4 379</b>	<b>3 921</b>
<b>Asset management</b>										
Asset register summary (WDV)	153 753	171 215	15 165	70 604	209 986	209 986	50 852	50 852	60 022	51 856
Depreciation & asset impairment	4 672	5 144	8 221	2 585	2 585	2 585	2 755	2 755	2 926	2 742
Renewal of Existing Assets	499	2 751	-	10 866	-	-	-	-	-	-
Repairs and Maintenance	661	499	-	10 866	10 317	10 367	4 100	4 100	3 261	3 453
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	605	6 882	12 698	51 998	51 998	2 798	1 983	1 983	2 106	2 230
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

KZN286 Nkandla - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue By Source</b>											
Property rates	2	1 668	7 902	11 125	7 794	10 180	10 180	10 180	11 878	12 614	13 358
Property rates - penalties & collection charges		-	-	-	409	300	300	300	436	463	490
Service charges - electricity revenue	2	6 591	6 775	7 775	13 800	13 678	13 678	13 678	14 625	15 531	16 448
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	601	734	773	394	400	400	400	551	586	621
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 239	838	750	893	498	498	498	726	771	816
Interest earned - external investments		1 588	1 288	989	1 100	1 200	1 200	1 200	950	1 009	1 068
Interest earned - outstanding debtors		1 301	1 790	1 549	-	-	-	-	1 880	1 950	1 660
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	50	53	55
Licences and permits		-	-	-	20	5	5	5	131	141	142
Agency services		-	-	-	-	-	-	-	5	5	5
Transfers recognised - operational		50 990	54 265	70 651	86 720	86 516	86 516	86 516	83 881	85 548	88 975
Other revenue	2	313	1 526	565	12 686	12 055	12 055	12 055	3 145	688	4 928
Gains on disposal of PPE		436	-	-	-	-	-	-	900	-	1 874
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>64 727</b>	<b>75 120</b>	<b>94 178</b>	<b>123 815</b>	<b>124 832</b>	<b>124 832</b>	<b>124 832</b>	<b>119 157</b>	<b>119 359</b>	<b>130 441</b>
<b>Expenditure By Type</b>											
Employee related costs	2	13 970	24 055	30 982	37 457	36 068	36 068	36 068	39 345	41 785	44 250
Remuneration of councillors		5 445	6 731	7 524	7 623	7 623	7 623	7 623	8 526	9 054	9 589
Debt impairment	3	2 283	2 341	2 177	-	-	-	-	560	660	550
Depreciation & asset impairment	2	4 672	5 144	8 221	2 585	2 585	2 585	2 585	2 755	2 926	2 742
Finance charges		51	67	93	83	83	83	83	-	-	-
Bulk purchases	2	8 031	8 073	10 999	16 000	12 000	12 000	12 000	11 000	11 682	12 371
Other materials	8	-	-	-	-	-	-	-	12 404	12 206	17 221
Contracted services		-	4 843	5 165	7 504	11 305	11 305	11 305	14 467	15 309	16 212
Transfers and grants		439	563	719	830	1 503	1 503	1 503	885	940	995
Other expenditure	4, 5	30 583	57 314	34 716	50 822	53 463	53 463	53 463	28 880	24 195	25 622
Loss on disposal of PPE		-	254	437	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>65 474</b>	<b>109 385</b>	<b>101 032</b>	<b>122 904</b>	<b>124 630</b>	<b>124 630</b>	<b>124 630</b>	<b>118 822</b>	<b>118 756</b>	<b>129 552</b>
<b>Surplus/(Deficit)</b>		<b>(748)</b>	<b>(34 265)</b>	<b>(6 854)</b>	<b>912</b>	<b>202</b>	<b>202</b>	<b>202</b>	<b>335</b>	<b>604</b>	<b>889</b>
Transfers recognised - capital		43 228	29 327	35 582	57 188	57 188	57 188	57 188	39 795	48 295	39 429
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>42 481</b>	<b>(4 938)</b>	<b>28 728</b>	<b>58 100</b>	<b>57 390</b>	<b>57 390</b>	<b>57 390</b>	<b>40 130</b>	<b>48 899</b>	<b>40 318</b>
Taxation		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>42 481</b>	<b>(4 938)</b>	<b>28 728</b>	<b>58 100</b>	<b>57 390</b>	<b>57 390</b>	<b>57 390</b>	<b>40 130</b>	<b>48 899</b>	<b>40 318</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>42 481</b>	<b>(4 938)</b>	<b>28 728</b>	<b>58 100</b>	<b>57 390</b>	<b>57 390</b>	<b>57 390</b>	<b>40 130</b>	<b>48 899</b>	<b>40 318</b>
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>42 481</b>	<b>(4 938)</b>	<b>28 728</b>	<b>58 100</b>	<b>57 390</b>	<b>57 390</b>	<b>57 390</b>	<b>40 130</b>	<b>48 899</b>	<b>40 318</b>

**References**

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SA1
3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs
5. Repairs & maintenance detailed in Table A9 and Table SA34c
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)
7. Equity method
8. All materials not part of 'bulk' e.g. road making materials, pipe, cable etc.

KZN286 Nkandla - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding											
Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure - to be appropriated</b>	2										
EXECUTIVE AND COUNCIL		--	--	--	--	--	--	--	--	--	--
OFFICE OF THE MUNICIPAL MANAGER		--	--	--	--	--	--	--	--	--	--
BUDGET AND TREASURY		--	--	--	--	--	--	--	--	--	--
CORPORATE SERVICES		--	--	--	--	--	--	--	--	--	--
COMMUNITY SERVICES		--	--	--	--	--	--	--	--	--	--
TECHNICAL SERVICES		28 783	49 148	38 286	57 188	57 188	57 188	57 188	39 795	48 295	39 429
Vote 7 - [NAME OF VOTE 7]		--	--	--	--	--	--	--	--	--	--
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]		--	--	--	--	--	--	--	--	--	--
<b>Capital multi-year expenditure sub-total</b>	7	28 783	49 148	38 286	57 188	57 188	57 188	57 188	39 795	48 295	39 429
<b>Single-year expenditure - to be appropriated</b>	2										
EXECUTIVE AND COUNCIL		90	--	--	--	--	--	--	10	11	--
OFFICE OF THE MUNICIPAL MANAGER		85	--	--	--	--	--	--	--	--	11
BUDGET AND TREASURY		70	577	1 380	3 020	400	400	400	507	538	570
CORPORATE SERVICES		860	1 377	--	--	--	--	--	--	--	--
COMMUNITY SERVICES		73	--	--	--	--	--	--	--	--	--
TECHNICAL SERVICES		1 283	1 359	55	--	--	--	--	3 000	3 186	3 374
Vote 7 - [NAME OF VOTE 7]		--	--	--	--	--	--	--	--	--	--
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]		--	--	--	--	--	--	--	--	--	--
<b>Capital single-year expenditure sub-total</b>		2 461	3 313	1 435	3 020	400	400	400	3 517	3 735	3 955
<b>Total Capital Expenditure - Vote</b>		31 244	52 461	39 721	60 208	57 588	57 588	57 588	43 312	52 030	43 384
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		1 105	1 954	1 380	3 020	400	400	400	517	549	581
Executive and council		175	--	--	--	--	--	--	10	11	11
Budget and treasury office		70	1 215	1 380	3 020	400	400	400	507	538	570
Corporate services		860	739	--	--	--	--	--	--	--	--
<b>Community and public safety</b>		73	--	--	--	--	--	--	--	--	--
Community and social services		73	--	--	--	--	--	--	--	--	--
Sport and recreation		--	--	--	--	--	--	--	--	--	--
Public safety		--	--	--	--	--	--	--	--	--	--
Housing		--	--	--	--	--	--	--	--	--	--
Health		--	--	--	--	--	--	--	--	--	--
<b>Economic and environmental services</b>		30 066	50 507	38 341	57 188	57 188	57 188	57 188	39 795	48 295	39 429
Planning and development		30 066	1 359	55	57 188	57 188	57 188	57 188	39 795	48 295	39 429
Road transport		--	49 148	38 286	--	--	--	--	--	--	--
Environmental protection		--	--	--	--	--	--	--	--	--	--
<b>Trading services</b>		--	--	--	--	--	--	--	3 000	3 186	3 374
Electricity		--	--	--	--	--	--	--	3 000	3 186	3 374
Water		--	--	--	--	--	--	--	--	--	--
Waste water management		--	--	--	--	--	--	--	--	--	--
Waste management		--	--	--	--	--	--	--	--	--	--
<b>Other</b>		--	--	--	--	--	--	--	--	--	--
<b>Total Capital Expenditure - Standard</b>	3	31 244	52 461	39 721	60 208	57 588	57 588	57 588	43 312	52 030	43 384
<b>Funded by:</b>											
National Government		28 783	49 148	38 286	57 188	57 188	57 188	57 188	39 795	48 295	39 429
Provincial Government		469	--	--	--	--	--	--	--	--	--
District Municipality		--	--	--	--	--	--	--	--	--	--
Other transfers and grants		--	--	--	--	--	--	--	--	--	--
<b>Transfers recognised - capital</b>	4	29 252	49 148	38 286	57 188	57 188	57 188	57 188	39 795	48 295	39 429
<b>Public contributions &amp; donations</b>	5	--	--	--	--	--	--	--	--	--	--
<b>Borrowing</b>	6	--	--	--	--	--	--	--	--	--	--
<b>Internally generated funds</b>	6	1 992	3 313	1 435	3 020	400	400	400	3 517	3 735	3 955
<b>Total Capital Funding</b>	7	31 244	52 461	39 721	60 208	57 588	57 588	57 588	43 312	52 030	43 384
<b>References</b>											
1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).											
2. Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year											
3. Capital expenditure by standard classification must reconcile to the appropriations by vote											
4. Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)											
5. Must reconcile to Budgeted Financial Performance (revenue and expenditure)											
6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17											
7. Total Capital Funding must balance with Total Capital Expenditure											
8. Include any capitalised interest (MFMA section 46) as part of relevant capital budget											



KZN286 Nkandla - Table A6 Budgeted Financial Position											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		47 091	1 319	9 051	1 503	1 503	1 503	19 466	3 274	3 470	3 679
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	6 610	6 944	10 658	11 129	11 129	11 129	11 129	11 540	6 673	3 894
Other debtors		3 558	1 099	1 239	2 401	2 401	2 401	(13 049)	3 420	3 625	3 843
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	-	91	-	96	96	96	96	88	92	96
<b>Total current assets</b>		<b>57 260</b>	<b>9 453</b>	<b>20 948</b>	<b>15 129</b>	<b>15 129</b>	<b>15 129</b>	<b>17 642</b>	<b>18 322</b>	<b>13 860</b>	<b>11 511</b>
<b>Non current assets</b>											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	1 100	1 100	1 100	950	1 009	1 068
Investment property		6 119	5 896	5 664	6 179	6 179	6 179	(135)	5 680	6 021	6 382
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	257 394	251 706	279 059	318 013	318 013	318 013	318 013	322 370	370 042	361 397
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		462	505	921	529	529	529	(273)	1 860	1 972	2 090
Other non-current assets		-	-	-	952	952	952	952	-	-	-
<b>Total non current assets</b>		<b>263 975</b>	<b>258 107</b>	<b>285 643</b>	<b>325 673</b>	<b>326 772</b>	<b>326 772</b>	<b>319 657</b>	<b>330 860</b>	<b>379 044</b>	<b>370 937</b>
<b>TOTAL ASSETS</b>		<b>321 234</b>	<b>267 560</b>	<b>306 591</b>	<b>340 802</b>	<b>341 901</b>	<b>341 901</b>	<b>337 299</b>	<b>349 182</b>	<b>392 904</b>	<b>382 448</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits		-	-	-	-	-	-	-	-	-	-
Trade and other payables	4	29 193	14 181	19 020	17 467	4 000	4 000	4 000	12 000	5 000	4 000
Provisions		1 599	1 777	3 045	1 863	1 863	1 863	-	3 227	3 227	3 227
<b>Total current liabilities</b>		<b>30 792</b>	<b>15 958</b>	<b>22 065</b>	<b>19 330</b>	<b>5 863</b>	<b>5 863</b>	<b>4 000</b>	<b>15 227</b>	<b>8 227</b>	<b>7 227</b>
<b>Non current liabilities</b>											
Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions		4 158	4 433	4 637	4 646	4 646	4 646	4 646	4 158	4 158	4 158
<b>Total non current liabilities</b>		<b>4 158</b>	<b>4 433</b>	<b>4 637</b>	<b>4 646</b>	<b>4 646</b>	<b>4 646</b>	<b>4 646</b>	<b>4 158</b>	<b>4 158</b>	<b>4 158</b>
<b>TOTAL LIABILITIES</b>		<b>34 950</b>	<b>20 391</b>	<b>26 702</b>	<b>23 975</b>	<b>10 508</b>	<b>10 508</b>	<b>8 645</b>	<b>19 386</b>	<b>12 386</b>	<b>11 386</b>
<b>NET ASSETS</b>	5	<b>286 284</b>	<b>247 169</b>	<b>279 889</b>	<b>316 826</b>	<b>331 393</b>	<b>331 393</b>	<b>328 654</b>	<b>329 796</b>	<b>380 518</b>	<b>371 062</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		286 284	247 169	279 889	316 826	331 393	331 393	328 654	329 796	380 518	371 062
Reserves	4	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>286 284</b>	<b>247 169</b>	<b>279 889</b>	<b>316 826</b>	<b>331 393</b>	<b>331 393</b>	<b>328 654</b>	<b>329 796</b>	<b>380 518</b>	<b>371 062</b>
<u>References</u>											
1. Detail to be provided in Table SA3											
2. Include completed low cost housing to be transferred to beneficiaries within 12 months											
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)											
4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.											
5. Net assets must balance with Total Community Wealth/Equity											
check balance											

KZN286 Nkandla - Table A6 Budgeted Financial Position

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		47 091	1 319	9 051	1 503	1 503	1 503	19 466	3 274	3 470	3 679
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	6 610	6 944	10 658	11 129	11 129	11 129	11 129	11 540	6 673	3 894
Other debtors		3 558	1 099	1 239	2 401	2 401	2 401	(13 049)	3 420	3 625	3 843
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	-	91	-	96	96	96	96	88	92	96
<b>Total current assets</b>		<b>57 260</b>	<b>9 453</b>	<b>20 948</b>	<b>15 129</b>	<b>15 129</b>	<b>15 129</b>	<b>17 642</b>	<b>18 322</b>	<b>13 860</b>	<b>11 511</b>
<b>Non current assets</b>											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	1 100	1 100	1 100	950	1 009	1 068
Investment property		6 119	5 896	5 664	6 179	6 179	6 179	(135)	5 680	6 021	6 382
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	257 394	251 706	279 059	318 013	318 013	318 013	318 013	322 370	370 042	361 397
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		462	505	921	529	529	529	(273)	1 860	1 972	2 090
Other non-current assets		-	-	-	952	952	952	952	-	-	-
<b>Total non current assets</b>		<b>263 975</b>	<b>258 107</b>	<b>285 643</b>	<b>325 673</b>	<b>326 772</b>	<b>326 772</b>	<b>319 657</b>	<b>330 860</b>	<b>379 044</b>	<b>370 937</b>
<b>TOTAL ASSETS</b>		<b>321 234</b>	<b>267 560</b>	<b>306 591</b>	<b>340 802</b>	<b>341 901</b>	<b>341 901</b>	<b>337 299</b>	<b>349 182</b>	<b>392 904</b>	<b>382 448</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits		-	-	-	-	-	-	-	-	-	-
Trade and other payables	4	29 193	14 181	19 020	17 467	4 000	4 000	4 000	12 000	5 000	4 000
Provisions		1 599	1 777	3 045	1 863	1 863	1 863		3 227	3 227	3 227
<b>Total current liabilities</b>		<b>30 792</b>	<b>15 958</b>	<b>22 065</b>	<b>19 330</b>	<b>5 863</b>	<b>5 863</b>	<b>4 000</b>	<b>15 227</b>	<b>8 227</b>	<b>7 227</b>
<b>Non current liabilities</b>											
Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions		4 158	4 433	4 637	4 646	4 646	4 646	4 646	4 158	4 158	4 158
<b>Total non current liabilities</b>		<b>4 158</b>	<b>4 433</b>	<b>4 637</b>	<b>4 646</b>	<b>4 646</b>	<b>4 646</b>	<b>4 646</b>	<b>4 158</b>	<b>4 158</b>	<b>4 158</b>
<b>TOTAL LIABILITIES</b>		<b>34 950</b>	<b>20 391</b>	<b>26 702</b>	<b>23 975</b>	<b>10 508</b>	<b>10 508</b>	<b>8 645</b>	<b>19 386</b>	<b>12 386</b>	<b>11 386</b>
<b>NET ASSETS</b>	5	<b>286 284</b>	<b>247 169</b>	<b>279 889</b>	<b>316 826</b>	<b>331 393</b>	<b>331 393</b>	<b>328 654</b>	<b>329 796</b>	<b>380 518</b>	<b>371 062</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		286 284	247 169	279 889	316 826	331 393	331 393	328 654	329 796	380 518	371 062
Reserves	4	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>286 284</b>	<b>247 169</b>	<b>279 889</b>	<b>316 826</b>	<b>331 393</b>	<b>331 393</b>	<b>328 654</b>	<b>329 796</b>	<b>380 518</b>	<b>371 062</b>
<b>References</b>											
1. Detail to be provided in Table SA3											
2. Include completed low cost housing to be transferred to beneficiaries within 12 months											
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)											
4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.											
5. Net assets must balance with Total Community Wealth/Equity											
check balance											

KZN286 Nkandla - Table A7 Budgeted Cash Flows											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates, penalties & collection charges		1 667	6 912	10 144	8 203	10 061	10 061	10 061	11 880	9 154	9 694
Service charges		7 193	7 768	8 549	14 194	12 747	12 747	12 747	10 623	11 282	11 947
Other revenue		3 625	2 365	703	13 599	15 557	15 557	15 557	1 454	1 544	1 635
Government - operating	1	50 990	54 265	70 300	86 720	86 518	86 518	86 518	83 881	89 082	94 337
Government - capital	1	43 228	19 627	35 582	57 188	57 188	57 188	57 188	39 795	48 295	39 429
Interest		1 301	3 078	989	1 100	1 200	1 200	1 200	1 335	1 419	1 506
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(61 377)	(86 333)	(78 097)	(122 074)	(121 215)	(121 215)	(121 215)	(114 622)	(114 230)	(125 265)
Finance charges		-	-	-	-	-	-	-	-	-	-
Transfers and Grants	1	-	-	-	(830)	(830)	(830)	(830)	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>46 628</b>	<b>7 681</b>	<b>48 170</b>	<b>58 099</b>	<b>61 226</b>	<b>61 226</b>	<b>61 226</b>	<b>34 346</b>	<b>46 546</b>	<b>33 284</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		251	-	-	-	-	-	-	2 500	-	3 374
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		(45 640)	(53 452)	(40 438)	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		-	-	-	(57 188)	(57 188)	(57 188)	(57 188)	(39 795)	(48 295)	(39 429)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(45 389)</b>	<b>(53 452)</b>	<b>(40 438)</b>	<b>(57 188)</b>	<b>(57 188)</b>	<b>(57 188)</b>	<b>(57 188)</b>	<b>(37 295)</b>	<b>(48 295)</b>	<b>(36 055)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>1 239</b>	<b>(45 772)</b>	<b>7 732</b>	<b>911</b>	<b>4 038</b>	<b>4 038</b>	<b>4 038</b>	<b>(2 949)</b>	<b>(1 749)</b>	<b>(2 771)</b>
Cash/cash equivalents at the year begin:	2	45 853	47 091	1 319	3 140	3 140	3 140	3 140	9 051	6 101	4 352
Cash/cash equivalents at the year end:	2	47 091	1 320	9 051	4 051	7 178	7 178	7 178	6 101	4 352	1 581
<b>References</b>											
1. Local/District municipalities to include transfers from/to District/Local Municipalities											
2. Cash equivalents includes investments with maturities of 3 months or less											
3. The MTREF is populated directly from SA30.											

**KZN286 Nkandla - Table A8 Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	47 091	1 320	9 051	4 051	7 178	7 178	7 178	6 101	4 352	1 581
Other current investments > 90 days		(0)	(1)	(0)	(2 548)	(5 675)	(5 675)	12 288	(2 827)	(882)	2 097
Non current assets - Investments	1	-	-	-	-	1 100	1 100	1 100	950	1 009	1 068
<b>Cash and investments available:</b>		<b>47 091</b>	<b>1 319</b>	<b>9 051</b>	<b>1 503</b>	<b>2 603</b>	<b>2 603</b>	<b>20 566</b>	<b>4 224</b>	<b>4 479</b>	<b>4 747</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		14 278	4 436	4 788	4 649	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	4 076	2 672	3 984	(712)	(9 985)	(9 985)	5 984	1 278	(1 900)	(674)
Other provisions		5 758	6 210	7 682	1 500	1 500	1 500	1 500	1 800	2 000	1 500
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	800						
<b>Total Application of cash and investments:</b>		<b>24 111</b>	<b>13 319</b>	<b>16 454</b>	<b>6 237</b>	<b>(8 485)</b>	<b>(8 485)</b>	<b>7 484</b>	<b>3 078</b>	<b>100</b>	<b>826</b>
<b>Surplus(shortfall)</b>		<b>22 980</b>	<b>(12 000)</b>	<b>(7 403)</b>	<b>(4 734)</b>	<b>11 088</b>	<b>11 088</b>	<b>13 083</b>	<b>1 146</b>	<b>4 379</b>	<b>3 921</b>

**References**

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves

KZN286 Nkandla - Table A9 Asset Management										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	31 244	53 090	39 721	60 208	57 588	57 588	43 312	52 030	43 384
Infrastructure - Road transport		-	49 148	-	22 188	22 188	22 188	-	-	-
Infrastructure - Electricity		-	-	-	35 000	35 000	35 000	18 000	25 000	15 000
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	629	38 286	-	-	-	21 795	23 295	24 429
Infrastructure		-	49 777	38 286	57 188	57 188	57 188	39 795	48 295	39 429
Community		31 244	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	3 313	1 435	3 020	400	400	3 517	3 735	3 955
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	499	2 751	-	10 866	-	-	-	-	-
Infrastructure - Road transport		-	2 751	-	10 866	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		499	-	-	-	-	-	-	-	-
Infrastructure		499	2 751	-	10 866	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	-	51 899	-	33 054	22 188	22 188	-	-	-
Infrastructure - Road transport		-	-	-	35 000	35 000	35 000	18 000	25 000	15 000
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		499	629	38 286	-	-	-	21 795	23 295	24 429
Infrastructure		499	52 528	38 286	68 054	57 188	57 188	39 795	48 295	39 429
Community		31 244	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	3 313	1 435	3 020	400	400	3 517	3 735	3 955
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	31 743	55 841	39 721	71 074	57 588	57 588	43 312	52 030	43 384
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									
Infrastructure - Road transport		144 665	159 623	4 000	28 461	22 188	22 188	21 795	23 295	24 429
Infrastructure - Electricity		-	-	-	35 000	35 000	35 000	18 000	25 000	15 000
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		2 507	2 507	-	-	-	-	-	-	-
Infrastructure		147 172	162 130	4 000	63 461	57 188	57 188	39 795	48 295	39 429
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		6 119	5 896	5 664	6 179	6 179	6 179	5 680	6 021	6 382
Other assets		-	2 684	4 581	435	146 091	146 091	3 517	3 735	3 955
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		462	505	921	529	529	529	1 860	1 972	2 090
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	153 753	171 215	15 165	70 604	209 986	209 986	50 852	60 022	51 856
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>		4 672	5 144	8 221	2 585	2 585	2 585	2 755	2 926	2 742
<b>Repairs and Maintenance by Asset Class</b>		661	499	-	10 866	10 317	10 367	4 100	3 261	3 453
Infrastructure - Road transport		661	499	-	1 100	1 292	1 292	-	-	-
Infrastructure - Electricity		-	-	-	6 000	4 802	4 802	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		661	499	-	7 100	6 094	6 094	-	-	-
Community		-	-	-	1 300	1 300	1 300	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	2 466	2 923	2 973	4 100	3 261	3 453
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	6, 7	5 333	5 642	8 221	13 451	12 902	12 952	6 855	6 187	6 195
<b>Renewal of Existing Assets as % of total capex</b>		1.6%	4.9%	0.0%	15.3%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Renewal of Existing Assets as % of deprecn*</b>		10.7%	53.5%	0.0%	420.4%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>R&amp;M as a % of PPE</b>		0.3%	0.2%	0.0%	3.4%	3.2%	3.3%	1.3%	0.9%	1.0%
<b>Renewal and R&amp;M as a % of PPE</b>		1.0%	2.0%	0.0%	31.0%	5.0%	5.0%	8.0%	5.0%	7.0%
<b>References</b>										
1. Detail of new assets provided in Table SA34a										
2. Detail of renewal of existing assets provided in Table SA34b										
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c										
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure										
5. Must reconcile to 'Budgeted Financial Position' (written down value)										
6. Donated/contributed and assets funded by finance leases to be allocated to the respective category										
7. Including repairs and maintenance to agricultural, biological and intangible assets										

KZN286 Nkandla - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		54 910	62 545	59 965	88 581	87 379	87 379	103 309	103 639	101 703
Executive and council		3 392	4 301	-	-	-	-	-	-	-
Budget and treasury office		50 494	57 847	59 953	88 581	87 379	87 379	103 309	103 639	101 703
Corporate services		1 025	397	12	-	-	-	-	-	-
<i>Community and public safety</i>		2 698	4 575	968	711	707	707	1 469	1 551	1 634
Community and social services		2 698	4 575	968	711	707	707	1 469	1 551	1 634
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		30 226	35 699	46 417	41 175	16 689	16 689	3 037	2 131	2 251
Planning and development		30 226	35 699	46 417	41 175	16 689	16 689	3 037	2 131	2 251
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	16 000	16 944	17 893
Electricity		-	-	-	-	-	-	16 000	16 944	17 893
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	87 834	102 819	107 350	130 467	104 775	104 775	123 815	124 265	123 480
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		31 516	39 468	52 800	45 782	47 464	47 464	63 344	67 081	70 837
Executive and council		9 436	13 484	16 729	14 922	12 479	12 479	27 466	29 087	30 715
Budget and treasury office		13 424	13 831	22 719	16 118	21 693	21 693	20 523	21 734	22 951
Corporate services		8 657	12 153	13 353	14 742	13 291	13 291	15 354	16 260	17 171
<i>Community and public safety</i>		9 318	9 822	16 144	27 941	17 669	17 669	19 401	20 436	21 571
Community and social services		9 318	9 822	16 144	27 941	17 669	17 669	19 401	20 436	21 571
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		19 597	16 177	22 461	31 118	37 821	37 821	23 810	24 129	25 480
Planning and development		19 597	16 177	22 461	31 118	37 821	37 821	23 810	24 129	25 480
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		378	601	734	420	100	100	16 350	17 315	18 284
Electricity		-	-	-	-	-	-	16 000	16 944	17 893
Water		-	-	-	-	-	-	-	-	-
Waste water management		378	601	734	420	100	100	350	371	391
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	60 810	66 069	92 139	105 261	103 054	103 054	122 904	128 961	136 173
<b>Surplus/(Deficit) for the year</b>		27 025	36 750	15 211	25 206	1 720	1 720	911	(4 696)	(12 692)

KZN286 Nkandla - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue by Vote</b>	1									
EXECUTIVE COUNCIL		3 392	4 301	-	4 267	4 267	4 267	-	-	-
Vote 2 - OFFICE OF THE MUNICIPAL MANAGER]		-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY]		50 494	57 847	59 953	88 581	87 379	87 379	103 309	103 639	101 703
Vote 4 - CORPORATES SERVICES		1 025	397	12	-	-	-	-	-	-
Vote 5 - COMMUNITY		2 698	4 575	968	711	707	707	1 469	1 551	1 634
Vote 6 - TECHNICAL		30 226	35 699	46 417	41 175	16 689	16 689	19 037	19 075	20 143
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	87 834	102 819	107 350	134 734	109 042	109 042	123 815	124 265	123 480
<b>Expenditure by Vote to be appropriated</b>	1									
EXECUTIVE COUNCIL		6 379	8 920	12 159	10 261	8 735	8 735	9 123	9 661	10 202
Vote 2 - OFFICE OF THE MUNICIPAL MANAGER]		3 056	4 563	4 570	4 661	3 745	8 745	18 343	19 425	20 513
Vote 3 - BUDGET AND TREASURY]		13 424	13 831	22 719	16 118	21 693	21 693	20 523	21 734	22 951
Vote 4 - CORPORATES SERVICES		8 657	12 153	13 353	14 742	13 291	13 291	15 354	16 260	17 171
Vote 5 - COMMUNITY		9 318	9 822	16 144	27 941	17 669	17 669	19 401	20 436	21 571
Vote 6 - TECHNICAL		19 597	16 177	22 461	31 118	37 821	37 821	40 160	41 444	43 765
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	60 432	65 468	91 405	104 841	102 954	107 954	122 904	128 961	136 174
<b>Surplus/(Deficit) for the year</b>	2	27 403	37 351	15 945	29 893	6 087	1 087	911	(4 696)	(12 693)

References

1. Insert 'Vote'; e.g. department, if different to standard classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote

KZN286 Nkandla - Table A6 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		45 853	47 091	1 319	51 423	1 319	1 319	1 319	1 503	1 592	1 681
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	5 843	7 311	10 619	6 983	10 619	10 619	10 619	11 129	11 785	12 445
Other debtors		3 890	4 510	2 292	2 376	2 291	2 291	2 291	2 401	2 543	2 685
Current portion of long-term receivables						-	-	-	-	-	-
Inventory	2			91		91	91	91	96	101	107
<b>Total current assets</b>		<b>55 586</b>	<b>58 912</b>	<b>14 321</b>	<b>60 782</b>	<b>14 321</b>	<b>14 321</b>	<b>14 321</b>	<b>15 129</b>	<b>16 022</b>	<b>16 919</b>
<b>Non current assets</b>											
Long-term receivables						-	-	-	-	-	-
Investments						-	-	-	1 100	1 165	1 230
Investment property		38	18	5 896	18	5 896	5 896	5 896	6 179	6 543	6 910
Investment in Associate						-	-	-	-	-	-
Property, plant and equipment	3	210 931	258 950	303 447	83 855	92 263	92 263	303 447	318 013	336 776	355 635
Agricultural						-	-	-	-	-	-
Biological						-	-	-	-	-	-
Intangible		566	462	505	491	505	505	505	529	560	591
Other non-current assets				908				908	952	1 008	1 064
<b>Total non current assets</b>		<b>211 534</b>	<b>259 431</b>	<b>310 756</b>	<b>84 364</b>	<b>98 663</b>	<b>98 663</b>	<b>310 756</b>	<b>326 772</b>	<b>346 052</b>	<b>365 430</b>
<b>TOTAL ASSETS</b>		<b>267 120</b>	<b>318 343</b>	<b>325 077</b>	<b>145 145</b>	<b>112 984</b>	<b>112 984</b>	<b>325 077</b>	<b>341 901</b>	<b>362 073</b>	<b>382 349</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1										
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits					76	76	76	-	-	-	-
Trade and other payables	4	35 842	41 620	16 667	16 667	16 667	16 667	16 667	17 467	18 498	19 533
Provisions		1 218	1 599	1 777	113	113	113	1 777	1 863	1 973	2 083
<b>Total current liabilities</b>		<b>37 061</b>	<b>43 220</b>	<b>18 444</b>	<b>16 856</b>	<b>16 856</b>	<b>16 856</b>	<b>18 444</b>	<b>19 330</b>	<b>20 470</b>	<b>21 617</b>
<b>Non current liabilities</b>											
Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions		3 928	4 158	4 433	4 433	4 433	4 433	4 433	4 646	4 920	5 195
<b>Total non current liabilities</b>		<b>3 928</b>	<b>4 158</b>	<b>4 433</b>	<b>4 433</b>	<b>4 433</b>	<b>4 433</b>	<b>4 433</b>	<b>4 646</b>	<b>4 920</b>	<b>5 195</b>
<b>TOTAL LIABILITIES</b>		<b>40 989</b>	<b>47 378</b>	<b>22 877</b>	<b>21 289</b>	<b>21 289</b>	<b>21 289</b>	<b>22 877</b>	<b>23 975</b>	<b>25 390</b>	<b>26 812</b>
<b>NET ASSETS</b>	5	<b>226 131</b>	<b>270 965</b>	<b>302 200</b>	<b>123 857</b>	<b>91 696</b>	<b>91 696</b>	<b>302 199</b>	<b>317 926</b>	<b>336 683</b>	<b>355 537</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		226 131	270 965	302 200	144 957	144 957	144 957	302 200	316 705	335 391	354 173
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>226 131</b>	<b>270 965</b>	<b>302 200</b>	<b>144 957</b>	<b>144 957</b>	<b>144 957</b>	<b>302 200</b>	<b>316 705</b>	<b>335 391</b>	<b>354 173</b>



KZN286 Nkandla - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates, penalties & collection charges		17 154	15 384	19 153	32 381	33 329	33 329	33 329	8 203	8 687	9 391
Service charges									14 194	15 031	15 873
Other revenue		-	-	1 526	-	-	-	-	13 599	14 401	15 208
Government - operating	1	44 866	60 255	54 265	71 044	70 946	70 946	70 946	86 720	84 981	81 778
Government - capital	1	35 881	28 783	29 327	25 582	25 582	25 582	25 582	57 188	65 930	44 041
Interest		1 672	1 588	3 078	1 460	500	500	500	1 100	1 165	1 230
Dividends				-		-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(55 594)	(64 411)	(101 737)	(104 841)	(102 954)	(102 954)	(102 954)	(122 074)	(128 082)	(135 245)
Finance charges		(222)		-		-	-	-	-	-	-
Transfers and Grants	1			-		-	-	-	(830)	(879)	(928)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>43 756</b>	<b>41 598</b>	<b>5 613</b>	<b>25 626</b>	<b>27 403</b>	<b>27 403</b>	<b>27 403</b>	<b>58 099</b>	<b>61 234</b>	<b>31 348</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		(77)	736	(22 058)	-				-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
<b>Payments</b>											
Capital assets		(37 150)	(41 096)	(29 327)	(25 582)	(25 582)	(25 582)	(25 582)	(57 188)	(65 930)	(44 041)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(37 227)</b>	<b>(40 360)</b>	<b>(51 385)</b>	<b>(25 582)</b>	<b>(25 582)</b>	<b>(25 582)</b>	<b>(25 582)</b>	<b>(57 188)</b>	<b>(65 930)</b>	<b>(44 041)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
<b>Payments</b>											
Repayment of borrowing									-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>6 529</b>	<b>1 239</b>	<b>(45 772)</b>	<b>44</b>	<b>1 821</b>	<b>1 821</b>	<b>1 821</b>	<b>911</b>	<b>(4 696)</b>	<b>(12 693)</b>
Cash/cash equivalents at the year begin:	2	56 915	45 853	47 091	1 319	1 319	1 319	1 319	3 140	4 051	(645)
Cash/cash equivalents at the year end:	2	63 444	47 091	1 319	1 363	3 140	3 140	3 140	4 051	(645)	(13 338)

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities
2. Cash equivalents includes investments with maturities of 3 months or less

KZN286 Nkandla - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates, penalties & collection charges		17 154	15 384	19 153	32 381	33 329	33 329	33 329	8 203	8 687	9 391
Service charges									14 194	15 031	15 873
Other revenue		-	-	1 526	-	-	-	-	13 599	14 401	15 208
Government - operating	1	44 866	60 255	54 265	71 044	70 946	70 946	70 946	86 720	84 981	81 778
Government - capital	1	35 881	28 783	29 327	25 582	25 582	25 582	25 582	57 188	65 930	44 041
Interest		1 672	1 588	3 078	1 460	500	500	500	1 100	1 165	1 230
Dividends									-	-	-
<b>Payments</b>											
Suppliers and employees		(55 594)	(64 411)	(101 737)	(104 841)	(102 954)	(102 954)	(102 954)	(122 074)	(128 082)	(135 245)
Finance charges		(222)							-	-	-
Transfers and Grants	1								(830)	(879)	(928)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>43 756</b>	<b>41 598</b>	<b>5 613</b>	<b>25 626</b>	<b>27 403</b>	<b>27 403</b>	<b>27 403</b>	<b>58 099</b>	<b>61 234</b>	<b>31 348</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		(77)	736	(22 058)	-				-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
<b>Payments</b>											
Capital assets		(37 150)	(41 096)	(29 327)	(25 582)	(25 582)	(25 582)	(25 582)	(57 188)	(65 930)	(44 041)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(37 227)</b>	<b>(40 360)</b>	<b>(51 385)</b>	<b>(25 582)</b>	<b>(25 582)</b>	<b>(25 582)</b>	<b>(25 582)</b>	<b>(57 188)</b>	<b>(65 930)</b>	<b>(44 041)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
<b>Payments</b>											
Repayment of borrowing									-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>6 529</b>	<b>1 239</b>	<b>(45 772)</b>	<b>44</b>	<b>1 821</b>	<b>1 821</b>	<b>1 821</b>	<b>911</b>	<b>(4 696)</b>	<b>(12 693)</b>
Cash/cash equivalents at the year begin:	2	56 915	45 853	47 091	1 319	1 319	1 319	1 319	3 140	4 051	(645)
Cash/cash equivalents at the year end:	2	63 444	47 091	1 319	1 363	3 140	3 140	3 140	4 051	(645)	(13 338)

KZN286 Nkandla - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	63 444	47 091	1 319	1 363	3 140	3 140	3 140	4 051	(645)	(13 338)
Other current investments > 90 days		(17 591)	-	-	50 060	(1 821)	(1 821)	(1 821)	(2 548)	2 236	15 018
Non current assets - Investments	1	-	-	-	-	-	-	-	1 100	1 165	1 230
<b>Cash and investments available:</b>		<b>45 853</b>	<b>47 091</b>	<b>1 319</b>	<b>51 423</b>	<b>1 319</b>	<b>1 319</b>	<b>1 319</b>	<b>2 603</b>	<b>2 757</b>	<b>2 911</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		31 919	33 109	4 436	4 436	4 436	4 436	4 436	4 649	4 924	5 199
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	3 923	8 511	12 231	2 872	(1 957)	(1 957)	12 231	(712)	(754)	(797)
Other provisions		2 111							1 500	1 520	1 530
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	1 220							800	900	1 000
<b>Total Application of cash and investments:</b>		<b>39 173</b>	<b>41 620</b>	<b>16 667</b>	<b>7 308</b>	<b>2 479</b>	<b>2 479</b>	<b>16 667</b>	<b>6 237</b>	<b>6 590</b>	<b>6 932</b>
<b>Surplus(shortfall)</b>		<b>6 679</b>	<b>5 471</b>	<b>(15 348)</b>	<b>44 115</b>	<b>(1 160)</b>	<b>(1 160)</b>	<b>(15 348)</b>	<b>(3 634)</b>	<b>(3 833)</b>	<b>(4 022)</b>

## **11.8 OVERVIEW OF THE ANNUAL BUDGET PROCESS**

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

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

The primary aims of the Budget Steering Committee are 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 City's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

Nkandla Municipality does not have a budget steering committee but Nkandla does have all the personnel that form part of steering committee and were fully part of the budget process.

### **IDP and Service Delivery and Budget Implementation Plan.**

The Nkandla'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.

- 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 MTREF, based on the approved 2014/15 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2016/17 MTREF, 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 2014/15 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.

### **Financial Modelling and Key Planning Drivers**

As part of the compilation of the 2016/17 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2016/17 MTREF:

- Nkandla growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)

- Performance trends
- The approved 2014/15 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and 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 51 and 54 has been taken into consideration in the planning and prioritisation process.

### **11.8.1 Planning, budgeting and reporting cycle**

The performance of Nkandla municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The City therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

### **Overview of budget related-policies**

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

Credit control and debt collection procedures/policies

Asset Management, Infrastructure Investment and Funding Policy

Budget Adjustment Policy

Supply Chain Management Policy

Budget and Virement Policy

Cash Management and Investment Policy

Tariff Policies

Property Rates Policy;

Funding and Reserves Policy;

Borrowing Policy;

Budget Policy; and

Basic Social Services Package (Indigent Policy).

**All of the policies are available on the Nkandla's website**

### **External factors**

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Nkandla's finances.

### **General inflation outlook and its impact on the municipal activities**

There are five key factors that have been taken into consideration in the compilation of the 2014/15 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on Nkandla's residents and businesses;
- The impact of municipal cost drivers.

## 11.8.2 Overview of budget funding

### Medium-term outlook: operating revenue

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

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue By Source</b>	1										
Property rates	2	1 494	1 667	6 912	5 400	7 700	7 700	-	7 794	8 254	8 716
Property rates - penalties & collection charges		-	-	-	125	390	390	-	409	433	675
Service charges - electricity revenue	2	2 569	6 591	10 669	14 500	14 500	14 500	-	13 800	14 614	15 433
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	378	601	734	420	100	100	-	394	417	441
Service charges - other		67	-	-	12	159	159	-	-	-	-
Rental of facilities and equipment		355	-	838	492	255	255	-	893	946	999
Interest earned - external investments		1 577	1 588	1 288	1 460	500	500	-	1 100	1 165	1 230
Interest earned - outstanding debtors		-	1 301	1 790	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	10	10	10	-	20	21	22
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		44 866	60 255	54 265	71 044	70 946	70 946	-	86 720	84 981	81 778
Other revenue	2	609	1 546	1 526	11 422	7 215	7 215	-	12 686	13 434	14 187
Gains on disposal of PPE		40	486	-	-	3 000	3 000	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>51 954</b>	<b>74 036</b>	<b>78 023</b>	<b>104 885</b>	<b>104 775</b>	<b>104 775</b>	<b>-</b>	<b>123 815</b>	<b>124 265</b>	<b>123 480</b>

### Expenditure on grants and reconciliations of unspent fun

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		42 835	46 333	52 179	70 359	69 379	69 379	85 997	84 220	80 978
Local Government Equitable Share		40 191	43 237	46 726	65 977	64 997	64 997	82 242	81 438	78 045
Finance Management		1 587	1 269	1 817	1 800	1 800	1 800	1 800	1 825	1 900
Municipal Systems Improvement		1 057	835	896	934	934	934	930	957	1 033
EPWP Incentive		-	992	2 740	1 648	1 648	1 648	1 025	-	-
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		9 847	3 301	930	685	685	685	553	586	618
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		9 493	2 616	-	-	-	-	-	-	-
Provincialisation of libraries		354	684	930	685	685	685	553	586	618
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		1 677	1 054	-	-	-	-	170	180	190
Community library Service		1 677	1 054	-	-	-	-	170	180	190
<b>Total operating expenditure of Transfers and Grants:</b>		<b>54 359</b>	<b>50 688</b>	<b>53 109</b>	<b>71 044</b>	<b>70 064</b>	<b>70 064</b>	<b>86 720</b>	<b>84 986</b>	<b>81 787</b>

### 11.8.3 Councillor and employee benefits

KZN286 Nkandla - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		5 017	5 018	5 290	4 714	4 714	4 714	4 941	5 232	5 525
Pension and UIF Contributions		-	673	762	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	1 706	1 706	1 706	1 788	1 893	1 999
Cellphone Allowance		302	302	323	597	597	597	626	663	700
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		98	139	1 414	257	257	257	269	285	301
<b>Sub Total - Councillors</b>		<b>5 417</b>	<b>6 132</b>	<b>7 789</b>	<b>7 274</b>	<b>7 274</b>	<b>7 274</b>	<b>7 623</b>	<b>8 073</b>	<b>8 525</b>
% increase	4		13.2%	27.0%	(6.6%)	(0.0%)	-	4.8%	5.9%	5.6%

### Monthly targets for revenue, expenditure and cash flow



KZN286 Nkandla - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue By Source</b>																
Property rates		649	649	649	649	649	649	649	649	649	649	649	649	7 794	8 254	8 716
Property rates - penalties & collection charges		34	34	34	34	34	34	34	34	34	34	34	34	409	433	675
Service charges - electricity revenue		1 150	1 150	1 150	1 150	1 150	1 150	1 150	1 150	1 150	1 150	1 150	1 150	13 800	14 614	15 433
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		33	33	33	33	33	33	33	33	33	33	33	33	394	417	441
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		74	74	74	74	74	74	74	74	74	74	74	74	893	946	999
Interest earned - external investments		92	92	92	92	92	92	92	92	92	92	92	92	1 100	1 165	1 230
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		2	2	2	2	2	2	2	2	2	2	2	2	20	21	22
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		7 227	7 227	7 227	7 227	7 227	7 227	7 227	7 227	7 227	7 227	7 227	7 227	86 720	84 981	81 778
Other revenue		1 057	1 057	1 057	1 057	1 057	1 057	1 057	1 057	1 057	1 057	1 057	1 057	12 686	13 434	14 187
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>10 318</b>	<b>10 318</b>	<b>10 318</b>	<b>10 318</b>	<b>10 318</b>	<b>10 318</b>	<b>10 318</b>	<b>10 318</b>	<b>10 318</b>	<b>10 318</b>	<b>10 318</b>	<b>10 318</b>	<b>123 815</b>	<b>124 265</b>	<b>123 480</b>
<b>Expenditure By Type</b>																
Employee related costs		3 121	3 121	3 121	3 121	3 121	3 121	3 121	3 121	3 121	3 121	3 121	3 121	37 457	36 637	38 689
Remuneration of councillors		635	635	635	635	635	635	635	635	635	635	635	635	7 623	8 073	8 525
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment		215	215	215	215	215	215	215	215	215	215	215	215	2 585	2 737	2 890
Finance charges		7	7	7	7	7	7	7	7	7	7	7	7	83	88	93
Bulk purchases		1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	16 000	16 944	17 893
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		625	625	625	625	625	625	625	625	625	625	625	625	7 504	7 947	8 313
Transfers and grants		69	69	69	69	69	69	69	69	69	69	69	69	830	879	928
Other expenditure		4 235	4 235	4 235	4 235	4 235	4 235	4 235	4 235	4 235	4 235	4 235	4 235	50 822	55 656	58 842
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>10 242</b>	<b>10 242</b>	<b>10 242</b>	<b>10 242</b>	<b>10 242</b>	<b>10 242</b>	<b>10 242</b>	<b>10 242</b>	<b>10 242</b>	<b>10 242</b>	<b>10 242</b>	<b>10 242</b>	<b>122 904</b>	<b>128 961</b>	<b>136 173</b>
<b>Surplus/(Deficit)</b>																
Transfers recognised - capital		76	76	76	76	76	76	76	76	76	76	76	76	911	(4 696)	(12 693)
Contributions recognised - capital		4 766	5 494	3 670	3 670	3 670	3 670	3 670	3 670	3 670	3 670	3 670	3 670	57 188	65 930	44 041
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>4 842</b>	<b>5 570</b>	<b>3 746</b>	<b>3 746</b>	<b>3 746</b>	<b>3 746</b>	<b>3 746</b>	<b>3 746</b>	<b>3 746</b>	<b>3 746</b>	<b>3 746</b>	<b>3 746</b>	<b>13 973</b>	<b>58 099</b>	<b>61 234</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>4 842</b>	<b>5 570</b>	<b>3 746</b>	<b>3 746</b>	<b>3 746</b>	<b>3 746</b>	<b>3 746</b>	<b>3 746</b>	<b>3 746</b>	<b>3 746</b>	<b>3 746</b>	<b>3 746</b>	<b>13 973</b>	<b>58 099</b>	<b>61 234</b>

KZN286 Nkandla - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue by Vote</b>																
EXECUTIVE COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY		8 609	8 609	8 609	8 609	8 609	8 609	8 609	8 609	8 609	8 609	8 609	8 609	103 309	103 639	101 703
Vote 4 - CORPORATES SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY		122	122	122	122	122	122	122	122	122	122	122	122	1 469	1 551	1 634
Vote 6 - TECHNICAL		1 586	1 586	1 586	1 586	1 586	1 586	1 586	1 586	1 586	1 586	1 586	1 586	19 037	19 075	20 143
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		10 318	10 318	10 318	10 318	10 318	10 318	10 318	10 318	10 318	10 318	10 318	10 318	123 815	124 265	123 480
<b>Expenditure by Vote to be appropriated</b>																
EXECUTIVE COUNCIL		760	760	760	760	760	760	760	760	760	760	760	760	9 123	9 661	10 202
Vote 2 - OFFICE OF THE MUNICIPAL MANAGER		1 529	1 529	1 529	1 529	1 529	1 529	1 529	1 529	1 529	1 529	1 529	1 529	18 343	19 425	20 513
Vote 3 - BUDGET AND TREASURY		1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	20 523	21 734	22 951
Vote 4 - CORPORATES SERVICES		1 280	1 280	1 280	1 280	1 280	1 280	1 280	1 280	1 280	1 280	1 280	1 280	15 354	16 260	17 171
Vote 5 - COMMUNITY		1 617	1 617	1 617	1 617	1 617	1 617	1 617	1 617	1 617	1 617	1 617	1 617	19 401	20 436	21 571
Vote 6 - TECHNICAL		3 347	3 347	3 347	3 347	3 347	3 347	3 347	3 347	3 347	3 347	3 347	3 347	40 160	41 444	43 765
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>		10 242	10 242	10 242	10 242	10 242	10 242	10 242	10 242	10 242	10 242	10 242	10 242	122 904	128 961	136 174
<b>Surplus/(Deficit) before assoc.</b>		76	76	76	76	76	76	76	76	76	76	76	76	911	(4 696)	(12 693)
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	1	76	76	76	76	76	76	76	76	76	76	76	76	911	(4 696)	(12 693)

KZN286 Nkandla - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
<b>Revenue - Standard</b>																	
<i>Governance and administration</i>		8 609	8 609	8 609	8 609	8 609	8 609	8 609	8 609	8 609	8 609	8 609	8 609	8 609	103 309	103 639	101 703
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-	-	-	-	103 309	103 309	103 639	101 703
Corporate services		8 609	8 609	8 609	8 609	8 609	8 609	8 609	8 609	8 609	8 609	8 609	-	-	-	-	
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	1 469	1 469	1 551	1 634
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	1 469	1 469	1 551	1 634
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		253	253	253	253	253	253	253	253	253	253	253	253	3 037	2 131	2 251	
Planning and development		253	253	253	253	253	253	253	253	253	253	253	253	3 037	2 131	2 251	
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	16 000	16 000	16 944	17 893
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	16 000	16 000	16 944	17 893
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>		8 862	8 862	8 862	8 862	8 862	8 862	8 862	8 862	8 862	8 862	8 862	26 331	123 815	124 265	123 480	
<b>Expenditure - Standard</b>																	
<i>Governance and administration</i>		13 641	13 641	13 641	13 641	13 641	13 641	13 641	13 641	13 641	13 641	13 641	(86 710)	63 344	67 081	70 837	
Executive and council		10 651	10 651	10 651	10 651	10 651	10 651	10 651	10 651	10 651	10 651	10 651	(89 700)	27 466	29 087	30 715	
Budget and treasury office		1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	20 523	21 734	22 951	
Corporate services		1 280	1 280	1 280	1 280	1 280	1 280	1 280	1 280	1 280	1 280	1 280	1 280	15 354	16 260	17 171	
<i>Community and public safety</i>		19 401	19 401	19 401	19 401	19 401	19 401	19 401	19 401	19 401	19 401	19 401	(194 008)	19 401	20 436	21 571	
Community and social services		19 401	19 401	19 401	19 401	19 401	19 401	19 401	19 401	19 401	19 401	19 401	(194 008)	19 401	20 436	21 571	
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 984	1 984	1 984	1 984	1 984	1 984	1 984	1 984	1 984	1 984	1 984	1 984	23 810	24 129	25 480	
Planning and development		1 984	1 984	1 984	1 984	1 984	1 984	1 984	1 984	1 984	1 984	1 984	1 984	23 810	24 129	25 480	
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	16 350	16 350	17 315	18 284
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	16 000	16 000	16 944	17 893
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	350	350	371	391
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>		35 026	35 026	35 026	35 026	35 026	35 026	35 026	35 026	35 026	35 026	35 026	(262 384)	122 904	128 961	136 173	
<b>Surplus/(Deficit) before assoc.</b>		(26 164)	(26 164)	(26 164)	(26 164)	(26 164)	(26 164)	(26 164)	(26 164)	(26 164)	(26 164)	(26 164)	288 715	911	(4 696)	(12 692)	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	1	(26 164)	(26 164)	(26 164)	(26 164)	(26 164)	(26 164)	(26 164)	(26 164)	(26 164)	(26 164)	(26 164)	288 715	911	(4 696)	(12 692)	

KZN286 Nkandla - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - EXECUTIVE COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATES SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL		1 586	1 586	1 586	1 586	1 586	1 586	1 586	1 586	1 586	1 586	1 586	39 737	57 188	65 930	
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	1 586	1 586	1 586	1 586	1 586	1 586	1 586	1 586	1 586	1 586	1 586	39 737	57 188	65 930	
<b>Single-year expenditure to be appropriated</b>	2															
Vote 1 - EXECUTIVE COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY		1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	(15 793)	3 020	3 198	
Vote 4 - CORPORATES SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	1 710	(15 793)	3 020	3 198	
<b>Total Capital Expenditure</b>	2	3 297	3 297	3 297	3 297	3 297	3 297	3 297	3 297	3 297	3 297	3 297	23 944	60 208	69 128	

KZN286 Nkandla - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	R thousand	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
<b>Cash Receipts By Source</b>																	
Property rates	649	649	649	649	649	649	649	649	649	649	649	649	649	1	7 794	8 254	8 716
Property rates - penalties & collection charges	34	34	34	34	34	34	34	34	34	34	34	34	34		409	433	675
Service charges - electricity revenue	1 150	1 150	1 150	1 150	1 150	1 150	1 150	1 150	1 150	1 150	1 150	1 150	1 150		13 800	14 614	15 433
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Service charges - refuse revenue	33	33	33	33	33	33	33	33	33	33	33	33	33		394	417	441
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Rental of facilities and equipment	74	74	74	74	74	74	74	74	74	74	74	74	74		893	946	999
Interest earned - external investments	92	92	92	92	92	92	92	92	92	92	92	92	92		1 100	1 165	1 230
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Licences and permits	2	2	2	2	2	2	2	2	2	2	2	2	2		20	21	22
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Transfer receipts - operational	7 227	7 227	7 227	7 227	7 227	7 227	7 227	7 227	7 227	7 227	7 227	7 227	7 227		86 720	84 981	81 778
Other revenue	1 057	1 057	1 057	1 057	1 057	1 057	1 057	1 057	1 057	1 057	1 057	1 057	1 057		12 686	13 434	14 187
<b>Cash Receipts by Source</b>	10 318	10 318	10 318	10 318	10 318	10 318	10 318	10 318	10 318	10 318	10 318	10 318	10 318		123 815	124 265	123 480
<b>Other Cash Flows by Source</b>																	
Transfer receipts - capital	19 063	-	-	19 063	-	-	-	-	19 063	-	-	-	-		57 188	65 930	44 041
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
<b>Total Cash Receipts by Source</b>	29 381	10 318	10 318	29 381	10 318	10 318	10 318	10 318	29 381	10 318	10 318	10 318	10 318		181 003	190 195	167 521
<b>Cash Payments by Type</b>																	
Employee related costs	3 121	3 121	3 121	3 121	3 121	3 121	3 121	3 121	3 121	3 121	3 121	3 121	3 121		37 457	36 637	38 689
Remuneration of councillors	635	635	635	635	635	635	635	635	635	635	635	635	635		7 623	8 073	8 525
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Bulk purchases - Electricity	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333		16 000	16 944	17 893
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Other materials	-	20	20	20	20	20	20	20	20	20	20	20	20		240	-	-
Contracted services	625	706	706	706	706	706	706	706	706	706	706	706	(178)		7 504	7 947	8 313
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-		830	830	879
Other expenditure	4 451	4 853	5 119	215	215	215	215	215	215	215	215	215	37 104		53 250	58 481	61 825
<b>Cash Payments by Type</b>	10 166	10 669	10 935	6 031	6 031	6 031	6 031	6 031	6 031	6 031	6 031	6 031	42 886		122 904	128 961	136 173
<b>Other Cash Flows/Payments by Type</b>																	
Capital assets	4 766	4 766	4 766	4 766	4 766	4 766	4 766	4 766	4 766	4 766	4 766	4 766	4 766		57 188	65 930	44 041
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
<b>Total Cash Payments by Type</b>	14 932	15 435	15 700	10 797	10 797	10 797	10 797	10 797	10 797	10 797	10 797	10 797	47 652		180 092	194 891	180 214
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	14 449	(5 117)	(5 382)	18 584	(479)	(479)	(479)	(479)	18 584	(479)	(479)	(479)	(37 334)		911	(4 696)	(12 693)
Cash/cash equivalents at the month/year begin:	3 140	17 589	12 472	7 090	25 674	25 195	24 716	24 238	23 759	42 343	41 864	41 385	3 140		4 051	(645)	(645)
Cash/cash equivalents at the month/year end:	17 589	12 472	7 090	25 674	25 195	24 716	24 238	23 759	42 343	41 864	41 385	4 051	4 051		(645)	(13 338)	

#### **11.8.4 Contracts having future budgetary implications**

In terms of the Nkandla's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

#### **11.8.5 Capital expenditure details**

The following three tables present details of the Nkandla's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

KZN286 Nkandla - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		41 242	31 244	41 081	4 000	-	-	57 188	65 930	44 041
Infrastructure - Road transport		21 242	11 244	21 081	-	-	-	22 188	22 930	24 041
Roads, Pavements & Bridges		21 242	11 244	21 081	-	-	-	22 188	22 930	24 041
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		20 000	20 000	20 000	4 000	-	-	35 000	43 000	20 000
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		20 000	20 000	20 000	4 000	-	-	35 000	43 000	20 000
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	-	-	-	-	-	-	-
<b>Community</b>		-	-	7 010	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		-	-	3 505	-	-	-	1 500	3 198	3 377
General vehicles		-	-	-	-	-	-	350	371	391
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	100	582	615
Furniture and other office equipment		-	-	-	-	-	-	750	1 927	2 035
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	3 505	-	-	-	300	318	335
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	1	41 242	31 244	51 596	4 000	-	-	58 688	69 128	47 418
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

KZN286 Nkandla - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		661	499	2 751	6 500	-	-	7 100	9 637	10 177
Infrastructure - Road transport		661	499	2 751	2 500	-	-	1 100	1 165	1 230
Roads, Pavements & Bridges		661	499	2 751	2 500	-	-	1 100	1 165	1 230
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	4 000	-	-	6 000	8 472	8 946
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	3 800	-	-	5 000	7 413	7 828
Street Lighting		-	-	-	200	-	-	1 000	1 059	1 118
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas	3	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Community</b>		-	-	-	-	-	-	1 300	847	895
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	1 300	847	895
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		-	-	-	3 333	-	-	2 466	3 512	3 708
General vehicles		-	-	-	200	-	-	900	953	1 006
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	27	-	-	-	-	-
Furniture and other office equipment		-	-	-	100	-	-	116	176	186
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	906	-	-	1 400	2 330	2 460
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	2 100	-	-	50	53	56

### **11.8.6 Legislation compliance status**

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

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the City's website.

2. Internship programme

The Nkandla is participating in the Municipal Financial Management Internship programme and has employed 5 interns undergoing training in various divisions of the Financial Services Department.

3. Budget and Treasury Office

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

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2016/17 MTREF in June 2015 directly aligned and informed by the 2016/17 MTREF..

6. Policies

An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.



## 11.8.7 Other supporting documents

KZN286 Nkandla - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2015/16 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Present value
<b>R thousand</b>								
<b>Capital expenditure</b>	1							
Vote 1 - EXECUTIVE COUNCIL		-	-	-	-	-	-	-
Vote 2 - OFFICE OF THE MUNICIPAL MANAGER]		-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY]		3 020	3 198	3 377	-	-	-	-
Vote 4 - CORPORATES SERVICES		-	-	-	-	-	-	-
Vote 5 - COMMUNITY		-	-	-	-	-	-	-
Vote 6 - TECHNICAL		57 188	65 930	44 041	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>					-	-	-	-
<b>Total Capital Expenditure</b>		<b>60 208</b>	<b>69 128</b>	<b>47 418</b>	-	-	-	-
<b>Future operational costs by vote</b>	2							
Vote 1 - EXECUTIVE COUNCIL		-	-	-	-	-	-	-
Vote 2 - OFFICE OF THE MUNICIPAL MANAGER]		-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY]		-	-	-	-	-	-	-
Vote 4 - CORPORATES SERVICES		-	-	-	-	-	-	-
Vote 5 - COMMUNITY		-	-	-	-	-	-	-
Vote 6 - TECHNICAL		-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>		-	-	-	-	-	-	-
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b>Future revenue by source</b>	3							
Property rates		-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-
<i>List other revenues sources if applicable</i>		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>		-	-	-	-	-	-	-
<b>Total future revenue</b>		-	-	-	-	-	-	-
<b>Net Financial Implications</b>		<b>60 208</b>	<b>69 128</b>	<b>47 418</b>	-	-	-	-

## **11.9 M - SCOA**

Nkandla Municipality is one of the non-piloting municipalities as per the requirements of the Municipal Standard Chart of Accounts (“mSCOA”). The assistance by National Treasury on the implementation difficulties experienced during the planning and implementation phase is of utmost importance. CAMELSA is the service provider of SAGE EVOLUTION which is currently being used at Nkandla Municipality as the financial software, which will be converted to comply with all the mSCOA requirements.

### **11.9.1 OBJECTIVES OF M SCOA.**

The main objective of the mSCOA is to provide for a national standard for the uniform recording and classification of municipal budget and financial information at a transactional level by prescribing a standard chart of accounts for municipalities and municipal entities.

### **11.9.2 M- SCOA SEGMENTS**

mSCOA is made up of seven unique segments with their respective definitions, namely:

- a. Project: The Project segment allocates the expenditure or income to a project (Capital or Operating) “Does the transaction relate to a specific project and if so, what type of project”;
- b. Function: Allocates the expenditure to a specific function/sub-function. In other words “Against which function or sub-function should the transaction be recorded?”
- c. Municipal Standard Classification: “Against which organizational vote or sub-vote should the transaction be recorded?”
- d. Item: This determines the type/nature of expenditure being incurred. Saying “What is the type and nature of the income or expenditure?” Assets, Liabilities, General Expenses, Revenue, Gains etc.
- e. Funding: It says “Against which source of funding is the payment allocated and against which source is revenue received?”

- f. Regional Indicator: Indicated the region that the transaction relates to, that asks you “Which geographical area is deriving the benefit from the transaction?”

### 11.9.3 MILESTONE LIST

The chart below lists the major milestones for the Nkandla Municipality mSCOA Project. This chart is comprised only of major project milestones. There may be smaller milestones which are not included on this chart but are included in the progress reports. Any approved changes to these milestones or dates will be communicated to the project team by the project manager.

MILESTONE	DESCRIPTION	DATE	STATUS
SCOA Planning and Initiation	All requirements for Nkandla Municipality mSCOA must be determined.	31 March 2016	Completed
Program Development	Camelsa CG to tailor SAGE to facilitate the system requirements.	30 June 2016	In Progress
Account Code Alignment	Ongoing alignment exercise of the vote numbers to link to the appropriate mSCOA segments.	30 September 2016	In Progress
mSCOA Training	Overall explanation of mSCOA to the SAGE EVOLUTION users, Directors, Managers and Councilors	30 September 2016	In Progress
Change Management	mSCOA educational awareness and buy-in throughout Nkandla Municipality including the varying stakeholders	01 July 2016	Not Started
Setup SCOA Test System on Server	Camelsa CG to load changes onto Test System on the Server and test the latest versions of mSCOA issued.	31 December 2016	Not Started

2016/17 Budget as per SCOA	Budgeting process based on mSCOA segments and breakdowns to be obtained from all role players.	30 September 2016	Not Started
Live SCOA Implementation / Activation	Convert data after 2015/16 year-end procedures and ensure it is SCOA compliant.	30 September 2016	Not Started
Assets Module Implementation	Implementation and integration of the Assets Module as per mSCOA requirements.	30 June 2016	In Progress
Costing Segment Implementation	Implementation and integration of the Costing Segment as per mSCOA requirements.	31 December 2016	Not Started
Third Party Systems	All third party systems with a financial implication to be mSCOA compliant and seamlessly integrate with the SAGE financial system	30 September 2016	In Progress
(Appendix E)	Full Asset Life Cycle Management Including Maintenance Management beyond the Financial Services Directorate	30 June 2016	In Progress
Live SCOA Monitoring and Evaluation	Constant monitoring, evaluating, clean-up and system enhancements on an ongoing basis, in alignment with National Treasury's mSCOA requirements.	31 July 2017	Not Started
2016 Draft AFS in mSCOA format	Draft AFS as at 30 June 2016 as per mSCOA format	31 July 2016	In Progress

#### **11.9.4 SUMMARY ON MSCOA**

The MSCOA comprehensive execution plan is attached as the annexure on this document. More information on this regard is found on the above mentioned section (Annexures). Nkandla Municipality is committed to full implementation of this requirement and progress reports thereof will be sent to relevant authorities.

### **XIII. SECTION G: PERFORMANCE MANAGEMENT**

#### **13.3 Introduction and Background**

Performance management is a strategic management approach that equips the Mayor, Municipal Manager, Heads of Departments, employees and stakeholders with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review the performance of the institution against indicators and targets for efficiency, effectiveness and impact. Annual Performance report reflects on the performance of the municipality on the previous performance year. This report contains performance report for the year of 2012/13.

The reason for that is by the time of preparation of Integrated Development Plan 2014/15 annual performance assessment for the year 2013/14 was not completed. This report 2013/14 will be prepared for the audit of 2013/14 financial year together with Annual Financial Statements 2013/14 by 31 August 2014. So the performance report of 2012/13 shows minimum performance in most KPA' of which drastic improvement on SDBIP and Quarterly reports of 2013/14 indicates much of steady progress on performance reports. The templates of the Annual Performance Report do not match this paper size. An attachment with regard to Annual Performance is made to this section. Kindly refer to the A3 Attached copy. The PMS entail a framework that describes and represent how the municipality's cycle and processes of performance planning, monitoring, measurements, review, reporting and improvement will be conducted, organised and managed.

#### **13.4 The core elements of the system are:**

- Organisational PMS;
- Section 54/56 Performance contracts;
- Employee Performance Appraisal System;
- IT System;
- Performance Audit Committee;
- Annual Report;
- Quarterly Reports
- Public Participation and internal and external communication mechanisms.

The Performance Management Framework has been developed and the PMS policy has been reviewed and adopted by the council. The Municipal Manager and Managers directly reporting to the Municipal Manager will sign Performance Agreements as a performance contract between themselves and Council.

#### **13.5 Performance Management Policy Statement**

Both the Performance Management Framework and Policy outlined the objectives and principles of Nkandla Local Municipality PMS. The objectives of the Nkandla Municipality PMS are as follows:

- Facilitate increased accountability among the citizens, political and administrative components of the municipality,

- Facilitate learning and improvement through enabling the municipality to employ the best approaches for desired impact and improve service delivery.
- Provide early warning signals in case of a risk against implementation of the IDP and ensuring that the system itself makes provision for Council to be timeously informed of risks for facilitation and intervention.
- Facilitate decision-making through an appropriate information management mechanism enhancing efficient, effective and informed decision making, especially in allocation of resources.

**13.6 The Performance Management System for the Nkandla Municipality is guided by the following principles:**

- Simplicity
  - The system will need to be kept as simple as possible to ensure that the municipality can develop, implement, manage and review the system without placing an unnecessary great burden on the existing capacity of the municipality.
- Politically acceptable and administratively managed
  - The system must be acceptable to political role players on all levels. It must also be flexible enough to be accepted by the municipal council and to enjoy buy-in across political differences. The process will involve both Councillors and officials but the day-to-day management of the process will be managed administratively with regular report back on progress to the political level.
- Implementable



- Considering the resource framework of the municipality, the PMS should be implementable with these resources, which will include time, institutional, financial, and technical resources.
  
- Transparency and accountability
  - The development and implementation of a PMS should be inclusive, transparent and open. The general public should, through the system, be made aware of how the operations of the municipality are being administered, how the public resources are being spent and who certain responsibilities belong to.
  
- Efficient and sustainable
  - The PMS should, like other services within the municipality, be cost effective and should be professionally administered, and needs to happen in a sustainable manner.
  
- Public participation
  - The constituency of the municipality should be granted their legal rights, in terms of the Constitution and the MSA, through encouragement of public participation by the municipality during the development and implementation of a PMS.
  
- Integration
  - The PMS should be developed and implemented in such a manner that it will be integrated with the integrated development process of the municipality and its employee performance management.

- Objectivity
- The PMS to be developed and implemented must be developed on a sound value system with the management of the system and the information it is based upon being objective and credible.
- Reliability
- The PMS should provide reliable information on the progress made by the municipality in achieving the objectives as set out in its Integrated Development Plan.

### **13.7 Organisational Performance Management System**

Performance Management involves the setting of targets, and measuring the desired outcomes and activities undertaken to attain the targets of an organization. It also involves measuring the performance of the individuals who contribute towards the achievement of the strategic vision of the organization.

For a Performance Management System to be successful it is imperative that:

- Top management and the Council take ownership of the development and implementation of the OPMS.
- All stakeholders understand and are actively involved in performance management processes.
- All officials are trained and take responsibility for performance management
- The IDP is linked to the PMS and as well as the five national KPAs being:

- Infrastructure and Services / Basic Service Delivery
- Socio-Economic Development / Local Economic Development (LED)
- Institutional Transformation
- Good Governance and Democracy / Public Participation
- Financial Viability and Management

Each organizational KPA is cascaded down to a level at which it could be allocated to the department and this the specific individual Section 54/56 Manager who need to fulfil that functions. For each KPA, a KPI is derived in respect of each of the development priorities and objectives contained in the IDP and a performance target with a timeline for that particular function is assigned.

In turn the Performance Contracts/Agreements of each Section 54/56 Managers enters into a Performance Contract with the municipality. The Performance Contracts are reviewed annually, in line with the requirements of that year's strategy.

### **13.8 Employee Performance Appraisal Systems (EPAS)**

The objectives of the system are:

- Identify critical job elements, expectations, and performance objectives.
- Ensure that performance objectives are aligned to departmental and municipal objectives which flow from the Integrated Development Plan of the municipality.

- Establish agreement on the job objectives and the criteria that will be used for evaluation.
- Establish a set of ongoing processes needed to define and plan performance, to develop the skills, knowledge and abilities to perform as planned, to facilitate self-assessment, to review and record performance, and to reward performance.
- Provide feedback on job performance, including strengths and weaknesses.
- Identify a means (for example, training) for improving performance.
- Identify realistic job and career opportunities.
- Provide valid information for personnel decisions that will affect the employee.
- Provide employees with a sense of their work accomplishments relative to expectations and predefined performance indicators.
- Support employee development through discussion of assigned opportunities and training.
- Emphasize the Municipality's commitment to continuous improvement and learning.
- To support the Batho Pele principles of service delivery.

### **13.9 Performance and Financial Audit Committee**

The Nkandla Municipality has a fully functional Municipality's Audit Committee. It consists of four members and they meet quarterly.

### **13.10 Annual Performance Report**

An annual report is prepared annually and one of the issues considered during the IDP review is the issues and challenges raised in the Annual Report. The annual report and the oversight report for the 2014/15 financial year was adopted by Council 27 January 2014. The reports were then submitted to Auditor-General, COGTA and Treasury.

A copy of the Annual Performance Report for 2012/13 is attached as annexure.

### **13.11 Auditor-General Queries**

In response to the Annual Report the Auditor-General's queries, the municipality has developed an action plan to respond to the queries.

The internal auditors are the custodians of the action plan which is discussed at Management committee level and report on to the Audit Committee, MPAC and Council.

## **SECTION H: SERVICE DELIVERY and BUDGET IMPLEMENTATION PLAN**

### **13.1. THE LEGISLATIVE MANADATES**

Section 1 of the Municipal Finance Management Act (No.56 of 2003) defines the SDBIP as:“ a detailed plan approved by the mayor of the municipality in terms of section 53 (1) (c) (ii) for implementing the municipality's delivery of services and the execution of its annual budget and which must include (as part of top-layer) the following:

- (a) Projections for each month of-
  - (i) Revenue to be collected, by source, and
  - (ii) Operational and capital expenditure, by vote

***Service delivery targets and performance indicators for each quarter.”***

(b)Ward information for expenditure and service delivery

**13.2. The SDBIP CONCEPT**

The budget sets yearly service delivery and budget targets (revenue and expenditure per vote), it is imperative that in-year mechanisms are able to measure performance and progress on a continuous basis. Hence, the end-of-year targets, must be based on quarterly and monthly targets, and the Municipal Manager must ensure that the budget is built around gives meaning to both in-year reporting in terms of section 71 (monthly reporting), section 72 (mid-year report) and end of year annual reports.

The SDBIP provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the Mayor, Councillors, Municipal Manager, Senior Managers and the Community.

**13.3. NKANDLA MUNICIPALITY ORGANISATIONAL SDBIP 2016/2017**

Draft SDBIP 2016/2017 will be adopted together with this IDP review once the resolution has been taken then this section will be updated accordingly. As it stands the SDBIP 2016-2017 remains as follows:

The table below reflects the Organisational SDBIP for 2015/2016

## NKANDLA MUNICIPALITY ORGANISATIONAL SDBIP 2015/16

IDP Alignment	National KPA	Strategic Objective	Strategy	Key Performance Indicator	Unit of measure	Demand	Baseline 2013/2014 Actuals	Backlogs	Vote Number	IDP 2015/2016								Total Annual Budget	Ward	POE Required				
										Annual Target	Quarter 1		Budget	Quarter 2		Budget	Quarter 3				Budget	Quarter 4		
											Jul - Sep	Target		Oct - Dec	Target		Jan - Mar					Target	Apr - Jun	Target
											R			R			R						R	
<b>CORPORATE SERVICE</b>																								
Page 14 ref 1.7.2	Municipal Transformation and institutional development	To improve service delivery and the image of the municipality	To fill all identified critical post	Number of critical posts filled	Number	1	5	1	3000/3040/0507/EQSR/NONE/WMUN	1 section 56 position to be filled by 30 September 2015	1 section 56 position to be filled by 30 September 2015	R 569 600.00	N/a	R 0.00	N/a	R 0.00	N/a	R 0.00	R 569 600.00		Newspaper adverts & Appointment letters			
	Municipal Transformation and institutional development	Strengthen and improve employment equity in the municipality	To implement employment equity plan	Number of women appointed in management	Number	1	1	1	3000/3040/0507/EQSR/NONE/WMUN	1 female prioritise for an appointment in management by 30 September 2015 as per approved employment equity plan	1 female prioritise for an appointment in management by 30 September 2015 as per approved		N/a	R 0.00	N/a	R 0.00	N/a	R 569 600.00		Appointment letter, ID Copy and EE Plan				
	Municipal Good governance	Attain effective and efficient municipal administration	To review municipal policies annually	Number of policies reviewed	Number	4	6	7	NONE	review of 4 HR policies, cellphone policy, subsistence allowance policy, car allowance	N/a	R 0	N/a	R 0.00	Draft and workshop cellphone policy, subsistence allowance policy, car allowance and overtime	R 0.00	Review cellphone policy, subsistence allowance policy, car allowance and overtime policy	N/a			Council Resolutions, Copy of approved policies			
	Municipal Transformation and institutional development	To improve service delivery and the image of the municipality	To review municipal organogram	Date	Date	1	1	0	NONE	Approval of Organogram by 30 March 2016	N/a	0.00	N/a	N/a	Draft organogram	R 0.00	Approval of Organogram by 30 March 2016	N/a	n/a		Council Resolutions, Copy of approved HR Strategy			
	Financial Management and viability	Organizational skills development and capacity building	% spent on implementing Workplace Skills Plan (WSP)	Percentage spent on implementation of WSP per quarter	Percentage	100%	100%	0	4400/4475/0205/EQSR/NONE/ADMN	100% of budgeted spent on implementing Workplace Skills Plan by 30 April 2016	10%	N/a	10%	R 28 310.29	60%	R 99 086.02	20%	R 155 706.61	R 283 102.92		Expenditure report on training vote			
	Municipal Transformation and institutional development	Organizational skills development and capacity building	Number of beneficiaries trained as per Workplace Skills Plan	Number of beneficiaries trained	Number	40	5	0	4400/4475/0205/EQSR/NONE/ADMN	40 beneficiaries trained as per workplace skills plan	N/a	N/a	10	R 61 000.00	10	R 61 000.00	10	R 61 000.00	R 610 000.00		Training report, proof of payment and attendance registers			
	Municipal Transformation and institutional development	Organizational skills development and capacity building	To implement Employee Assistance Programme (EAP)	Number of programs implemented	Number	2	1	0	4400/4420/0205/EQSR/NONE/ADMN	Two EAP programs implemented	N/a	R 0.00	Two EAP programs implemented	R 79 050	N/a	R 0.00	Two EAP programs implemented	R 79 050	R 190 000		EAP Report			
Page 14 ref 1.7.2	Municipal Good governance	Attain effective and efficient municipal administration	To submit the Councilors agenda within the required timeframe.	5 Days prior to Council Meeting	Number	4	4	0	4400/4421/0101/EQSR/NONE/ADMN	4 Council meetings for the Council	1 Council meeting with agenda distributed 5 Days prior to Council Meeting	R 10 000.00	1 Council meeting with agenda distributed 5 Days prior to Council Meeting	R 10 000.00	1 Council meeting with agenda distributed 5 Days prior to Council Meeting	R 10 000.00	1 Council meeting with agenda distributed 5 Days prior to Council Meeting	R 10 000.00	R 40 000.00		proof of submission of agenda Council Minutes and Resolutions			

	Municipal Good governance	Attain effective and efficient municipal administration	To submit the EXCO agenda within the required timeframe.	5 Days prior to EXCO Meeting	Number	12	12	0	NONE	12 EXCO meetings	3 EXCO meeting with agenda distributed 5 Days prior to	R 0	3 EXCO meeting with agenda distributed 5 Days prior to	0	3 EXCO meeting with agenda distributed 5 Days prior to Council	0	3 EXCO meeting with agenda distributed 5 Days prior to Council	R 0.00	R 0.00		proof of submission of agenda EXCO Minutes and Resolutions
	Municipal Good governance	Attain effective and efficient municipal administration	To Develop and implement Council resolution register	Number of resolution registers submitted to	Number	4	4	0	NONE	4 resolution registers submitted to Council	1 resolution registers submitted to Council	R 0.00	1 resolution registers submitted to Council	R 0.00	1 resolution registers submitted to Council	R 0.00	1 resolution registers submitted to Council	R 0.00	R 0.00		Resolution Register and Signed Council minutes
	Municipal Good governance	Attain effective and efficient municipal administration	To ensure registry and records management system	establish registry that is compliant to achieves by 31 June 2016	Date	1	0	1	3800/3810/0302/EQSR/NONE/ADMIN	To develop records management infrastructure that is compliant to achieves by 31 June 2016	Develop records management infrastructure by 31 December 2015	R 0.00	monitor records management action plan by 31 March 2016	R 0.00	monitor records management action plan by 31 March 2016	R 0.00	monitor records management action plan by 31 June 2016	R 0.00	R 0.00		Filing Plan Produced
	Municipal Transformation and institutional development	Attain effective and efficient municipal administration	To ensure performance of contracted service provider	Quarterly performance report	Number	1	0	1	NONE	To implement effective contract management through monitoring and evaluation of service providers	To monitor and evaluate service provider performance	R 0.00	To monitor and evaluate service provider performance	R 0.00	To monitor and evaluate service provider performance	R 0.00	To monitor and evaluate service provider performance	R 0.00	R 0.00		quarterly performance report of contracted service provider to council
Page 14 ref 1.7.2	Municipal Transformation and institutional development	Attain effective and efficient municipal administration	To maintain server room by June 2016	maintained of server room, fire suppression system, airconditioning and UPS	Date	March	February	0	4200/4220/0205/EQSR/NONE/WMUN	To maintain server room, fire suppression system, airconditioning and UPS	To maintain server room, fire suppression system, airconditioning	R 40 000	Procure and install new UPS	R 170 000.00	To maintain server room, fire suppression system, airconditioning	R 40 000	N/a	R 0.00	R 230 000.00		Invoices, Maintenance report
	Financial Management and viability	Attain effective and efficient municipal administration	To Decrease municipal IT risks through risk management	Date of Sitting of steering committee	Date	1	0	0	4200/4220/0205/EQSR/NONE/WMUN	Establish IT steering committee and 3 Sitting of IT steering Committee by 31 June 2016	Establish IT steering committee and terms of reference	N/a	1 Sitting of steering Committee by 31 December 2015	N/a	1 Sitting of IT steering Committee by 31 March 2016	N/a	1 Sitting of IT steering Committee by 31 June 2015	N/a	N/a		Attendance register and updated risk register
	Municipal Transformation and institutional development	Attain effective and efficient municipal administration	To review IT policies-1. Back-up Procedure 2. Disaster Recovery Plan 3. IT Governance Framework 4. Change management control.	Date of review of IT policies-1. Back-up Procedure 2. Disaster Recovery Plan 3. IT Governance Framework 4. Change management control.	date	4 IT polices	8 IT Polices	Nil	4200/4220/0205/EQSR/NONE/WMUN	Review of IT policies-1. Back-up Procedure 2. Disaster Recovery Plan 3. IT Governance Framework 4. Change management control.	N/a	0.00	Review of IT policies-1. Back-up Procedure 2. Disaster Recovery Plan	N/a	Review of IT policies-1. Framework 2. Change management control.	N/a	N/a	0.00	N/a		Council resolution and copies of IT policies



	Municipal Transformation and institutional development	Attain effective and efficient municipal administration	To purchase the microsoft volume licences	microsoft volume licences	%	55 users	0	55 users	4200/4220/0205/EQSR/NONE/WMUN	To purchase the microsoft volume licences (Microsoft office and windows operating licence)	To purchase the microsoft volume licences (Microsoft office and windows)	R 450 000	N/a	0.00	N/a	0.00	N/a	R 0.00	R 450 000		Report on the upgrade of Software and licences and invoice
	<b>PERFORMANCE MANAGEMENT</b>																				
Page 14 ref 1.7.7	Municipal transformation and institutional development	Attain effective and efficient municipal administration	To adopt and implement a Performance Management Framework	Date adopted	Date	30-Jun-16	29 May 2014	nil	NONE	Reviewed Performance Management Framework adopted by council by 30 June 2016	N/a		N/a	R 0.00	workshop draft to MANCO and staff members	R 0.00	Reviewed Performance management framework adopted by council by 30 June 2015	R 0.00	R 0.00		Council Resolution and copy of PMS Framework
	Municipal transformation and institutional development	Attain effective and efficient municipal administration	To have quarterly performance reports submitted to Council	Number	Number	4	4	0	NONE	4 quarterly Performance reports submitted to Council	1 quarterly Performance reports submitted to Council	R 0.00	1 quarterly Performance reports submitted to Council	R 0.00	1 quarterly Performance reports submitted to Council	R 0.00	1 quarterly Performance reports submitted to Council	R 0.00	R 0.00		Council resolution, quarterly reports signed by MM
	Municipal transformation and institutional development	Attain effective and efficient municipal administration	To adopt and implement a Performance Management Systems annually	Number of performance agreements for senior managers signed and submitted to CoGTA	Number	5	5	0	NONE	5 performance agreements for senior managers signed by 31 July 2015 and submitted to CoGTA	5 performance agreements for senior managers signed by 31 July 2015 and submitted to CoGTA	R 0.00	Mid-year performance assessment	R 0.00	N/a	R 0.00	Annual performance assesment	R 0.00	R 0.00		Copies of signed performance agreements
	Municipal transformation and institutional development	Attain effective and efficient municipal administration	To Review of AUDIT Plan	Audit plan adopted by council	Date	2015/2016 Audit plan	2014/2015 Audit plan	0	4400/4405/0102/EQSR/NONE/ADMN	To Review of AUDIT Plan by 31 December 2015	R 0.00	N/a	To Review of AUDIT Plan by 31 December 2015	n/a	Review Audit Committee terms of reference by 31 March 2016	n/a	Audit Committee reviewed by June 2016	R 0.00	R 700 000		Copy of Audit plan and Council resolution
	Good governance and Public participation	Attain effective and efficient municipal administration	To prepare Mid-year performance report as per section 46 of MSA	Number of reports submitted on performance in terms of section 46 and section 47 of the MSA	Number	2	2013/14	0	NONE	1 reports submitted on performance in terms of section 46 and section 47 of the MSA	N/a	R 0.00	N/a	R 0.00	1 reports submitted on performance in terms of section 46 and section 47 of the MSA BY 25 January 2016	R 0.00	N/a	R 0.00	R 0.00		Council resolution, Mid-Year performance Report
	Municipal transformation and institutional development	Attain effective and efficient municipal administration	To hold quortely Audit committee meetings	Number of audit committee meetings	Number	4	3	0	4400/4405/0102/EQSR/NONE/ADMN	To hold 4 audit committee meetings by the 31 June 2016	1 audit committee meeting held	R 175 000.00	1 audit committee meeting held	R 175 000.00	1audit committee meeting held	R 175 000.00	1 audit committee meeting held	R 175 000.00	R 700 000.00		Minutes and Attendance register
	Good governance and Public participation	Attain effective and efficient municipal administration	To ensure administrative oversight	Number of MPAC meetings	Number	4	4	0	NONE	4 MPAC meetings held by end of each quarter	1 MPAC meetings	R 0.00	1 MPAC meetings	R 0.00	1 MPAC meetings	R 0.00	1 MPAC meetings	R 0.00	R 0.00		Minutes and Attendance register

	Financial Management and viability	To Decrease municipal risks through risk management	Updated risk register and Mitigation reports	Number of risk management committee meetings	Number	4	2	4	NONE	4 risk management committee meetings by end of 4th quarter	1 risk management committee meetings by 31 September 2015	R 0.00	1 risk management committee meetings by 31 December 2015	R 0.00	1 risk management committee meetings by 31 March 2015	R 0.00	1 risk management committee meetings by 31 June 2016	R 0.00	R 0.00	Minutes, Attendance register and updated risk register
	Good governance and Public participation	Attain effective and efficient municipal administration	Submission of Annual report to Cogta, Treasury and AG by 30 August 2014	Date of submission of annual report to AG	Date	1	30-Aug-13	0	4400/4451/0191/EQSR/NONE/WMUN	Annual Report submitted to Council and treasury by 31 March 2016	1 Draft Annual Report submitted to AG by 30 August 2015	R 0.00	1 Draft Annual Report submitted to Council by 25 January 2016	R 0.00	Annual Report with MPAC oversight report submitted to council by 31 March 2016	R 0.00		R 0.00	R 0.00	Copy of final report and MPAC oversight report
	Financial Management and viability	Attain effective and efficient municipal administration	Effective risk management by updated risk register	Date of adoption of the risk register	Date	1	2013/14	0	NONE	1 adopted risk register by 31 December 2015	N/a	R 0.00	review risk register by 31 December 2015	R 0.00	N/a	R 0.00	N/a	R 0.00	R 0.00	Council resolution and Risk register
	Financial Management and viability	Attain effective and efficient municipal administration	To prevent internal fraudulent activities	Date of adoption of fraud and prevention strategy	Date	1	non	0	NONE	Review fraud and prevention strategy by 30 September 2015	Establishment of fraud prevention Committee by 31 September	R 0.00	1 Sitting of fraud prevention Committee by 31 September 2015	R 0.00	1 Sitting of fraud prevention awareness by 31 December 2015	R 0.00	Review fraud and prevention strategy by 31 June 2015	R 0.00	R 0.00	Council resolution and fraud and prevention strategy
	<b>INTEGRATED DEVELOPMENT PLAN AND PUBLIC PARTICIPATION</b>																			
Page 14 ref 1.7.7	Good governance, community participation, and ward committee systems	Enhance community participation in governance	To Prepare 2016/2017 Municipal IDP	2016/2017 IDP Adopted by council	Date	2016/2017 IDP	2015/2016 IDP	0	NONE	To Adopt 2016/2017 IDP by 30 June 2016 and process plan	Development and adoption IDP, Budget and PMS process plan by 31 August 2015	N/a	Develop and implement action plan for COGTA comments by 31 December 2015	N/a	First Draft 2016/2017 IDP adopted by council by 31 March	N/a	Final 2016/2017 IDP adopted by council by 30 June 2016	N/a		Council resolution and IDP Document and process plan
	Good governance, community participation, and ward committee systems	Enhance community participation in governance		Number of Public Participation sittings	Number	4	3	0	4400/4486/0102/EQSR/NONE/ADMN	4 Public Participation sittings by 30 June 2016	1 Public Participation sittings	R 125 000	1 Public Participation sittings	R 125 000	1 Public Participation sittings	R 125 000	1 Public Participation sittings	R 125 000	R 500 000	Minutes and Attendance register, Procurement documents
	Good governance, community participation, and ward committee systems	Enhance community participation in governance		Number of regulated public participation road shows	Number	2	10	0	4400/4486/0102/EQSR/NONE/ADMN	2 regulated public participation road shows by 30 June 2016	N/a	N/a	N/a	N/a	1 regulated public participation road shows by 31 March 2016	R 500 000	1 regulated public participation road shows by 31 June 2016	R 500 000	R 1 000 000	Photos, expenditure report and attendance register
	Good governance, community participation, and ward committee systems	Enhance community participation in governance	To establish functional ward committees	Number of functional ward committees	Number	14	14	0	4400/4446/MSG/NONE/ADMN	To hold quarterly ward committee meetings in 14 wards	14 Functional ward committees	R 210 000	14 Functional ward committees	R 210 000	14 Functional ward committees	R 210 000	14 Functional ward committees	R 210 000	R 840 000	Attendance Registers, Minutes of meetings and Proof of payment

	Good governance, community participation, and ward committee	Enhance community participation in governance	To establish functional ward committees	Adoption of Ward Committee Functionality policy	Date	31 June 2016	04 December 2013	0	4400/4446/MSG/NONE/A DMN	Ward Committee Policy adopted by Council by 31 June 2016	N/a	N/a	N/a	N/a	Prepare a draft of Ward Committee Policy by 31 March 2016	N/a	Ward Committee Policy finally revised by Council by 31 June 2016	N/a	N/a		Council Resolution, and Copy Policy document
	Good governance, community participation, and ward committee systems	Enhance community participation in governance	IDP Forum Meeting	Number of IDP Forum meetings	Number	2	1	0	NONE	4 IDP Forum meeting conducted in third quarter and fourth quarter	1 IDP Forum Meeting	N/a	1 IDP Forum Meeting	N/a	1 IDP Forum Meeting	N/a	1 IDP Forum Meeting	N/a			Minutes and Attendance register
	Good governance, community participation, and ward committee systems	Enhance community participation in governance	To hold regular IDPSC meetings	Number of IDPSC meetings held	Number	2	2	0	NONE	4 IDPSC meetings held	1 Meeting	N/a	1 Meeting	N/a	1 Meeting	N/a	1 Meeting	N/a			Minutes and Attendance register
Page 14 ref 1.7.7	Good governance, community participation, and ward committee systems	To ensure efficient and effective internal and external communication	To review, adopt and implement community participation strategy	Date of adoption of the community participation strategy	date	2015/16 Public participation strategy	2014/15 Public participation strategy	0	NONE	Date of adoption of the community participation strategy by 31 June 2016	N/A	N/a	n/a	N/a	Draft community participation strategy by 31 March 2016	N/a	Date of adoption of the community participation strategy by 31 June 2016	N/a			Council Resolution & copy of community participation strategy
<b>COMMUNICATIONS</b>																					
	Good governance and community participation and ward committee systems	To ensure efficient and effective internal and external communication	To hold quarterly IGR forums	Number of Sukumasakhe Local task team held	number	4 IGR meeting	0	0	4400/4433/0102/EQSR/NONE/ADMN	To hold quarterly LTT Meetings	To hold quarterly LTT Meetings and provide oss interventions	R 50 000.00	To hold quarterly LTT Meetings and provide oss interventions	R 50 000.00	To hold quarterly LTT Meetings and provide oss interventions	R 50 000.00	To hold quarterly LTT Meetings and provide oss interventions	R 50 000.00	R 200 000.00		Official Order
	Municipal Good governance	To improve service delivery and the image of the municipality	To improve customer care by conforming to Batho Pele Principles	Development of the Complaints handling procedure manual	date	1	0	1	NONE	To development complaints handling procedure manual by 2nd quarter	n/a	R 0.00	To development complaints handling procedure manual by 2nd	0.00	N/a	R 0.00	n/a	R 0.00	R 0.00		Council Resolution
	Good governance and community participation and ward committee systems	To ensure efficient and effective internal and external communication	To have mayoral media slots held	Number of mayoral media slots held	Number	2	2	0	4400/4412/0102EQSR/NONE/ADMN	seven (7) mayoral media slots held by 30 June 2016	1 Local radio station media slots	R 20 000.00	1 Local radio station media slots	R 20 000.00	5 Media Slot	R 250 000.00	N/a	R 0.00	250 000		Official Order
	Good governance and community participation and ward committee systems	To ensure efficient and effective internal and external communication			Number	1	0	0	4400/4412/0102EQSR/NONE/ADMN	To publicise municipal programmes with 12 press media	3 Editorial page and out door advertising	R 135 000.00	3 Editorial page and out door advertising	R 135 000.00	3 Editorial page and out door advertising	R 135 000.00	3 Editorial page and out door advertising	R 135 000.00	540 000		invoice and copy of article

	Good governance and community participation and ward committee systems	To ensure efficient and effective internal and external communication	To have municipal newsletters published	Number of issues of municipal newsletters published	Number	4	bimonthly	0	4400/4412/0102EQSR/NO NE/ADMN	four (4) issues of municipal newsletters published by 30 June 2016	30-Sep-15	R 90 000	31-Dec-15	R 90 000	31-Mar-16	R 90 000	31 June 2016	R 90 000	R 360 000		Copy of the newsletter and GRN
	Good governance and community participation and ward committee systems	To ensure efficient and effective internal and external communication	To have adopted events calendar	Date of adoption of events calendar	Date	2015/2016 Calendar of events	2014/2015 Calendar of events	0	NONE	Adoption of events calendar by EXCO by 30 September 2015	Adoption of events calendar by EXCO by 30 July 2015	n/a	N/a	N/a	N/a	N/a	n/a	N/a			EXCO resolution and Calendar of events
	Good governance and Public participation	To create a conducive environment for socio economic growth	To hold the Municipal excellence awards	Municipal excellence awards	Date	1	0	0	4400/4412/0102EQSR/NO NE/ADMN	To hold the Municipal excellence awards	N/a	0.00	N/a	0.00	To hold the Municipal excellence awards	R 200 000	N/a	R 0.00	R 200 000		Attendance register, photos and list of awarded people
	Good governance and Public participation	To create a conducive environment for socio economic growth	To hold the Municipal state of the address	Municipal state of address	Date	1	1	0	4400/4412/0102EQSR/NO NE/ADMN	To hold the Municipal state of the Municipal address	N/a	0.00	N/a	0.00	To hold the Municipal state of the Municipal address	R 150 000	N/a	R 0.00	R 150 000		Attendance register and copy of the address
66_Ref3	Good governance and Public participation	To create a conducive environment for socio economic growth	To implement Youth Empowerment Programme	No. of Youth Events	Number	1	1 Nkandla Youth Motivation Event	0	4400/4412/0102EQSR/NO NE/ADMN	1 Nkandla Youth Motivation Event held	N/a	R 860 000.00	N/a	R 0.00	N/a	N/a	N/a	0.00	R 860 000.00		Procurement documents, photos
	Good governance and community participation and ward committee systems	To ensure efficient and effective internal and external communication	To Review of Communication Strategy and Policy	Date of review of communication strategy and policy	Date	31-Mar-16	30 June 2014	0	4400/4412/0102EQSR/NO NE/ADMN	Review of Communication Strategy and Policy by 31 March 2016	N/a	R 0.00	Develop a Draft Communication Strategy and Policy	R 0.00	Review of Communication Strategy and Policy by 31 March 2016	0.00	N/a	R 0.00	R 0.00		Council Resolution and copy of Communication Strategy and Policy
<b>SPECIAL PROGRAMMES</b>																					
59_Ref3	Good governance and Public participation	To create a conducive environment for socio economic growth	To develop comprehensive response to HIV/AIDS	No. of Local AIDS Council (LAC) meetings	Number	4	2 Local AIDS Council meetings	2	4400/4433/0102/EQSR/NO ONE/ADMN	4 Local Aids Council (LACI)	1 Local Aids Council (LAC)	R 58 937.50	1 Local Aids Council (LAC)	R 58 937.50	1 Local Aids Council (LAC)	R 58 937.50	1 Local Aids Council (LAC)	R 58 937.50	R 235 750		Procurement documents, Attendance registers
	Good governance and Public participation	To create a conducive environment for socio economic growth	To develop comprehensive response to HIV/AIDS	2 HIV/AIDS campaigns	Number	2	2	2	4400/4433/0102/EQSR/NO ONE/ADMN	2 HIV & AIDS Awareness Campaigns	1 HIV/AIDS Awareness campaigns	R 75 500.00	World Aids Day build up event by 15 December 2015	R 200 000.00	N/a	N/a	N/a	N/a	R 298 000		Procurement documents and Attendance register
59_Ref3	Good governance and Public participation	To create a conducive environment for socio economic growth	To monitor service delivery by engaging relevant stakeholders	No. of Local Task Team (LTT) meetings	Number	12	12 Local Task Team (LTT) meeting held	0	4400/4433/0102/EQSR/NO ONE/ADMN	12 Local Task Team (LTT) meetings	3 Local Task Team (LTT) meetings	R 12 000.00	3 Local Task Team (LTT) meetings	R 12 000.00	3 Local Task Team (LTT) meetings	R 12 000.00	3 Local Task Team (LTT) meetings	R 12 000.00	R 48 000		Attendance registers & procurement documents

59_Ref3	Good governance and Public participation	To create a conducive environment for socio economic growth	To monitor service delivery by engaging relevant stakeholders	No. of Local Task Team (LTT) meetings	Number	12	12 Local Task Team (LTT) meeting held	0	4400/4433/0102/EQSR/N ONE/ADMN	12 Local Task Team (LTT) meetings	3 Local Task Team (LTT) meetings	R 12 000.00	3 Local Task Team (LTT) meetings	R 12 000.00	3 Local Task Team (LTT) meetings	R 12 000.00	3 Local Task Team (LTT) meetings	R 12 000.00	R 48 000	Attendance registers & procurement documents
	Good governance and Public participation	To create a conducive environment for socio economic growth	To have a functional Disability Forum	No. of disability awareness campaigns	Number	4	1	2	4400/4418/0102/EQSR/N ONE/ADMN	4 Disability Awareness Campaigns	1 Disability Awareness Campaign by 30 September 2015	R 12 500.00	1 Disability Awareness Campaign by 31 December 2015	R 50 000.00	1 Disability Awareness Campaign by 31 March 2015	R 12 500.00	1 Disability Awareness Campaign by 31 June 2015	R 12 500.00	R 87 500.00	Procurement documents Attendance register
66_Ref3	Good governance and Public participation	To create a conducive environment for socio economic growth	To have a functional Disability Forum	Establish Nkandla disability Forum	Date	1	0	1	4400/4418/0102/EQSR/N ONE/ADMN	Established Nkandla disability Forum by 31 March 2015	N/a	R 0.00	N/a	R 0.00	Established Nkandla disability Forum by 31 March 2015	R 0.00	N/a		Procurement documents Attendance register	
66_Ref3	Good governance and Public participation	To create a conducive environment for socio economic growth	To Establish Nkandla Functional Wheelchair Repair Centre by 30 June 2015	Establish Nkandla Functional Wheelchair Repair Centre by 30 June 2015	Date	1	0	1	4400/4418/0102/EQSR/N ONE/ADMN	Establish Nkandla Functional Wheelchair Repair Centre by 30 June 2016	N/a	R 0.00	N/a	R 0.00	N/a	R 0.00	Established Nkandla Functional Wheelchair Repair Centre by 30 June 2016	20 000	Copy of invoice	
66_Ref3	Good governance and Public participation	To create a conducive environment for socio economic growth	To prepare Local Plan of Action for disabled adopted by Council	Local Plan of Action for disabled adopted by Council	Date	1	0	1	4400/4418/0102/EQSR/N ONE/ADMN	1 Local Plan of action for disabled by 31 December	N/a	R 0.00	1 Local Plan of action for disabled by 31 Dec 2015	R 0.00	N/a	R 0.00	N/a	0.00	Procurement documents, Council Resolution, Copy of the Plan of Action	
58_Ref3	Good governance and Public participation	To create a conducive environment for socio economic growth	To prepare Local Plan of Action for children adopted by Council	Local Plan of Action for children adopted by Council	Date	1	0	1	4400/4418/0102/EQSR/N ONE/ADMN	1 Local Plan of action for children by 31 December	N/a	R 0.00	1 Local Plan of action for children	R 0.00	N/a	R 0.00	N/a	R 0.00	Procurement documents, Council Resolution, Copy of the Plan of Action	
66_Ref3	Good governance and Public participation	To create a conducive environment for socio economic growth	To have a functional Senior Citizens Forum	Establish Nkandla senior citizen forum	Date	1	0	1	4400/4458/0102/EQSR/N ONE/ADMN	Established Nkandla senior citizen forum by 31 September 2015	Established Nkandla Senior citizen forum by 31 September 2015	0.00	N/a	0.00	N/a	R 0.00	N/a	0.00	R 250 000.00	Attendance register, List of Forum members
66_Ref3	Good governance and Public participation	To create a conducive environment for socio economic growth	To have a functional Senior Citizens Forum	No. of Imbizo for Senior Citizens	Number	1	none	1	4400/4458/0102/EQSR/N ONE/ADMN	1 Imbizo for Senior Citizens (Christmas)	N/a	R 0.00	1 Imbizo for Senior Citizens (Christmas)	R 0.00	N/a	R 300 000.00	N/a	0.00	Attendance Registers and procurement documents	
66_Ref3	Good governance and Public participation	To create a conducive environment for socio economic growth	To have a functional Senior Citizens Forum	No. of Senior citizen support programmes	Number	6	4 poverty alleviation programmes in four wards	6	4400/4458/0102/EQSR/N ONE/ADMN	6 poverty alleviation programmes in 6 different wards (Food Relief and Uniform for child headed families)	N/a	R 0.00	N/a	R 0.00	6 poverty alleviation programmes in 6 different wards (Food Relief and Uniform)	N/a	0.00		Attendance registers and procurement documents	

66,Ref3	Good governance and Public participation	To create a conducive environment for socio economic growth	To provide gender empowerment	Local Plan of Action for Gender Empowerment	Date	31-Dec-15	31-Dec-14	1	4400/4429/0102/EQSR/N ONE/ADMN	1 Local Plan of action for gender empowerment by 31 December	N/a	R 0.00	1 Local Plan of action for gender empowerment t by 31 Dec 2015	R 0.00	N/a	R 0.00	N/a	0	R 250 000.00	copy of local plan of action
66,Ref3	Good governance and Public participation	To create a conducive environment for socio economic growth	To provide gender empowerment	Number of Gender	Number	1	1	0	4400/4429/0102/EQSR/N ONE/ADMN	1 Women's Day Event held	1 Womens Day Event held	R 150 000.00	N/a	R 0.00	N/a	R 0.00	N/a	0.00		Procurement documents Attendance register
66,Ref3	Good governance and Public participation	To create a conducive environment for socio economic growth	To provide gender empowerment	Number of men and women trained	Number	20	None	20	4400/4429/0102/EQSR/N ONE/ADMN	20 Men and women trained in skills development	N/a	R 0.00	N/a	R 0.00	10 men/ women trained on skills for self help and capacity development programs	R 100 000.00	10 men/women trained on skills for self help and capacity development programs	R 100 000.00		Procurement documents Attendance register and copy of training manual
66,Ref3	Good governance and Public participation	To create a conducive environment for socio economic growth	To provide gender empowerment	Date - Established Womens forum	Date	31 September 2015	None	0	4400/4429/0102/EQSR/N ONE/ADMN	Established women forum by 30 September 2015	Established women forum by 30 September 2015	R 0.00	N/a	R 0.00	N/a	R 0.00	N/a	0.00		Attendance Registers
66,Ref3	Good governance and Public participation	To create a conducive environment for socio economic growth	Youth Empowerment Programme	1 Youth Development Policy adopted by council	Date	31-Dec-15	31-Dec-14	0	4400/4482/0102/EQSR/N ONE/ADMN	1 Youth Developmet Policy adopted by Council	N/a	R 0.00	1 Youth Development Policy adopted by Council by 31 December 2015	R 0.00	N/a	R 0.00	N/a	R 0.00	R 1 350 000.00	Copy of Youth Development Policy and Council Resolution
66,Ref3	Good governance and Public participation	To create a conducive environment for socio economic growth	Youth Empowerment Programme	1 UNkulunkulu nomuntu omusha event held	Date	31 June 2016	31 September 2014	0	4400/4482/0102/EQSR/N ONE/ADMN	1 UNkulunkulu nomuntu omusha event held	N/a	R 0.00	N/a	0.00	1 UNkulunkulu nomuntu omusha event held	R 200 000.00	N/a	R 0.00		Procurement documents, Attendance Register, Report, Photos
66,Ref3	Good governance and Public participation	To create a conducive environment for socio economic growth	Youth Empowerment Programme	1 Nkandla Youth Summit held	Date	31-Dec-15	31-Dec-14	0	4400/4482/0102/EQSR/N ONE/ADMN	1 Nkandla Youth Summit held	N/a	R 0.00	1 Nkandla Youth Summit held by 31 December 2015	R 180 000.00	N/a	R 0.00	N/a	R 0.00		Procurement documents, Attendance Register, Report, Photos
66,Ref3	Good governance and Public participation	To create a conducive environment for socio economic growth	To implement Youth Empowerment Programme	No. of students supported through Mayoral tertiary registration program	Number	30	27 students	0	4400/4482/0102/EQSR/N ONE/ADMN	30 Nkandla students provided with tertiary education study assistance / registration support	N/a	R 0.00	N/a	R 0.00	30 Nkandla students provided with tertiary education study assistance / registration support	R 300 000.00	N/a	R 0.00		List of beneficiaries, proof of payment

66,Ref3	Good governance and Public participation	To create a conducive environment for socio economic growth	To implement Youth Empowerment Programme	No. of youth development programmes	Date	1 Miss & Mr Nkandla 2015/2016 contest	1 Miss & Mr. Nkandla 2013/2014 contest	0	4400/4482/0102/EQSR/N ONE/ADMN	1 Mr & Miss Nkandla beauty contest 2014/2015	N/a	R 0.00	N/a	R 0.00	N/a	R 0.00	1 Miss & Mr Nkandla contest	R 70 000.00		Procurement documents, photos	
66,Ref3	Good governance and Public participation	To create a conducive environment for socio economic growth	To provide Youth skills development	140 youth provided with skills	Number	140	28	112	4400/4482/0102/EQSR/N ONE/ADMN	140 youth provided with skills	70 youth provided with skills(drivers licence)	R 300 000.00	70 youth provided with skills(drivers licence)	R 300 000.00	N/a	R 0.00	N/a	R 0.00	14 wards	List of beneficiaries, proof of payment	
66,Ref3	Good governance and Public participation	To create a conducive environment for socio economic growth	To review Nkandla Youth Forum	Reviewed Nkandla Youth Forum	Date	1	1	0	4400/4482/0102/EQSR/N ONE/ADMN	Reviewed Nkandla Youth Forum by 31 December 2014	N/a	R 0.00	Reviewed Nkandla Youth Forum by 31 December 2014	0.00	N/a	R 0.00	N/a	R 0.00		List of Youth Forum and attendance register	
<b>LIBRARY SERVICE</b>																					
65,Ref3	Local economic development and social development	To create a conducive environment for socio-economic growth	To implement Children Holiday Programme	Children event held	Date	1	1	0	4400/4442/0507/EQSR/N ONE/ADMN	1 Children holiday event by 31 Dec 2015	Plenary Meeting	R 0.00	Children holiday event by 31 December 2015	R 350 000.00	N/a	R 0.00	N/a	0.00	R 450 000		Reports with photos and attendance register
			To improve library stock that relates to the user needs	Additional Library stock	Number	0	0	0	4400/4442/0507/EQSR/N ONE/ADMN	30 Library Books purchase	Survey of the user needs	R 0.00	Final List of library books to be purchased	R 0.00	30 Library books purchased	R 90 000.00	N/a	0.00			User survey forms, list of books to be purchased, procurement documents
65,Ref3	Local economic development and social development		To implement Reading and Writing Club	Functional Reading and Writing Club	Date	1	1	0	4400/4442/0507/EQSR/N ONE/ADMN	Two trainings for Reading and Writing Club by 30 June 2016	one writing skills training	R 10 000.00	one publishings skills training for the writers	R 10 000.00	N/a	R 0.00	N/a	0.00			Procurement documents and Pictures attendance register
<b>PUBLIC FACILITIES MANAGEMENT</b>																					
Pg 142,R	Local economic development and social development	To improve the quality of life through social infrastructure development	To develop public facility operational plan	To develop public facility operational plan	Date	1	0	0	3800/3850/0507/EQSR/N ONE/ADMN	Developed Public facility operational plan adopted by Council by 31 March 2016	Draft Facilities management operational plan	R 0.00	Facilities operational plan adopted by council by 31 March 2016	R 0.00	N/a	R 0.00	N/a	0.00	R 500 000.00		Draft Operational Plan for Facilities, Council Resolution on the Operational Plan for Facilities
142,Ref3	Local economic development and social development		To capacitate the members of Facilities management Committees through trainings	To train facilities management committees	Number	27	0	27	3800/3850/0507/EQSR/N ONE/ADMN	27 Facilities Management Committees trained	List of all facilities management committees		Train 27 Facilities Management Committees on the role of the committees in facilities management	R 10 000.00	N/a	R 0.00	0	0.00	14		Attendance Register of the facilities management Committte Members trained

142,Ref	Local economic development and social development		To compile quarterly report on the status of Public Facilities	To monitor the functionality of public facilities by compiling quarterly report on the status and functionality of facilities	Number	4	0	4	3800/3850/0507/EQSR/N ONE/ADMIN	4 Facilities Quarterly Reports	1 Report on the Status of Facilities	R 0.00	Report on the Status of Facilities	R 0.00	Report on the Status of Facilities	R 0.00	Report on the Status of Facilities	R 0.00		R 0.00		Copy of the Report on the Status of Facilities
Pg 142,R	Local economic development and social development	To improve the quality of life through social infrastructure development	To establish public facilities committees	To establish public facilities committees	Number	10	14	9	3800/3850/0507/EQSR/N ONE/ADMIN	To establish 10 public facilities committees	2 public facilities committees	R 0.00	2 public facilities committees formed	R 0.00	3 public facilities committees	R 0.00	3 public facilities committees	0.00				Requisitions for furniture, Pictures of furniture ON-SITE
<b>SPORTS AND RECREATION</b>																						
Pg 142,R	Local economic development and social development	To improve the quality of life through social infrastructure development	To participate in District SALGA games	District SALGA games event	Date	1	1	0	4400/4468/0507/EQSR/N ONE/ADMIN	To Participate in District SALGA games 31 September 2015	Participate in District SALGA games 31 September 2015	R 400 000.00	Attend to Provincial SALGA games	R 30 000.00	N/A	0.00	N/A	0.00	R 430 000.00			List of people who attended. Proof of items procured and Pictures
Pg 142,R	Local economic development and social development	To improve the quality of life through social infrastructure development	To improve sports through Nkandla Mayoral Cup	Mayoral Cup tournament held	Number	1	1	0	4400/4468/0507/EQSR/N ONE/ADMIN	To have 1 Mayoral Cup tournament held	1 Plenary Meeting	R 0.00	1 Plenary Meeting	R 0.00	1 Plenary Meeting	0.00	Hosting of Mayoral Cup	R 500 000.00	R 500 000.00			Mayoral Cup Plan, Minutes and Agendas of meetings as well as Pictures
Pg 142,R	Local economic development and social development	To improve the quality of life through social infrastructure development	To improve sports through Nkandla Schools Sports	Support to Nkandla Sports Federation	Number	10	0	0	4400/4468/0507/EQSR/N ONE/ADMIN	Ten sporting codes supported with sports material	Support for Soccer,Netball,Dance,Boxing,athletics, chess,Indigenous games,karate,rugby,volleyball	R 10 000.00	Support for Soccer,Netball,Dance,Boxing,athletics, chess,Indigenous games,karate,rugby,volleyball	R 10 000.00	Support for Soccer,Netball,Dance,Boxing,athletics, chess,Indigenous games,karate,rugby,volleyball	R 10 000.00	Support for Soccer,Netball,Dance,Boxing,athletics, chess,Indigenous games,karate,rugby,volleyball	R 10 000.00	R 40 000.00			Copy of invoice and photos
Pg 142,R	Local economic development and social development	To improve the quality of life through social infrastructure development	To improve sports through Nkandla Horse Riding event	2 Schools Tournaments	Number	2	0	2	4400/4468/0507/EQSR/N ONE/ADMIN	To have 2 School Sports Tournaments	N/A	R 0.00	1 Plenary Meeting	R 0.00	1 School Tournament	R 15 000.00	1 School Tournament	R 15 000.00	R 30 000.00	14		Attendance Register,Procurement documents,Pictures
Pg 142,R	Local economic development and social development	To improve the quality of life through social infrastructure development	To host the Nkandla May Horse Riding event	1 Nkandla May horse riding event	Number	1	1	0	4400/4468/0507/EQSR/N ONE/ADMIN	To have 1 Nkandla May horse riding event	N/A	R 0.00	1 Plenary Meeting for Nkandla May Horse Riding Event	R 0.00	Final Nkandla Horse riding concept document submitted to council	R 0.00	Hosting of Nkandla May horse riding Event	R 500 000.00	R 500 000.00			Agenda and Minutes of Plenary meetings. Proof of procurement of the required material and Pictures.
<b>LOCAL ECONOMIC DEVELOPMENT</b>																						
Pg 142,R	Local economic development and social development	To create a conducive environment for socio-economic growth	To improve and sustain culture through cultural events	Number of cultural events held to promote pride and cultural dignity amongst youth of Nkandla	Number	2	1 Cultural events held	0	4400/4444/0507/EQSR/N ONE/ADMIN	4 Cultural events held within Nkandla	1 uMhlanga Reed Dance event participated by Nkandla Youth	R 400 000.00	1 Indlamu	R 300 000.00	N/a	R 0.00	N/a	R 0.00	1 450 000			Copy of attendance register and photos



	Local economic development and social development	To create a conducive environment for socio-economic growth	To improve and sustain culture through cultural events	Number of cultural events held to promote pride and cultural dignity amongst youth of Nkandla	Number	2	1 Cultural events held		4400/4444/0507/EQSR/N ONE/ADMIN		Maskandi Music Festival	R 200 000.00	Umkhosi womvililyelo	R 375 000.00	N/a	R 0.00	N/a	R 0.00			Copy of attendance register and photos
			To support Nkandla co-operatives	Number of programmes/projects implemented through CWP	Number	14	10	4	NONE		3 CWP projects/programmes		3 CWP projects/programmes		3 CWP projects/programmes		3 CWP projects/programmes				CWP Report with photos
		To create a conducive environment for socio-economic growth			Number	1000	935	0	NONE	Number of jobs created through EPWP and CWP											CWP Report with photos
Pg 142, R	Local economic development and social development	To create a conducive environment for socio-economic growth	To support Nkandla co-operatives	Number of Cooperatives supported with material	Number	30	28	N/A	4400/4444/0507/EQSR/N ONE/ADMIN	40 Material support to co-operatives	20 co-operatives supported with material	R 750 000.00	20 co-operatives supported with material	R 750 000.00	Monitoring and evaluation of Supported cooperatives	R 0.00	Monitoring and evaluation of Supported cooperatives	R 0.00	1 500 000		Attendance register, List of cooperatives supported, list of assets funded with (inventory) and pictures
Pg 142, R	Local economic development and social development	To create a conducive environment for socio-economic growth	To capacitate SMMEs through SMME development programme	Number of SMMEs trained & on business management skills	Number	60	0	60	4400/4444/0507/EQSR/N ONE/ADMIN	30 SMMEs trained on business management skills	To host SMMEs summit by 31 September 2015	R 300 000.00	15 SMMEs trained on business management skills	R 0.00	15 SMMEs registered and supported through SMME development	R 0.00	N/a	R 0.00	300 000		Training manual, attendance registers and list of supported SMMEs
	Local economic development and social development	To create a conducive environment for socio-economic growth	To capacitate cooperatives and SMMEs	Launch of cooperative and SMMEs	Date	1			4400/4444/0507/EQSR/N ONE/ADMIN	To Launch of Cooperative and SMME fair	N/a	R 0.00	N/a	R 0.00	Launch of Cooperative and SMME fair	R 200 000.00	N/a	R 0.00	200 000		attendance register and photos
Pg 142, Ref 3.7		To create a conducive environment for socio-economic growth	To establish a functional LED Forum	Hosting/Coordinating LED Forums	Number	1	0	1	4400/4444/0507/EQSR/N ONE/ADMIN	To establish the LED Forums	Develop LED Forum terms of reference, Develop LED Stakeholders List, Prepare and send Invitation	R 0.00	Establishment of LED Forum	R 12 500.00	Functionality meeting for LED Forum	R 0.00	Functionality meeting for LED Forum	R 0.00	R 12 500.00		Attendance registers, minutes and pictures
Pg 142, Ref 3.7			To develop LED strategy	LED strategy	Date	1	0	1	4400/4444/0507/EQSR/N ONE/ADMIN	To develop LED strategy by 31 March 2016	N/a	R 0.00	To develop a draft LED strategy	R 0.00	LED strategy adopted by council by 31 March 2016	R 200 000.00	N/a	R 0.00	R 200 000.00		Copy of LED strategy and council resolution
Pg 142, Ref 3.7			To establish Nkandla Community Tourism Organisation (CTO)	Operational Nkandla Community Tourism Organisation	Date	1	0	1	4400/4444/0507/EQSR/N ONE/ADMIN	To ensure fully functional of Nkandla Community Tourism Organisation (CTO)	1 Meeting with Tourism Stakeholders	R 0.00	1 Meeting with Tourism Stakeholders	R 0.00	1 Meeting with Tourism Stakeholders	R 0.00	1 Meeting with Tourism Stakeholders	R 0.00	R 0.00		Attendance registers and minutes of the meetings

Pg 142, Ref 3.7		To establish Nkandla Informal Economy Chamber	Established Informal Economy Chamber	Date	1	0	0	4400/4444/0507/EQSR/N ONE/ADMIN	To review Nkandla Informal Economy Chamber	review terms of reference 1 Nkandla Informal Economy Meeting	R 0.00	To review Nkandla Informal Economy Chamber by 31 december 2015	R 12 500.00	1 Meeting with Nkandla informal chamber	R 0.00	1 Meeting with Nkandla informal chamber	R 0.00	R 12 500.00		Policy Document
	Municipal Transformation and institutional development	Attain effective and efficient municipal administration	To ensure performance of contracted service provider	Quarterly performance report	Number	1	0	1	NONE	To implement effective contract management through monitoring and evaluation of service providers	To monitor and evaluate service provider performance	R 0.00	To monitor and evaluate service provider performance	R 0.00	To monitor and evaluate service provider performance	R 0.00	To monitor and evaluate service provider performance	R 0.00	R 0.00	quarterly performance report of contracted service provider to council
<b>DISASTER MANAGEMENT</b>																				
	Cross cutting interventions	To prevent disaster occurrences in the Nkandla community	Date of launch of fire protection services	Date	1	0	0	4400/4414/0507/EQSR/N ONE/ADMIN	Launch of fire and protection services by 30 Septemeber 2015	Launch of fire protection services by 30 Septemeber 2015	R 20 000.00	N/a	R 0.00	N/a	R 0.00	Launch of registering authority by 30 June 2015	R 0.00	R 0.00		Report with photos
102, Ref 3	Cross cutting interventions	To develop and improve disaster management capacity of stakeholders in order to deal wit disaster occurrences within the Nkandla municipal boundaries	Establishment of Disaster management Forum	Date	1	0	0	4400/4414/0507/EQSR/N ONE/ADMIN	Disaster management Advisory forum established by 30 September 2015	Disaster management Advisory forum established by 30 September 2015	R 0.00	N/a	0	N/a	0	N/a	0	R 1 100 000.00		List of Disaster Management Advisory Forum Members
	Cross cutting interventions	To promote a safe and healthy environment for Nkandla community	To establish and run law enforcement unit	3 Advisory Committee meetings	Numberr	3	0	0	4400/4414/0507/EQSR/N ONE/ADMIN	3 Advisory Committee Meeting		1 Advisory Committee Meeting held		1 Advisory Committee Meeting held		1 Advisory Committee Meeting held	0			Minutes, Attendance Register
	Cross cutting interventions	To promote a safe and healthy environment for Nkandla community	To establish and run protection services	Prepare incidents reports	Number	4	0	0	4400/4414/0507/EQSR/N ONE/ADMIN	12 Incidents Reports	3 Monthly Incident Report	3 Monthly Incident Report		3 Monthly Incident Report		3 Monthly Incident Report	0			Monthly Incident reports
	Cross cutting interventions	To promote a safe and healthy environment for Nkandla community	To implement 4 Fire Drills	4 Fire Drills	Number	4	0	0	4400/4414/0507/EQSR/N ONE/ADMIN	4 Fire Drills	1 Fire Drills	1 Fire Drills		1 Fire Drills		1 Fire Drills				Report with photos

	Cross cutting interventions	To promote a safe and healthy environment for Nkandla community	To procure disaster material	Procure disaster response materials	Date	4	0	0	4400/4414/0507/EQSR/N ONE/ADMN	4	Procurement of Disaster response materials once per quarter	R 200 000.00	Procurement of Disaster response materials once per quarter	R 200 000.00	Procurement of Disaster response materials once per quarter	R 200 000.00	Procurement of Disaster response materials once per quarter	R 200 000.00	Procurement documents and report on delivery to beneficiaries	
	Good governance and Public participation	To promote a safe and healthy environment for Nkandla community	To implement 12 Monthly Awareness Campaigns	12 Monthly Awareness Campaigns	Number	12	6	6	4400/4414/0507/EQSR/N ONE/ADMN	To implement 12 Monthly Awareness Campaigns	3 Monthly Awareness Campaigns	R 50 000.00	3 Monthly Awareness Campaigns	R 50 000.00	3 Monthly Awareness Campaigns	R 0.00	3 Monthly Awareness Campaigns	R 200 000.00	Report with photos and attendance register	
<b>BUDGET AND TREASURY</b>																				
	Basic service delivery	To improve quality of life through social infrastructure development	To pay all FBE invoices from Eskom and Municipal indigent households within 30 days	Timeous payment of FBE invoices from Eskom within 30 days	Number	30 days	30 days	0	4400/4426/0191/EQSR/N ONE/MMUN	Payment of all FBE invoices received within 30 days	30 days	R 207 500.00	30 days	R 207 500.00	30 days	R 207 500.00	30 days	R 207 500.00	R 830 000.00	Payment vouchers & monthly bank statements
	Basic service delivery	To improve quality of life through social infrastructure development		Beneficiaries receiving free basic electricity per month	Number	1500 beneficiaries	1054 beneficiaries	446	4400/4426/0191/EQSR/N ONE/MMUN	To increase the number of beneficiaries receiving free basic electricity.	N/A	R 0.00	N/A	R 0.00	R 0.00	1500 beneficiaries receiving FBE by the 30th of June 2015.	R 0.00		Application forms for FBE sent to Eskom for approval and indigent house hold database	
	Financial Viability and management	Advance and maintain the financial viability of the municipality	Compliance with Reporting requirements of the MFMA, Act No. 56 of 2003	Submission of monthly financial reports to Treasury (Sec 71) & EXCO	Number	12	12	0	NONE	Submission of 12 monthly financial reports to Treasury (Sec 71) & EXCO	3 Section 71 reports per quarter sent to Treasury and Exco	R 0.00	3 Section 71 reports per quarter sent to Treasury and Exco	R 0.00	3 Section 71 reports per quarter sent to Treasury and Exco	R 0.00	3 Section 71 reports per quarter sent to Treasury and Exco	R 0.00	Sec 71 Returns submitted within 10 working days of the next month	
	Financial Viability and management	Advance and maintain the financial viability of the municipality		Submission of quarterly financial reports to Treasury and EXCO	Number	4	4	0	NONE	Submission of (4) quarterly financial reports to Treasury and EXCO	1 quarterly report sent to Treasury and Exco	R 0.00	1 quarterly report sent to Treasury and Exco	R 0.00	1 quarterly report sent to Treasury and Exco	R 0.00	1 quarterly report sent to Treasury and Exco	R 0.00	Returns submitted	
	Financial Viability and management	Advance and maintain the financial viability of the municipality	Compliance with section 72 of the MFMA	Submission of midyear Assessment report	Date	28-Feb-16	28-Feb-15	0	NONE	To submit Section 72 Reports to Council by the 25th of January 2015	N/A	R 0.00	N/A	R 0.00	25/01/2015	R 0.00	N/A	R 0.00	Section 72 report, council resolution	
	Good governance and public participation	Advance and maintain the financial viability of the municipality	Annual Financial Statements submitted on time (MFMA S126 (1a))	Submission for audit purposes of the Annual Financial Statements for the 2014/2015 financial year	Date	31-Aug-15	31-Aug-14	0	NONE	Submission for audit purposes of the Annual Financial Statements for the 2014/2015 financial year by the 31st of August 2015	31/08/2015	R 0.00	N/A	R 0.00	N/A	R 0.00	N/A	R 0.00	Proof of submission of AFS from AGSA	

	Good governance and public participation	Advance and maintain the financial viability of the municipality	Approved budget of 2016/2017 financial year	Approval of the budget process plan	Date	31/08/2015	31/08/2014	0	NONE	Approval of the budget process plan by 31 August 2015	Approval of the budget process plan by 31 August 2015	R 0.00	N/A	R 0.00	N/A	R 0.00	N/A	R 0.00		Copy of budget process plan and council resolution	
	Financial Viability and management	Advance and maintain the financial viability of the municipality	Approved budget of 2016/2017 financial year	Adoption of the Operating and Capital Budget of the Municipality for 2016/2017	Date	31-May-16	31-May-15	nil	NONE	Adoption of the Operating and Capital Budget of the Municipality for 2016/2017 by 31 May 2016	N/A	R 0.00	N/A	R 0.00	Adoption of the draft Operating and Capital Budget of the Municipality for 2016/2017 by 31 March 2016	R 0.00	Adoption of the Operating and Capital Budget of the Municipality for 2016/2017 by 31 May 2016	R 0.00		Copy of budget and council resolution	
	Financial Viability and management	Advance and maintain the financial viability of the municipality	Approved Adjustment Budget for the Municipality in respect of 2015/16 financial year	Approval of an Adjustment Budget in accordance with the provisions of Section 28 of the MFMA, as amended	Date	28-Feb-16	28-Feb-15	nil	NONE	Approval of an Adjustment Budget in accordance with the provisions of Section 28 of the MFMA, as amended by 28 February 2016	N/A	R 0.00	N/A	R 0.00	Approval of an Adjustment Budget in accordance with the provisions of Section 28 of the MFMA, as amended by 28 February 2016	R 0.00	N/A	R 0.00		Copy of an Adjustment Budget with Council Resolution	
	Financial Viability and management	Advance and maintain the financial viability of the municipality	To ensure the enhancement of revenue	Development & Adoption of Revenue Enhancement Strategy	Date	30 September 2015	none	Revenue Enhancement Strategy	NONE	Development & Adoption of Revenue Enhancement Strategy by the 30th of September 2015	Development & Adoption of Revenue Enhancement Strategy by the 30th of September 2015	R 0.00	n/a	R 0.00	n/a	R 0.00	n/a	R 0.00		Council Resolution & Revenue Enhancement Strategy	
	Financial Viability and management	Advance and maintain the financial viability of the municipality		Implementation of Revenue Enhancement Strategy	date	31 Dec 2015 31 March 2016 30 June 2016	none	0	NONE	Implementation of Revenue Enhancement Strategy	n/a	R 0.00	31-Dec-15	R 0.00	31-Mar-16	R 0.00	30-Jun-16	R 0.00		Revenue Enhancement Strategy Implementation Plan & Reports	
	Financial Viability and management	Advance and maintain the financial viability of the municipality	To ensure collection of budgeted revenue	Above 60% budgeted revenue collection on property rates	Percentage	>60%	>60%	0	NONE	Above 60% budgeted revenue collection on billed revenue	Above 60% budgeted revenue collection on billed revenue	R 0.00	Above 60% budgeted revenue collection on billed revenue	R 1 210 440.00	Above 60% budgeted revenue collection on billed revenue	R 1 210 440.00	Above 60% budgeted revenue collection on all billed revenue	8069600(electricity, rates and refuse)	R 8 069 600.00		Report on actual revenue on rates collected
	Financial Viability and management	Advance and maintain the financial viability of the municipality		Improved Service on Sale of Electricity	Number	2	None	2	NONE	To extend electrical sales points to local vendors	1 signed vendor agreement between the Municipality and the other party	R 0.00	N/A	R 0.00	N/a	R 0.00	1 signed vendor agreement between the Municipality and the other party	R 0.00		Signed Vendor Agreements	
	Financial Viability and management	Advance and maintain the financial viability of the municipality	To ensure that customers receive the statements of accounts in time	Monthly statements are forwarded to customers in time	Date	07th of each month	07th of each month	nil	4400/4451/0191/EQSR/NONE/WMUN	Bills statements forwarded to customers by the 07th of each month	07th of each month	R 18 000.00	07th of each month	R 18 000.00	07th of each month	R 18 000.00	07th of each month	R 18 000.00	R 72 000.00		Statement Delivery Register & proof of postage by Nashua

Financial Viability and management	Optimise budget implementation in the municipality	Ensured that expenditure from grant funding is in accordance with grant stipulations	Preparation of a consolidated report on the receipt and expenditure of grant funds	Number	12	12	0	NONE	Preparation of a consolidated report on the receipt and expenditure of grant funds	3 grants reports submitted to Treasury	R 0.00	3 grants reports submitted to Treasury	R 0.00	3 grants reports submitted to Treasury	R 0.00	3 grants reports submitted to Treasury	R 0.00			Monthly reports & Grants reconciliation s & proof of submission
Financial Viability and management	Optimise budget implementation in the municipality	Reconciliation reports on receipt and expenditure for submission to the Municipal Manager and EXCO	Approved Reconciliation statements	Number	12	12	0	NONE	Preparation and review of 12 reconciliation statements	3 reconciliation statements	R 0.00	3 reconciliation statements	R 0.00	3 reconciliation statements	R 0.00	3 reconciliation statements	R 0.00			Monthly reconciliation s (Debtors, Other Income, Stores, Assets, Payroll, Creditors) (Montly Bank Recons)
Financial Viability and management	Optimise budget implementation in the municipality	Exercised financial and fiscal control	Preparation of updated cash flow projections for the Municipality	Number	4	0	4	NONE	Preparation of updated cash flow projections for the Municipality	1 projection report	R 0.00	1 projection report	R 0.00	1 projection report	R 0.00	1 projection report	R 0.00			Quarterly Cash flow Projections Reports
Financial Viability and management	Optimise budget implementation in the municipality	Containment of expenditure incurred by the Directorate for 2015/2016 financial year within budgetary limits	Budget Expenditure Reports Per Vote	Percentage	100%	100%	0	NONE	To ensure 100% expenditure on all finance related grants and subsidies ( FMG and MSIG) to avoid grants rollovers	>60% expenditure on received Finance Grants (FMG and MSIG)	R 0.00	>60% expenditure on received Finance Grants (FMG and MSIG)	R 0.00	>60% expenditure on received Finance Grants (FMG and MSIG)	R 0.00	>60% expenditure on received Finance Grants (FMG and MSIG)	R 0.00			Statement of comparison of actuals with Income and Expenditure budget
Financial Viability and management	Improve the financial performance of the municipality	GRAP 16 & 17 Asset Register in place	GRAP compliant asset register	Number	4 GRAP -2015/16 compliant asset register	2014/15GRAP compliant asset register	nil	NONE	To prepare quarterly 2015/16 GRAP compliant asset register	To update asset register quarterly to be GRAP Compliant	R 0.00	To update asset register quarterly to be GRAP Compliant	R 0.00	To update asset register quarterly to be GRAP Compliant	R 0.00	To update asset register quarterly to be GRAP Compliant	R 0.00			Fixed Asset Register
Financial Viability and management	Improve the financial performance of the municipality	GRAP 16 & 17 Asset Register in place	Updating of fixed asset register to reflect all infrastructure and moveable assets within the Municipality	Number	4	4	0	NONE	To prepare Asset additions Schedules per Quarter	To prepare 1 Asset additions Schedules per Quarter	R 0.00	To prepare 1 Asset additions Schedules per Quarter	R 0.00	To prepare 1 Asset additions Schedules per Quarter	R 0.00	To prepare 1 Asset additions Schedules per Quarter	R 0.00			Asset Additions Schedules & Updated Asset Register
Financial Viability and management	Improve the financial performance of the municipality	GRAP 16 & 17 Asset Register in place	Update the investment property register	Number	4	4	0	NONE	To Undertake scheduled inspections of assets on quarterly basis to confirm location of assets	1 Updated Schedules	R 0.00	1 Updated Schedules	R 0.00	1 Updated Schedules	R 0.00	1 Updated Schedules	R 0.00			4 Updated Property Register
Financial Viability and management	Improve the financial performance of the municipality	GRAP 16 & 17 Asset Register in place	Undertake scheduled inspections of assets on quarterly basis to confirm location of assets	Number	4	4	0	NONE	To Undertake scheduled inspections of assets on quarterly basis to confirm location of assets	1 Inspection Schedules	R 0.00	1 Inspection Schedules	R 0.00	1 Inspection Schedules	R 0.00	1 Inspection Schedules	R 0.00			Schedule and Asset Inventory Sheets

	Financial Viability and management			To ensure regular stock-counting (quarterly)	Number	4	0	4	NONE	Quarterly Stock count Reports	1 Stock count Report	R 0.00	1 Stock count Report	R 0.00	1 Stock count Report	R 0.00	1 Stock count Report	R 0.00	R 0.00		Stock Count Reports
	Good governance and Public participation	Improve the financial performance of the municipality	To decrease Unauthorized, Irregular, fruitless & wasteful expenditure	Development & Approval of Compliance Checklist	Date	30-Sep-15	0	1	NONE	Developed & Approved Compliance Checklist	Developed & Approved Compliance Checklist by 30 September 2015	R 0.00	N/A	R 0.00	N/A	R 0.00	N/A	R 0.00			Compliance Checklist
	Good governance and Public participation	Improve the financial performance of the municipality	To decrease Unauthorized, Irregular, fruitless & wasteful expenditure	Implementation of compliance checklist	Percent	100% Compliance with SCM processes	0	0	NONE	100% compliance with Procurement Requirements for each & every payment	100% compliance with Procurement Requirements for each & every payment	R 0.00	100% compliance with Procurement Requirements for each & every payment	R 0.00	100% compliance with Procurement Requirements for each & every payment	R 0.00	100% compliance with Procurement Requirements for each & every payment	R 0.00			Reports on irregular, unauthorised, fruitless & wasteful Expenditure
	Infrastructure development and basic service delivery	Improve the financial performance of the municipality	Minimise service delivery distribution losses	Reconciliation of Bulk purchases vs Distributions	Percentage decrease in distribution losses	>15%	>55%	0%	4100/4110/0302/EQSR/N ONE/ADMN	To Minimise service delivery distribution losses	>15%	0.00	>15%	R 0.00	>15%	R 0.00	>15%	R 0.00			Reconciliation Report on Electricity (Bulk Purchase vs Sales)
	Municipal transformation and institutional development	To improve institutional efficiency through adequate systems and effective internal controls	Implementation of internship programme with the directorate	ensure the Implementation of Internship programme	Number of Interns	5	5	0	4400/4489/0191/FMGR/N ONE/ADMN	To ensure that 5 interns are employed at Finance Department	5 interns employed	R 0.00	5 interns employed	R 0.00	5 interns employed	0	5 interns employed	R 0.00	R 547 650.00		Appointment Letters.
	Municipal transformation and institutional development	To improve institutional efficiency through adequate systems and effective internal controls	Implementation of internship programme with the directorate	Evaluation of the performance of the Interns engaged within the Finance function at the Municipality	Number of evaluation reports	4	None	4	4400/4489/0191/FMGR/N ONE/ADMN	Evaluation of the performance of the Interns engaged within the Finance function at the Municipality	5 evaluation report for each intern signed and reviewed	R 0.00	5 evaluation report for each intern signed and reviewed	R 0.00	5 evaluation report for each intern signed and reviewed	R 0.00	5 evaluation report for each intern signed and reviewed	R 0.00			Monitoring and Evaluation Report
	Municipal Transformation and institutional development	Attain effective and efficient municipal administration	To ensure performance of contracted service provider	Quarterly performance report	Number	1	0	1	NONE	To implement effective contract management through monitoring and evaluation of service providers	To monitor and evaluate service provider performance	R 0.00	To monitor and evaluate service provider performance	R 0.00	To monitor and evaluate service provider performance	R 0.00	To monitor and evaluate service provider performance	R 0.00	R 0.00		quarterly performance report of contracted service provider to council

	Good governance and public participation		Reported SCM Performance	Submit quarterly reports to the Municipal Manager and the Mayor regarding the functioning of the SCM process	Number of Reports	4	4	0	NONE	Submit (4) quarterly reports to the Municipal Manager and the Mayor regarding the functioning of the SCM process	1 quarterly report sent to MANCO and EXCO	R 0.00	1 quarterly report sent to MANCO and EXCO	R 0.00	1 quarterly report sent to MANCO and EXCO	R 0.00	1 quarterly report sent to MANCO and EXCO	R 0.00		SCM Quarterly Reports	
	Local economic development and social development			Invitation of prospective service providers to register and update the information on the municipal suppliers database	Date	30/06/2016	30/06/2015	0	4400/4403/0191/EQSR/NONE/WMUN	Issuing of Public notice by 30/06/2016 inviting prospective service providers to register and update information on the municipal suppliers database	N/A	R 0.00	N/A	R 0.00	N/A	R 0.00	Public notice 30/06/2016	R 0.00	R 100 000.00	Public Notice	
	Good governance and public participation	Attain effective and efficient municipal administration	To review finance related policies annually	Adoption of all finance related policies	Date of review	31 May 2016	31-May-15	nil	NONE	To review finance related policies annually	N/A	R 0.00					To review finance related policies by 31 May 2016	R 0.00		Council Resolution	
	Good governance and public participation	Attain effective and efficient municipal administration	Ensure that the municipality maintains the unqualified audit opinion	Maintaining the unqualified audit opinion	Yes/No	yes	Unqualified audit	nil	NONE	To Maintaining the unqualified audit opinion for the 2014/2015 Financial year	N/A	R 0.00	Maintaining the unqualified audit opinion	R 0.00	N/A	R 0.00	N/A	R 0.00		Unqualified Audit opinion report received	
<b>TECHNICAL SERVICE</b>																					
<b>1. ADMINISTRATION AND FINANCIAL MANAGEMENT</b>																					
	Financial Viability and management		1. 1 To ensure the proper financial management	preparation and submission of departmental procurement plan	Number	1	1	nil	NONE	Preparation and submission of departmental procurement plan	Preparation and submission of departmental procurement plan	R 0.00	N/A	R 0.00	N/A	R 0.00	N/A	R 0.00		Proof for the submission	
	Financial Viability and management		1.2 To ensure financial management	monthly financial reporting	Number	12	12	nil	NONE	ensure 100% expenditure on all capital transfers	25%		25%		25%		25%			Monthly financial report (reconciliations and expenditure report)	
	Municipal Transformation and institutional development	Attain effective and efficient municipal administration	To ensure performance of contracted service provider	Quarterly performance report	Number	1	0	1	NONE	To implement effective contract management through monitoring and evaluation of service providers	To monitor and evaluate service provider performance	R 0.00	To monitor and evaluate service provider performance	R 0.00	To monitor and evaluate service provider performance	R 0.00	To monitor and evaluate service provider performance	R 0.00	R 0.00		quarterly performance report of contracted service provider to council
<b>2. ELECTRICITY</b>																					

Infrastructure development and basic service delivery	To improve quality of life through social infrastructure	2.1 To attend all electricity faults reported in Nkandla Town as part	% of households electricity faults resolved within 24hrs subject to the extent of the fault	%	100%	100%	nil	3800/3830/0302/EQSR/NONE/ADMN	100% attendance to electricity faults	100%	responsive	100%	responsive	100%	responsive	100%	responsive	R 1 000 000.00	5	report of faults attended to.	
Infrastructure development and basic service delivery		2.2 To attend all faulty street lights in Town	% of street lights attended to within 48hrs	%	100%	100%	nil	3800/3830/0302/EQSR/NONE/ADMN	100%	100%	responsive	100%	responsive	100%	responsive	100%	responsive		5	report of faults attended to.	
Infrastructure development and basic service delivery		2.3 To maintain and service Town Electricity Infrastructure	service and replace faulty transformers	Number	27	27 Transformers	nil	3800/3830/0302/EQSR/NONE/ADMN	27 Transformers	Appointment of the Service Provider to service transformers.	R 0.00	Electrical contractor: to service 9 transformers.	Electrical contractor: to service 9 transformers.	Electrical contractor: to service 9 transformers.	Electrical contractor: to service 9 transformers.			R 5 000 000.00	5	Maintenance and service Report.	
Infrastructure development and basic service delivery		2.4 To reduce electricity losses to 80% by 30 June 2016	Number of house inspections	%	100%	60%	40%	4100/4110/0302/EQSR/NONE/ADMN	Reduce electricity loss by 80%	20.00%		20.00%		20.00%		20.00%			5	Electricity consumption and expenditure report.	
Infrastructure development and basic service delivery		2.5 To appoint service providers for the construction of Self-Built Electrification projects	Appointed service providers for the self-Built Electrification Project 1. Sixhoko/Mpondo 2.Sidashi/Qobu/Malunga 3.Makhanyezi 4.Dlowlwane 5.Ezizibeni 6.Ntshiza 7.Vutshini/Madlodzi 8.Masolosolo 9. Nhloshane	Number	2	2	0	1610/1690/0302/INEP/NONE/WMUN	Appointment of 4 Service provider	Appointment of the contractors for the electrical projects	R 6 000.00	Appointment of the service provider for the implementation of Nhloshane		R 0.00		R 0.00		R 35 000 000.00	R 35 000 000.00	5	Appointment letters, a list of electrified households, electrification plan
Infrastructure development and basic service delivery		2.6 To have completed roll-over self-Built Electrification Projects (2013/14) 1.Vumahlamu/Mandaba/ Ninini Electrification	Number of Electrified households	number	736 households	3423 households		8100/8106/0302/INEP/VUM/W/MUN/ADWP	736 Electrified households in Vumahlamu/Mandaba/Mandaba/ Ninini	construction completion of the roll-over project	R 0.00	Completion	R 3 000 000.00	N/a	R 0.00	N/a	R 0.00				Construction progress report and completion certificate
<b>3. ROAD AND MAINTENANCE</b>																					
Infrastructure development and basic service delivery	To ensure effective and efficient planning, implementation and maintenance of	3.1. To maintain CBD Roads	Number of km roads maintained	km	3.5 km	3.5 km	5	1600/1692/0302/MIGR/NONE/ADMN	3.5km	0.88 km	R 75 000.00	0.88 km	R 150 000.00	0.88 km	R 150 000.00	0.88 km	R 150 000.00	R 1 100 000.00	5	Maintenance Report.	
Infrastructure development and basic service delivery	To improve quality of life through social infrastructure development	3.2 To appoint the service provider for the maintenance of White City Rd	Date of appointment of service provider	Date	30-Sep		1	1600/1692/0302/MIGR/NONE/ADMN	Appointment of the Service provider by 30 September 2015	30-Sep-15	R 0.00	n/a	R 0.00	n/a	R 0.00	n/a	R 0.00			Appointment letter	



Infrastructure development and basic service delivery	To improve quality of life through social infrastructure development	3.3 To maintain residential Roads (White City and Singobile location)	Number of kms maintained within the town boundaries	Km	4.4km	4.4km	2.2km	1600/1692/0302/MGR/NONE /ADMN	2.2km	0.00	n/a	0.73	R 166 666.67	0.73	R 166 666.67	0.73	R 166 666.67	5	Expenditure report, pictures, road maintenance records, correspondence	
Infrastructure development and basic service delivery	To improve quality of life through social infrastructure development	3.4 Advertisement of road rehabilitation material	Date of appointment of service provider to supply material	Date	30-Sep		1	1600/1692/0302/MGR/NONE /ADMN	Appointment of the Service provider by 30 September 2015	30-Sep-15		N/a		N/a		N/a		5	Appointment letter, technical report and expenditure report	
Infrastructure development and basic service delivery	To improve quality of life through social infrastructure development	3.5 Hire of small tools equipment	Date of appointment of service provider	Date	30-Sep			1600/1692/0302/MGR/NONE /ADMN	Appointment of the Service providers by 30 September 2015	30-Sep-15	R 0.00	N/a		N/a		N/a		5	Appointment letter, technical report and expenditure report	
Infrastructure development and basic service delivery	To improve quality of life through social infrastructure development	3.6 To appoint the service provider to provide and operate the plant to maintain the roads	Date of the appointment of the Service provider	Date	30-Sep-14	30-Jun-13		1600/1692/0302/MGR/NONE /ADMN	Appointment of the Service provider by 30 September 2015 to provide and operate grader	30-Sep-15	R 0.00	N/a	R 0.00	N/a	R 0.00	N/a	R 0.00	R 2 000 000.00	5	Appointment letter, technical report and expenditure report
Infrastructure development and basic service delivery	To improve quality of life through social infrastructure development	3.7 To maintain gravel roads in all wards through RRUP	Number of kms and maintained	Km	35km	14	250km	1600/1692/0302/MGR/NONE /ADMN	35 km roads maintained	N/a	R 0.00	12.5	R 714 286.00	12.5	R 714 286.00	10km	R 571 428.00		Maintenance Report	
<b>4. Capital Projects</b>																				
Infrastructure development and basic service delivery	To ensure effective and efficient planning, implementation and maintenance of municipal infrastructure	4.1 To register MIG & other Projects to be implemented in 2015/2016	Number of registered MIG projects	Number	Registration of 2 MIG projects	8 MIG Projects	19 MIG Projects	1600/1692/0302/MGR/NONE /ADMN	Registration of 2 MIG projects	N/a	R 0.00	N/a	R 0.00	4	R 0.00	3	R 0.00	R 0.00		Relevant registration documents, appointment letters, advert, project list, correspondence
Infrastructure development and basic service delivery	To ensure effective and efficient planning, implementation and maintenance of municipal infrastructure	4.2 To appoint service providers for the construction of MIG projects	Date of appointed service providers for the construction of the following project 1. Nkelhabaweli to Manzawayo road 2. KwaNtshiza Access Road 3. Emathengeni Access Road, 4.	2015/09/30	8 appointed contractors	3 appointed contractors	3	1600/1692/0302/MGR/NONE /ADMN	Appointment of the 6 Capital Projects: 1. Mathengeni access road 2. Ezimvubu gravel road 3. KwaNtshiza access road 4. Bhacane to Malunga 5. Nkelhabaweli to Manzawayo road 6	30-Sept-2015	R 0.00	N/a	R 0.00	N/a	R 0.00	N/a	R 0.00	R 0.00		Appointment letters

Infrastructure development and basic service delivery	To improve quality of life through social infrastructure development	4.3 To implement MIG Projects by 2015/2016	Implementation of the 6 Capital Projects: 1. Mathengeni access road	Number	8 projects	8 projects		1600/1692/0302/MGR/NONE /ADMN	1. Construction of Mathengeni access road	Construction	R 0.00	Construction	R 0.00	Construction	R 0.00	Construction and completion	R 8 500 000.00		9	Proof of payment, pictures and Practical completion certificate
Infrastructure development and basic service delivery	To improve quality of life through social infrastructure development	4.3 To implement MIG Projects by 2015/2016	2. Ezimvubu gravel road	Date	1	1	0	1600/1692/0302/MGR/NONE /ADMN	2. Construction of Ezimvubu gravel road		R 0.00	Construction	R 0.00	Construction	R 0.00	Construction and completion	R 4 703 252.40		6	Proof of payment, pictures and construction progress report
Infrastructure development and basic service delivery	To improve quality of life through social infrastructure development	4.3 To implement MIG Projects by 2015/2016	3. KwaNliza access road	Date	1	1	0	1600/1692/0302/MGR/NONE /ADMN	3. Construction of kwantshiza Access road: Phase 1		R 0.00	Construction	R 0.00	Construction	R 0.00	Construction and completion	R 3 000 000.00		9	Proof of payment, pictures and construction progress report
Infrastructure development and basic service delivery	To improve quality of life through social infrastructure development	4.3 To implement MIG Projects by 2015/2016	4. Bhacane to Malunga	Date	1	1	0	1600/1692/0302/MGR/NONE /ADMN	4. Bhacane to Malunga: Phase 1		R 0.00	Construction	R 0.00	Construction	R 0.00	Construction and completion	R 3 000 000.00		4	Proof of payment, pictures and construction progress report
Infrastructure development and basic service delivery	To improve quality of life through social infrastructure development	4.3 To implement MIG Projects by 2015/2016	5. Nkehabaweli to Manzawayo road	Date	1	1	0	1600/1692/0302/MGR/NONE /ADMN	5. Construction of Nkehabaweli to Manzawayo road: Phase 1		R 0.00	Construction	R 0.00	Construction	R 0.00	Construction and completion	R 3 000 000.00		9	Completion certificate and pictures
Infrastructure development and basic service delivery	To improve quality of life through social infrastructure development	4.3 To implement MIG Projects by 2015/2016	6. Completion of Matshenezimpisi phase II	Date	1	1	0	1600/1692/0302/MGR/NONE /ADMN	4. Construction and completion of ematshenezimpisi phase II		R 0.00	Construction	R 0.00	Construction	R 0.00	Construction and completion	R 2 000 000.00		5	Proof of payment, pictures and construction progress report
Infrastructure development and basic service delivery	To improve quality of life through social infrastructure development	4.3 To implement MIG Projects by 2015/2016	5. Construction of Vumanhlamvu CSC	Date	1	1	0	1600/1692/0302/MGR/NONE /ADMN	5. Construction of Vumanhlamvu CSC		R 0.00	Construction	R 0.00	Construction	R 0.00	Construction and completion	R 3 500 000.00		5	Completion certificate and pictures
Infrastructure development and basic service delivery	To improve quality of life through social infrastructure development	4.3 To implement MIG Projects by 2015/2016	5. Construction of Nkomeziphansi Road : Phase 1	Date	1	1	0	1600/1692/0302/MGR/NONE /ADMN	6. Construction of Nkomeziphansi Road : Phase 1		R 0.00	Construction	R 0.00	Construction	R 0.00	Construction and completion	R 3 688 000.00		5	Completion certificate and pictures
Local economic development and social development	To increase employment opportunities in the municipality	4.4 Ensure employment of local labours	Number of local labourers employed through EPWP	number	120 labourers	100 labourers	20	1600/1692/0302/MGR/NONE /ADMN	120 local labourers employed through EPWP	0	R 0.00	50	R 0.00	40	R 0.00	30	R 0.00	R 0.00		Employment report, employment contract, correspondence
Infrastructure development and basic service delivery	To improve quality of life through social infrastructure development	4.5 To complete the 2013/2014 and 2014/2015 roll over projects	Date of completion of Estibudeni CSC	Date	30-Sep-15	Nil		1600/1692/0302/MGR/NONE /ADMN	Completion of Estibudeni CSC by 30 September 2015	Construction and completion		nil	R 3 529 207.50	nil	R 0.00		R 0.00	R 3 529 207.50	7	Practical completion certificate, pictures

Infrastructure development and basic service delivery	To improve quality of life through social infrastructure development	Date of completion of Bangamanzini-Mongosi Link Road Rehabilitation	Date	31-Dec-15	Nil			1600/1692/0302/MGR/NONE /ADMN	Completion of Bangamanzini-Mongosi Link Road Rehabilitation	Construction	R 0.00	Construction and completion	R 0.00	nil	R 12 496 580.64		R 0.00	R 12 496 580.64	9	Practical completion certificate, pictures
Infrastructure development and basic service delivery	To improve quality of life through social infrastructure development	Date of completion of Ngomankulu/ Nsuzi-pedestrian bridge	Date	31-Mar-16	Nil			1600/1692/0302/MGR/NONE /ADMN	Completion of Ngomankulu/ Nsuzi-pedestrian bridge	Construction	R 0.00	construction	R 0.00	construction and completion by 31-Mar.-16	R 9 990 811.80		R 0.00	R 9 990 811.80	11	Practical completion certificate, pictures
Infrastructure development and basic service delivery	To improve quality of life through social infrastructure development	Date of completion of Esakhile Access roads	Date	31-Mar-16				1600/1692/0302/MGR/NONE /ADMN	Completion of Esakhile access roads	Construction	R 0.00	construction	R 0.00	construction and completion by 31-Mar.-16	R 9 990 811.80		R 0.00	R 16 645 508.00	5	Practical completion certificate, pictures
Municipal transformation and institutional development	To improve quality of life through social infrastructure development	Servicing of sites within Nkandla Town	Date	None	Nil			1600/1692/0302/MGR/NONE /ADMN	Appointment of Service Provider	Pre-assessment and Inception	R 200 000.00	Assessment and Design	R 800 000.00	N/a	R 0.00	N/a	R 0.00	R 0.00		Letter of appointment
<b>5. WASTE MANAGEMENT</b>																				
Good governance and public participation	To improve quality of life through social infrastructure development	5.1 To maintain hygiene and healthy living by ensuring removal of refuse on a regular basis	A number of truckloads of waste disposed in a landfill site	Number	486	486	Nil	4400/4479/0302/EQSR/NONE/ADMN	To deliver 486 truckloads of waste disposed in a landfill site	486 truckloads of waste disposed in a landfill site	R 0.00	486 truckloads of waste disposed in a landfill site	R 0.00	486 truckloads of waste disposed in a landfill site	R 0.00	486 truckloads of waste disposed in a landfill site	R 0.00	R 300 000.00	5	Delivery schedule and report
	To improve quality of life through social infrastructure development	5.2 To conduct waste awareness campaigns	Awareness campaigns in all 4 nodes	number	4	4	Nil	4400/4479/0302/EQSR/NONE/ADMN	4	1	R 0.00	1	R 0.00	1	R 0.00	1	R 0.00		5	Attendance register and pictures
<b>6. HOUSING</b>																				
Good governance and public participation	To improve quality of life through social infrastructure development	6.1 To Review the Nkandla Housing Sector Plan (HSP)	Adopted housing sector plan	Date	1	Draft of Housing Sector Plan	Nil	NONE	Reviewal and implementation of housing sector plan by 30 June 2016	Nil	R 0.00		0		0	Reviewal and implementation		R198.000.00		Council Resolution
	To improve quality of life through social infrastructure development	6.2 Develop municipal basic infrastructure	A number of Housing Forum meetings	Number	12	12	Nil	NONE	Hold Housing Forum meeting per month	3 Housing Forum meetings	R 0.00	3 Housing Forum meetings	R 0.00	3 Housing Forum meetings	R 0.00	3 Housing Forum meetings	R 0.00			Minutes of Housing Forum meetings
<b>7. PLANNING UNIT</b>																				
Cross cutting interventions	To promote a safe and healthy environment for Nkandla community	7.1 To implement and review town planning scheme	Implemented SPLUMA	Date	SPLUMA	Nil	Nil	NONE	Implementation of SPLUMA	Alignment of PDA Delegations to SPLUMA	R 0.00	N/a	0.00	Na	R 0.00	N/a	0.00			Reports on the Implementation of SPLUMA

	Cross cutting interventions	To promote a safe and healthy environment for Nkandla community		Implemented of Town Planning Scheme	Date	Town planning scheme	Nil	Nil	NONE	Assessment of recieved development applications	100% Attendance to Development Planning applications recieved	R 0.00	100% Attendance to Development Planning applications recieved	0.00	100% Attendance to Development Planning applications recieved	R 0.00	100% Attendance to Development Planning applications recieved	0.00		Reports on approved development applications
	Cross cutting interventions	To promote a safe and healthy environment for Nkandla community	7.2 To have implemented SDF	implemented SDF	Date	SDF	2014/15 SDF	Nil	NONE	Implemented SDF by 30 June 2016	Nil	R 0.00	Nil	0.00	R 0.00	30-Jun-16	0.00		Report on Spatial projects approved	
	Cross cutting interventions	To promote a safe and healthy environment for Nkandla community	7.3 To have a functiona GIS	Functioning GIS	Date	GIS Map	Non-functional GIS	Nil	NONE	Upgrade of existing GIS equipment by 30 June 2016	Attend GIS training and Development of GIS Policy	R 0.00	Development of GIS Policy	0.00	Development and implementation of GIS Policy	R 0.00	Adoption of GIS Policy	0.00		report on training attended, Upgrade reports,
	Cross cutting interventions	To promote a safe and healthy environment for Nkandla community			date	GIS Map		Nil	NONE	Production of GIS Map inhouse by 30 June 2016	Nil	R 0.00	100% Attendance to map requests recieved	0.00	R 0.00	30-Jun-16	0.00		GIS Map	

## 1. SECTION I: REPORT ON THE AUDITOR-GENERAL

The following table reflects Auditor-General Findings and remedial action that needs to be attended to by Nkandla Local Municipality.

<b>Nature of Audit Query</b>	<b>Audit Query</b>	<b>Response from Municipality Action to resolve query</b>	<b>Target Date</b>	<b>Person Responsible</b>	<b>Progress</b>	<b>Portfolio of evidence</b>
<b>Restatement of corresponding figures</b>	As disclosed in note 36 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of an error discovered during 30 June 2016 in the financial statements of the Nkandla Municipality at, and for the year ended, 30 June 2016.	<ul style="list-style-type: none"> <li>The Municipality will perform the reconciliation on a regular basis. The reconciliations will be monitored and reviewed by senior management to ensure differences are investigated and resolved in a timely manner.</li> </ul>	<b>30 March 2017</b>	<b>Chief Finance Officer</b>	The reconciliations have been performed as at 31 December 2016.	Reconciliations on file.
<b>Material electricity losses</b>	As disclosed in note 48 to the financial statements, material electricity losses to the amount of R3.86 million (2015:3.29) kilowatts amounting to R4.23 million (2015:R1.20 million) were incurred as a	The electricity infrastructure upgrade will be implemented. Investigations to detect and disconnect illegal users of electricity will be implemented.	<b>30 March 2017</b>	<b>Chief Finance Officer</b>	The installing of the meter in the Municipal buildings and for street lights to determine consumption is in progress. Investigations will be done and illegal users to be	Disconnection list. Monthly reconciliation

	result of technical and non-technical distribution losses.				disconnected	
<b>Non Compliance (Annual financial statements)</b>	The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of revenue and disclosure of grants identified by the auditors in the submitted financial statement were subsequently corrected and, resulting in the financial statements receiving an unqualified audit opinion.	Quarterly financial statements will be developed to allow reconciliations. The Municipality will develop detailed GRAP compliance checklist prior to the preparation of annual financial statements.	<b>30 March 2017</b>	<b>Chief Finance Officer</b>	The preparation of half-yearly interim financial statements is in progress and will be finalised in March 2017	Half-yearly financial statements
<b>Non Compliance (Expenditure management)</b>	Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA.	<ul style="list-style-type: none"> <li>• All irregular expenditure will be disclosed to council to allow further investigations</li> <li>• Investigations will be conducted by council</li> </ul>	<b>30 June 2017</b>	<b>Chief Finance Officer</b>	The list irregular expenditure has been submitted to council and will be submitted as they are discovered.	Compiled list of irregular expenditure.

	Money owed by the Municipality was not always paid within 30 days as required by section 65(2)(e) of the MFMA	The Municipality will develop monthly payment checklist to make sure that all payments are made within 30 days.	<b>30 March 2017</b>	<b>Chief Finance Officer</b>	The invoices are stamped on receipt and are paid within 30 days.	
<b>Non Compliance (Procurement and contract management)</b>	During the audit of procurement and contract management it was noted that awards were made to providers who were in the service of other state institutions in contravention of MFMA 112(j) and SCM regulation 44. the municipality has not followed the supply chain management policy by accepting quotations from suppliers who did not declare their interest.	The investigations will be conducted .Declarations forms will be completed by all employees and MBD4 forms will be completed by service providers	<b>30 March 2017</b>	<b>Chief Finance Officer</b>	The investigations were done and the municipality is in the process of removing all suppliers in database that are employed by the state.	Completed declaration forms
<b>Leadership</b>	The accounting officer did not exercise adequate oversight over financial reporting and compliance as well as internal control as	<ul style="list-style-type: none"> <li>The Accounting Officer will implement a plan to ensure no recurrence of material corrections to the financial statements as a result of</li> </ul>	<b>30 March 2017</b>	<b>Municipal Manager</b>	Develop GRAP Compliant checklist developed	Financial statements at 30 June 2016.

	material misstatements in the annual financial statements were identified and subsequently corrected, which resulted in municipality receiving an unqualified audit opinion.	occurrence of material misstatements of financial statements. <ul style="list-style-type: none"> <li>• Develop GRAP Compliant checklist</li> </ul>				
<b>Financial and performance management</b>	Adequate controls were not in place in ensuring that records are properly safeguard and monthly reconciliations and reporting were credible and reliable as material misstatements were identified in the annual financial statements, which were subsequently corrected.	The Municipality to establish records management system and make sure that all records are accessibly when they are needed.	<b>30 March 2017</b>	<b>Municipal Manager</b>	The filing plan has been developed	Completeness of records.



## 2. SECTION J: 5 YEAR REPORT ON MUNICIPAL PROJECTS

### 15.1. Introduction

This section gives a brief 5 year report on all Municipal Projects.

PROJECT	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	TOTAL
<b>CSC's</b>						<b>R 0,00</b>
Nhloshana - Ward 9	R 4 500 000,00					<b>R 4 500 000,00</b>
Amazondi - Ward 3	R 2 000 000,00					<b>R 2 000 000,00</b>
Ezinduneni- Ward	R 2 000 000,00					<b>R 2 000 000,00</b>
Ndatshe - Ward 01	R 4 500 000,00					<b>R 4 500 000,00</b>
Vumanhlamvu Phase 2 - Ward 6	R 4 500 000,00					<b>R 4 500 000,00</b>
Maphuthu - Ward 10		R 4 500 000,00				<b>R 4 500 000,00</b>
Mabhuqwini - Ward 2			R 5 000 000,00			<b>R 5 000 000,00</b>
Nhlababo - Ward 7			R 5 000 000,00			<b>R 5 000 000,00</b>
Khabela - Ward 3			R 5 000 000,00			<b>R 5 000 000,00</b>
<b>HALLS</b>						<b>R 0,00</b>
Mfongosi - Ward 3		R 2 000 000,00				<b>R 2 000 000,00</b>
Mtswili - Ward 2		R 2 000 000,00				<b>R 2 000 000,00</b>
Zungeni - Ward 5		R 2 000 000,00				<b>R 2 000 000,00</b>
Mathiya - Ward 6		R 2 000 000,00				<b>R 2 000 000,00</b>
Nqundu - Ward 5			R 2 500 000,00			<b>R 2 500 000,00</b>
Ngomankulu - Ward 11			R 3 000 000,00			<b>R 3 000 000,00</b>
Emakhanyezi - Ward 7			R 2 500 000,00			<b>R 2 500 000,00</b>
Makhendle - Ward 6			R 2 500 000,00			<b>R 2 500 000,00</b>
Ezintinini - Ward 7			R 2 500 000,00			<b>R 2 500 000,00</b>
						<b>R 0,00</b>
						<b>R 0,00</b>
<b>SPORTS CENTRE</b>						<b>R 0,00</b>

Mahlayizeni - Ward 6			R 3 500 000,00			R 3 500 000,00
<b>SPORTS GROUNDS</b>						<b>R 0,00</b>
Ekukhanyeni - Ward 4	R 2 500 000,00					R 2 500 000,00
Ophindweni - Ward 11	R 2 500 000,00					R 2 500 000,00
Ndweni - Ward 6	R 2 500 000,00					R 2 500 000,00
Ntingwe - Ward 12		R 2 675 000				R 2 675 000,00
Nongamlana - Ward 3		R 2 675 000				R 2 675 000,00
Maphuthu - Ward 10		R 2 675 000				R 2 675 000,00
Nomanci - Ward 11 / 7			R 3 000 000			R 3 000 000,00
Jabavu - Ward 8 / 12			R 3 000 000			R 3 000 000,00
Pholela - Ward 9 / 12			R 3 000 000			R 3 000 000,00
Magwaza CSC				R3 000 000		R 3 000 000,00
<b>ACCESS ROADS</b>						<b>R 0,00</b>
All 14 Wards	R 3 000 000	R 2 750 000	R 3 000 000			R 8 750 000,00
CBD - Sakhile	R 1 000 000	R 775 000	R 810 062			R 2 585 062,00
Sinqobile						R 0,00
Whithe City						R 0,00
						R 0,00
<b>ELECTRICITY</b>						<b>R 0,00</b>
Thalaneni/Vimbimbobo & Nhloshana	10 000 000	3 000 000,00	0	0	0	R 13 000 000,00
MvutshinMalunga/Madlozi/Sidashi	8 000 000	5 000 000	0	0	0	R 13 000 000,00
Landfill Site -New Connection Electrification & borehole - Ward 5	350 000,00	200 000,00	0	100 00,00	0	#VALUE!
upgrade of transformers	0,00	250 000,00	300 000,00	300 000,00	0	R 850 000,00
SakhileRecreational Park - Electrification - Ward 5-Upgrading	R 150 000,00	150 000	0	20 000,00	0	R 320 000,00
Sinqobile Recreational Park - Electrification - Ward 5-Upgrading	R 15 000,00	150 000	0	20 000,00	0	R 185 000,00
<b>ELECTRICITY INFILLS</b>						<b>R 0,00</b>
Amashushu/Cuphuchuku - Ward 11	550 000	1 500 000,00	0	0	0	R 2 050 000,00
Maqhashiya - Ward 5	550 000,00	2 000 000,00	0	0	0	R 2 550 000,00
Bangamanzi - Ward 9	1 750 000,00	2 500 000,00	0	0	0	R 4 250 000,00
Emaswazini - Ward 2	550 000,00	1 200 000,00	0	0	0	R 1 750 000,00

Ezibondweni-ward8	750 000,00	1 000 000,00	0	0	0	R 1 750 000,00
<b>RENOVATIONS</b>						<b>R 0,00</b>
Indoor-Sports Centre	R 80 000,00	R 85 000,00	R 50 000,00	R 30 000,00	R 30 000,00	<b>R 275 000,00</b>
Multi- Purpose Hall	R 0,00	R 100 000,00	R 50 000,00	R 50 000,00	R 0,00	<b>R 200 000,00</b>
CSC: Lindela MPCC	R 0,00	R 50 000,00	R 50 000,00	R 50 000,00	R 0,00	<b>R 150 000,00</b>
Hall: Ndweni	R 150 000,00	R 30 000,00	R 20 000,00	R 5 000,00	R 50 000,00	<b>R 255 000,00</b>
Market Stall-Sangweni	R 0,00	R 30 000,00	R 0,00	R 5 000,00		<b>R 35 000,00</b>
CSC: Esibhudeni	R 250 000,00	R 100 000,00	R 50 000,00	R 0,00	R 5 000,00	<b>R 405 000,00</b>
CSC: Jameson's Drift	R 30 000,00	R 30 000,00	R 30 000,00	R 5 000,00	R 5 000,00	<b>R 100 000,00</b>
CSC: Thuma	R 50 000,00	R 30 000,00	R 10 000,00	R 0,00	R 5 000,00	<b>R 95 000,00</b>
CSC: King Cetshwayo	R 30 000,00	R 10 000,00	R 5 000,00	R 0,00	R 0,00	<b>R 45 000,00</b>
CSC: Dolwane	R 400 000,00	R 50 000,00	R 10 000,00	R 5 000,00	R 0,00	<b>R 465 000,00</b>
Hall: Ophikweni	R 150 000,00	R 300 000,00	R 50 000,00	R 0,00	R 0,00	<b>R 500 000,00</b>
CSC: Mvutshini	R 30 000,00	R 30 000,00	R 30 000,00	R 0,00	R 0,00	<b>R 90 000,00</b>
CSC: Mdlelanga	R 30 000,00	R 50 000,00	R 50 000,00	R 0,00	R 0,00	<b>R 130 000,00</b>
CSC: Bhacane	R 200 000,00	R 200 000,00	R 50 000,00	R 0,00	R 0,00	<b>R 450 000,00</b>
CSC: Vimbimbobo	R 80 000,00	R 0,00	R 300 000,00	R 50 000,00	R 0,00	<b>R 430 000,00</b>
CSC: Chwezi	R 0,00	R 0,00	R 50 000,00	R 30 000,00	R 5 000,00	<b>R 85 000,00</b>
CSC: Thala	R 30 000,00	R 300 000,00	R 50 000,00	R 0,00	R 0,00	<b>R 380 000,00</b>
CSC: Thalaneni	R 30 000,00	R 30 000,00	R 30 000,00	R 0,00	R 0,00	<b>R 90 000,00</b>
Market Stall: Thalaneni	R 0,00	R 20 000,00	R 0,00	R 0,00	R 0,00	<b>R 20 000,00</b>
Recreational Park: Esakhile	R 10 000,00	R 50 000,00	R 50 000,00	R 5 000,00	R 5 000,00	<b>R 120 000,00</b>
Recreational Park: Esinqobile	R 10 000,00	R 50 000,00	R 50 000,00	R 5 000,00	R 5 000,00	<b>R 120 000,00</b>
Hall Amakhosi - Ward 5	R 610 000,00	R 0,00	R 0,00	R 30 000,00	R 0,00	<b>R 640 000,00</b>
Hall Mthiyahwa - Ward 5	R 500 000,00	R 0,00	R 0,00	R 30 000,00	R 0,00	<b>R 530 000,00</b>
Ophindweni Hall - ward 11	150000	R 30 000,00	R 20 000,00	R 0,00	R 0,00	<b>R 200 000,00</b>
Mangidini Hall - Ward 7	R 100 000,00	R 30 000,00	R 30 000,00	R 0,00	R 0,00	<b>R 160 000,00</b>
Godide Hall - Ward	R 30 000,00	R 100 000,00	R 100 000,00	R 0,00	R 0,00	<b>R 230 000,00</b>
Echibini Hall - Ward	R 0,00	R 100 000,00	R 50 000,00	R 50 000,00	R 0,00	<b>R 200 000,00</b>
Power Sports Field - Ward 14	R 0,00	R 300 000,00	R 100 000,00	R 50 000,00	R 0,00	<b>R 450 000,00</b>
Chwezi Sports Field - Ward 1	R 300 000,00	R 150 000,00	R 100 000,00	R 0,00	R 0,00	<b>R 550 000,00</b>
Vimbimbobo CSC - Ward 3	R 80 000,00	R 60 000,00	R 40 000,00	R 0,00	R 0,00	<b>R 180 000,00</b>
KwaXulu Sports field - Ward 10	R 0,00	R 300 000,00	R 100 000,00	R 50 000,00	R 0,00	<b>R 450 000,00</b>
Qhudeni Sports field - Ward	R 0,00	R 300 000,00	R 200 000,00	R 0,00	R 0,00	<b>R 500 000,00</b>
Municipal House - Ward 5	R 200 000,00	R 50 000,00	R 50 000,00	R 30 000,00	R 20 000,00	<b>R 350 000,00</b>
<b>Total per Financial Year</b>	<b>R 3 530 000,00</b>	<b>R 1 420 000,00</b>	<b>R 790 000,00</b>	<b>R 240 000,00</b>	<b>R 20 000,00</b>	<b>R 6 000 000,00</b>

## **ANNEXURES**

- 1. SDF Inception Report**
- 2. Draft SDF Executive Summary**
- 3. Draft SDF**
- 4. Local Economic Development Strategy**
- 5. Integrated Waste Management Plan**
- 6. Council Resolution**