Mkhambathini Municipality
For the Community

INTEGRATED DEVELOPMENT PLAN

2016 TO 2021

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List of Acronyms

AG	Auditor General
ASGISA	Accelerated Shared Growth Initiative for South Africa
CBD	Central Business District
COGTA	Co-operative Governance and Traditional Affairs
DBSA	Development Bank of South Africa
DHS	Department of Human Settlement
DOT	Department of Transport
EIA	Environmental Impact Assessment
EMF	Environmental Management Framework
EXCO	Executive Committee
FBS	Free Basic Services
GGP	Gross Geographical Product
GRAP	Generally Recognised Accounting Practice
GIS	Geographical Information System
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
IDP	Integrated Development Plan
IGR	Inter Governmental Relations
KPA	Key Performance Area
KZN	KwaZulu-Natal
LED	Local Economic Development
LUMF	Land Use Management Framework
LUMS	Land Use Management System
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MPAC	Municipal Public Accounts Committee
MIG	Municipal Infrastructure Grant
MTEF	Medium-Term Expenditure Framework
NDBG	Neighbourhood Development Partnership Grant
NSDP	National Spatial Development Perspective
MLM	Mkhambathini Local Municipality
PGDS	Provincial Growth Development Strategies
PMS	Performance Management System
PTO	Permission to Occupy

RSC	Regional Service Centre
SCM	Supply Chain Management
SEA	Strategic Environmental Assessment
SDF	Spatial Development Framework
SDP	Site Development Plan
SMME	Small, Medium and Micro Enterprise
TLC	Transitional Local Council
WSP	Workplace Skills Plan

SECTION A:

EXECUTIVE SUMMARY

SECTION A: EXECUTIVE SUMMARY

1. PURPOSE

This document presents an Integrated Development Plan (IDP) for Mkhambathini Local Municipality (MLM), one of the sevel local municipalitis which forms part of the uMgungundlovu District. The IDP is prepared in compliance with the requirements of Chapter 5, Section 25 of the Local Government Municipal Systems Act (Act No. 32 of 2000) and the Performance management Regulations (PMR), which obligates 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. The MLM 3rd generation IDP outlines a development agenda for the municipality for the period 2016 to 2020. It informs the budget and also tries to respond to the aspirations and needs of the community. .

The review of the IDP entails adjustment and revisions based on the monitoring and evaluation of information. The monitoring and evaluation stages are crucial for the following reasons:

- They ensure that the plans and projects adopted are implemented;
- They measure the impact or the effect of strategies and/or projects on development and the lives of people within municipality;
- They measure the financial viability of the municipality and its ability to carry out its developmental mandate and envisaged projects; and
- They ensure the efficient utilization of resources.

1.2 INTRODUCTION TO MKHAMBATHINI MUNICIPALITY

Mkhambathini Local Municipality (refer to insert), was established in terms of Section 155 (1) (b) of the constitution of the Republic of South Africa (1996) following the 2000 local government elections. It is approximately 917 km2 in full extent. It is one of the seven (7) category B municipalities comprising uMgungundlovu District Municipality. Thus it share municipal executive and legislative authority with uMgungundlovu District Municipality. The other local municipalities comprising uMgungundlovu District are Mpofana, Msunduzi, Richmond, Mshwathi, uMngeni and Impendle local Municipalities.

FIGURE 1: MAP INDICATING THE LOCATION OF MKHAMBATHINI WITHIN UMDM

1.3 GEOGRAPHICAL LOCAL OF MKHAMBATHINI

Mkhambathini Local Municipality is located along the South-Eastern boundary of uMgungundlovu District Municipality and adjoins Richmond and Msunduzi Local Municipalities to west, Mshwathi Local Municipality to the north and Thekwini Metropolitan area to the east.

FIGURE 2 MAP INDICATING MKHAMBATHINI LOCATION IN KZN

It covers an areas of approximately 917km^2 and is the second smallest municipality within uMgungundlovu District Municipality after iMpendle Local Municipality. The N3 National Road traverses the municipality linking it to Durban in the east and Pietermaritzburg in the west and the Gauteng Highveld in the North.

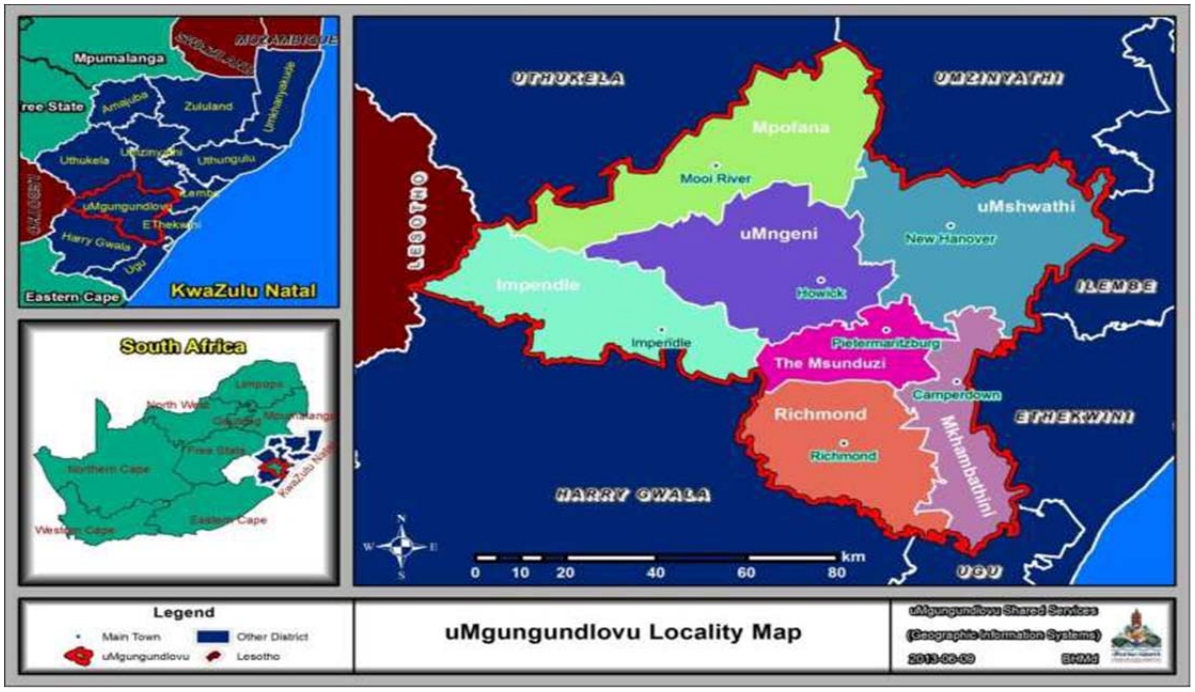


FIGURE 3 MKHAMBATHINI LM LOCATION WITHIN UMGUNGUNDLOVU DM

1.3.1 WARDS INFORMATION

Mkhambathini Local Municipality consist of 7 wards with large part of the municipality being rural in nature and underdeveloped. The municipality also has four Traditional Authorities namely Mbambangalo Traditional Authority, MaNyavu Traditional Authority, Macala-Gwala Traditional Authority as well as Embo-Thimuni Traditional Authority.

1.3.2 MAJOR TOWNS WITHIN THE MUNICIPALITY

The municipality has three formally established towns namely Camperdown, Eston and Mid-Illovo. Camperdown is largely regarded as the main growth centre and an economic hub of the municipality. The areas has a large urban setting and incorporates the major economic and administration activities. It accommodates the municipal offices, schools, a police station, a hotel, a bottle store and a variety of commercial and retail outlets. The “village in the country” atmosphere which is evident in some portions of the area is an important attribute which needs to be conserved and enhanced, particularly as new areas are opened up for residential and other development. The node is traversed and separated by the Primary Movement Corridor which is the National Road (N3) and the West it links onto the Primary Corridor connecting the Municipality to the South Coast (R603), providing a high degree of accessibility.

1.3.3 THE OVERALL ECONOMIC CLIMATE

Renamed Mkhambathini and based in Camperdown,is situated in the south-eastern periphery of uMgungundlovu District Municipality, the area is only 47 minutes from King Shaka International Airport and 30 minutes from Africa’s busiest harbour. Agricultural production centres on vegetables grown for local and hinterland fresh produce markets, maize and sugar cane (processed through a mill at Eston). The area features the second highest concentration of poultry producers in the world, supported by a network of service suppliers, as well as pig and beef farming. Tourism is centred on African experiences, with attraction such as the Tala Game Reserve, Nagle Dam and Umgeni Valley.

The current focus of central Government is to grow the economy and to create a conducive environment for further job creation. It has been agreed by Government that skilled development is key to the achievement of these objectives. This is relevant to the Mkhambathini Municipality like in the District since the majority of the population are the youth aged between 15-35 years who constitutes 34% of the total population (excluding the depended children who are 31%) there is a need to strengthen and support education and training programmes. Most of these youths are un-franchised and are jobless. Therefore the already started partnership with organisations such as SEDA need to be strengthened.

The Local Economic Development Unit under the leadership of the Community Services Manager is continuing with strengthening the small, medium and micro business sub-sector. There is a need for vigorous creativity and effort in furthering these programmes. The ideas must be turned into tangible programmes and projects. Furthermore, the District has partnered with the Provincial Department of Economic Development and Tourism over the years in co-funding projects. This has been augmented since the Department is a permanent member of the Economic Department sub-committee of the Planning and Development Cluster, which is part of the District Family's IGR. It has already been mentioned that economically active group constitutes 30%, which means very few are employed as there is 28% unemployment in the District. The elderly, who are above 65 years old, constitutes 5% of the total population.

1.3.3.1 MANUFACTURING

Manufacturing activity occurs primarily at Camperdown as well around Eston Sugar Mill. The sector is dominated by agro-processing relating to sugar caned and poultry. There is potential for upstream and downstream linkages in both industries.

1.3.3.2 AGRICULTURE

Agricultural sector in Mkhambathini Local Municipality area is characterised by apartheid-based inequalities manifested in the dichotomy between the well-developed, well-endowed and productive commercial sector in ward3 and ward 4, and the underdeveloped, under-resourced subsistence agriculture in ward 1, 2, 5, 6 and 7. Concentration of agricultural production in these areas means that the majority of rural people residing on traditional

authority areas excluded from commercial agriculture. However, there is scope for out grower scheme and strategic partnership with major poultry producers.

1.3.3.3.TOURISM

The municipality has a number of cultural, historical and natural assets, which have begun to form the basis of an emergent tourism industry. The main features of the existing tourism sector are:

- **Eco-tourism**: Private game ranches offering up-market accommodation and wildlife trails for visitors (including Tala Valley Game Ranch, Killarney Game Ranch, White Lodge, Insingizi Lodge, the Lion Park, and Zoo).

- **Agro-tourism**: the Sakabula Circuit comprises several auto routes that meander through the municipality, linking it to adjacent area (Thornville, Baynesfield, Richmond, and Byrne Valley) and offers scenic views as well as country attractions, such as fresh produce, clothing and farm stalls as well as accommodation.

- **Adventure Tourism:** The area is host to a number of adventure and sporting activities including off-road motorcycle and car races, canoeing events on Nagle dam, mountain bike races (cycling), micro lighting, skydiving, water-skiing and hiking trails.

A Game reserve has been proposed for the Mkhambathini Areas between the N3 and Cato Ridge, although the progress to develop the park is unclear.

Tourism attractions are generally located close to the main roads traversing the municipality. Ownership of the tourism industry tends to be highly concentrated with little involvement by rural communities. Participants at community workshops called for the exploitation of undeveloped tourism potential in the municipality, their involvement in tourism development and related income-generating opportunities, as well as the need for education about the benefits and obligations of tourism.

1.4 OBJECTIVES OF MKHAMBATHINI IDP

The Mkhambathini Municipality's IDP adopts a long term planning perspective, but also present a short to medium term strategic agenda and detailed five year programme commencing in the 2012/2013 financial year ending in 2016/2017 financial year. This period coincides with the term of office of the incumbent council and aligns with the budget cycle.

The IDP is prepared in accordance with the requirements of the Municipal Systems Act (Act. No. 32 of 2000) and the associated regulations and is intended to serve as a strategic guide for public sector investment and development generally. It is based on the issues articulated by all stakeholders and is informed by the national and provincial development imperatives. The objectives of the Mkhambathini Municipality's IDP are as follows:-

- To guide decision making in respect of service delivery and public sector investment.
- To inform budgets and service delivery programs of various government departments and service agencies.
- To coordinate the activities of various service delivery agencies within Mkhambathini Municipality's area of jurisdiction.
- To engage communities and other key interested and affected parties in municipal affairs, particularly the continuous integrated development process.
- To position the municipality to make a meaningful contribution towards meeting the district and provincial development targets and priorities.

1.5 SCOPE OF THE MKHAMBATHINI IDP

In line with Section 26 of the Municipal Systems Act (Act No. 32 of 2000) which prescribes the key components of an IDP, and the focus on development outcomes, Mkhambathini Municipality's IDP is presented in four main sections as follows:-

- An outline of the key development issues and trends based on an analysis of the current level of development (Situational Analysis).

- A strategic framework which outlines Council's long term vision with specific emphasis on the municipality's most critical development objectives, actions plans and strategies (Development Strategies).
- A capital program including a one year program, a three year program aligned to the Medium-Term Expenditure Framework and the Five Year Plan (Capital Investment Projects).
- An implementation framework which includes sector plans particularly the financial plan, spatial development framework, organizational performance management system and an organizational transformation and institutional development plan (Integration).

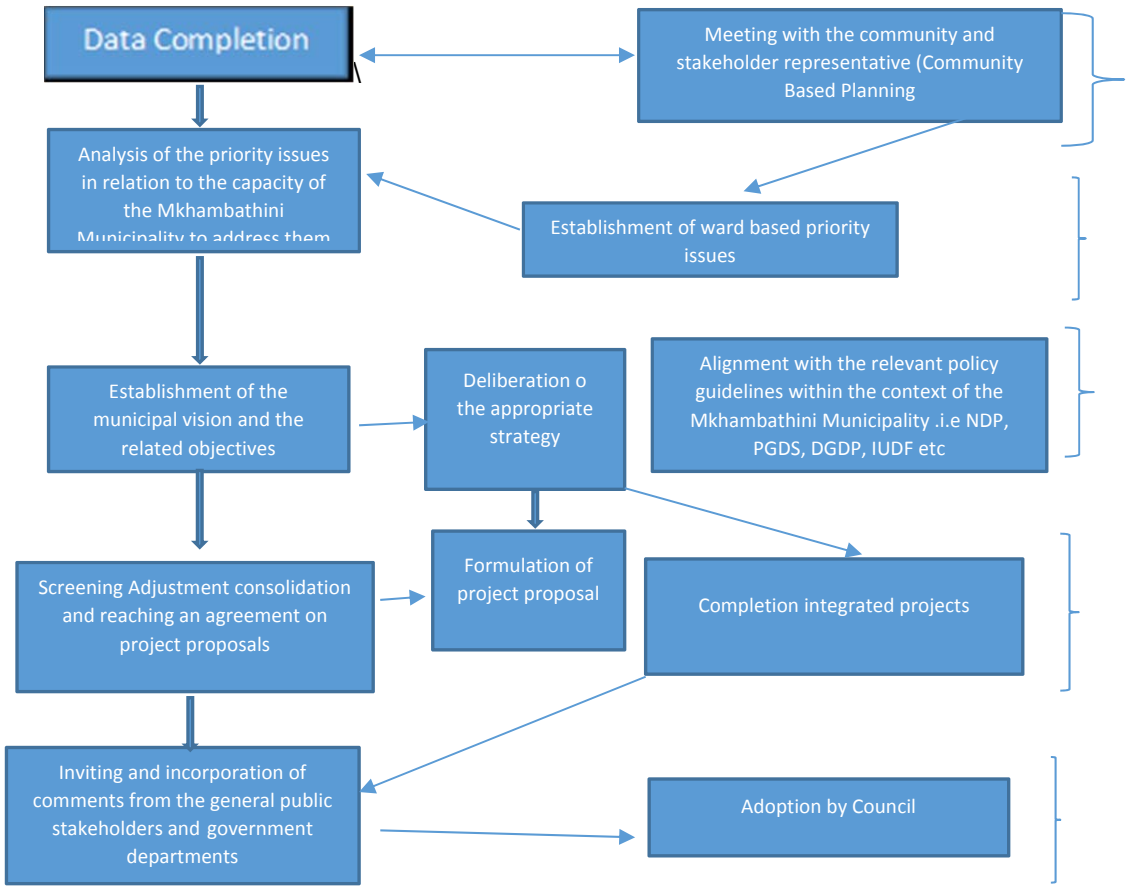


FIGURE 4 DIAGRAMIC OVERVIEW OF THE MLM IDP PLANNING PROCESS

The IDP will inform the Medium-Term Expenditure Framework (MTEF), and guide the annual budget process. Chapter 4, Section 21(1) of the Municipal Finance Management Act (MFMA No. 56 of 2003) requires a municipality to align and sustain a close functional link between its IDP and the budget.

1.6 APPROACH

The approach adopted in reviewing the IDP for the 2016/17 financial year was strongly guided by the guidelines prepared by the Department of Co-Operative Governance and Traditional Affairs (COGTA) as set out in the Revised KZN IDP Framework Guide dated 12 February 2013. The guide pack advocates for a process that is integrated, sustainable, issue-driven, people-centred, practical and action oriented.

The IDP adopts an outcome based approach in line with the national government priorities and the associated 12 outcomes. Early in the National Cabinet adopted twelve outcome areas that collectively address the main strategic priorities of government. The strategic objective of the outcome based approach is to improve service delivery across all spheres of government and to introduce a systematic planning, monitoring and evaluation process.

High level Negotiated Service Delivery Agreements (NSDA) based on these outcomes has been concluded between the President and national ministers. The Government outcome nine commits the Minister of Cooperative Governance and Traditional Affairs to develop a local government system which is efficient, effective, responsive and accountable. In line with Outcome 9 **(refer to Box 3),** this IDP responds directly to issues facing the area and its communities, render local government services efficiently and effectively.

However, the municipality will also contribute directly and indirectly to the attainment of other outcomes, particularly those dealing with economic development, infrastructure development, rural development and environmental management. Therefore alignment with the relevant sector frameworks and programmes across the spheres of government is critical.

Box 3: Outputs for Outcome 9

- Output 1: Implement a differentiated approach to municipal financing, planning and support
- Output 2: Improving access to basic services
- Output 3: Implementation of the Community Work Programme
- Output 4: Actions supportive of the human settlement outcome
- Output 5: Deepen democracy through a refined Ward Committee Model
- Output 6: Administrative and financial capability

In addition, the IDP also considers the emerging national and provincial long term strategic plans as encapsulated in the Draft National Development Plan and the Draft Provincial Growth and Development Strategy. Given its strategic location in the northern part of KwaZulu-Natal, Mkhambathini Municipality will make a significant contribution towards the implantation and attainment of the strategic

objectives of each of these strategic plans. Again, it is critically important to ensure that the IDP aligns with these documents once they are completed.

The approach adopted in the preparation of this round of IDP process 2016/17 was strongly guided by the guidelines prepared by the Department of Co-operative Governance and Traditional Affairs (COGTA) as set out in the 3rd Generation guide packs. The guide packs advocates a process that is integrative, sustainable, issue driven, people centred, practical and action oriented.

1.6.1 PUBLIC PARTICIPATION

The IDP preparation process involved extensive stakeholder and public participation as required in terms of the MSA (Act No. 32 of 2000). At least three IDP Representative Forum meetings were held, each coinciding with a distinct phase in the process. In addition, several meetings were held at ward level to establish community development needs and consult communities on the general affairs of the municipality. The comments raised during the Budget/IDP Roadshows also provided valuable input into the process. Moving forward, the review of the IDP will also follow the same process. The following entails a schedule of the key activities that will be undertaken towards reviewing the IDP:-

- Strategic review of the MLM IDP (2016/17) in line with the comments from the MEC: COGTA;
- Strategic review of outdated sector plans;
- Improved alignment between the IDP/Budget and PMS;
- Strategic review of the MLM SDF (2016/17) in line with the comments from the MEC: COGTA;
- Review of the three year financial plan;
- Development of the SDBIP; and
- Preparation of the IDP.

1.6.2 PROCESS FOR PUBLIC PARTICIPATION

The IDP preparation process involved extensive stakeholder and public participation as required in terms of the MSA. At least four IDP Representative Forum meetings were held, each coinciding with a distinct phase in the process. In addition, several meetings were held at ward level to establish community development needs and consult communities on municipal business generally. Budget/IDP Road shows also provided valuable input into the process. The review of the IDP over the next four years will also follow the same process. The following public engagement meetings were held.

STAKEHOLDERS	VENUE	DATE	TIME
1,2,3	Inkanyezini Community Hall	09 March 2016	10h00
4,5,6,7	Ismonth Community Hall	10 March 2016	10h00
Ward 4 and Rate Payers Association	Camperdown Primary School	12 March 2016	09h00

1.6.3 SUMMARY OF THE PROCESS PLAN

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
IDP	Meeting with Local Municipalities/Planning sub cluster on IDP	04 July 2015	All municipalities	Attendance register and minutes
IDP	Provincial Planners Forum	COGTA TBC	All municipalities	
IDP	Collect data to review Status Quo of the Municipality	01 August 2015	All Municipalities	Verified data

IDP-INCORPORATING BUDGET	Assess the status of sector plans and policies	1-15 August 2015	All municipalities	Updated table indicating status of reviewed strategies, sector……
IDP	Circulate the draft Process Plan internally for preliminary comments and inputs, including EXCO	19-28 August 2015	IDP office	Circulated draft
IDP	Submit Draft Process Plans o COGTA	19 August 2015	Corporate Services	Letter of acknowledge
IDP	Advertised Process Plans	21 August 2015	Corporate Services	Copies of Advert
IDP	Sustainable Living Exhibition	22-24 August 2015	MEC COGTA, Sector Departments, Municipal	
OPMS	Signed S54 and 56 Manager's Performance Agreements- S53 MFMA and S56 MSA	29 August 2014	MM	Signed performance agreements and place on website
OPMS	Draft 2013/2014 Annual Performance Report- S46 MSA	29 August 2014	MM/PMS Officer	Draft 2012/2013 Annual Performance

IDP	➢ MEC Panel assesses	01-31 August 2014	MEC Panel	Result of the……
	➢ IDPs Draft Process Plan			response
IDP	Adoption Final Process Plan	12 September 2014	Corporate Services	Letter of acknowledgment
IDP	Consult Private Sector, Sector Departments, Parastatals, NGPs etc. on status quo of the district-one-on-one and Ward-based	September-October 2015	Corporate Services	Schedule of consultations
Critical Milestone(bellow is working backwards)	Milestone 2: IDP Phase 1 Analysis/ Status Quo Analysis	September – end October 2015	Corporate Services	Status quo analysis reports
IDP	Meeting District and LMs/Planning sub cluster on IDP	19 September 2015	All municipalities and department of Social Development Unit, KZN	Draft status quo reports and data alignment
IDP	Planning Indaba/MEC Panel feedback	26 September 2015	COGTA, Sector Departments, municipal representatives	Final IDP assessment result
BUDGET	2014/2015 First Quarter Budget Review	20 October 2015- Internal 10 October 2015	Finance	Budget review report

OPMS	Internal Audit Reports on performance information must be submitted to the MM and Performance Audit	Quarterly	MM/ Internal Audit	Quarterly performance reports
IDP	Status Quo Report to EXCO-to Full Council next month	October 2015	MM	Status Quo Report to Exco/Council
Critical Milestone (below is working backwards)	Milestone 3 Phase 2&3 of the IDP: Review Strategies and Project	28 November 2015	All Municipalities	Reviewed Strategies report
IDP	Review municipal strategies	3-18 November 2015	All municipalities	Report on reviewed strategies
IDP-OPMS-BUDGET	Develop the measurable objectives for the next financial year and include required budget for	18 November 2015	Internal Departments	Reports/inputs in required format
OPMS	Internal Audit Reports on performance information must be submitted to the MM and Performance Audit Committee-S45 MSA and Regulations	Quarterly	MM/ Internal Audit	Quarterly performance reports

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUT
IDP	Review municipal strategies	3-18 November 2014	All municipalities	Report on reviewed strategies
IDP-OPMS-BUDGET	Develop the measurable objectives for the next financial year and include required budget for	18 November 2014	Internal Departments	Reports/inputs in required format
OPMS	Internal Audit Reports on performance information must be submitted to the MM and Performance Audit Committee-S45 MSA and Reg	Quarterly	MM/ Internal Audit	Quarterly performance reports
IDP	Consult Private Sector, Sector departments, Parastatals, NGOs etc. on strategies and priorities of the district	28 November 2014	District municipality (joint engagement of all municipalities, registered stakeholders and	Aligned Programme reports
IDP	Update Report on alignment for this Phase to Mayors	16 November 2014	District Municipality	Phase Update reports
IDP	Strategies Report to Exco/Full Council	November 2014	MM per Council calendar	Item: reviewed strategies report for approval
IDP	Sector-Municipal Alignment session under the auspice of COGTA-uMgungundlovu District	21 November 2014	COGTA, Municipal Representatives-all managers, Sector Departments and	Alignment of MTSFs, MTEFs,

			State-Owned Enterprises (SOE's)	programmes and budgets
IDP	IDP Best Practice Conference	05 December 2014	All municipalities COGTA and Stakeholders	Attendance and minutes/ presentations
IDP	Prioritization of IDP projects	01-11 December 2014	Technical Services	Projects prioritization list integrated into…… …..
OPMS	Mid-year budget and performance assessment-S72 MFMA	23 January 2015	MM/CFO/S56 Managers/PMS	Mid-year performance report
BUDGET-IDP	2016 Interdepartmental Budget Inputs	26 January-06 February 2015	Council, HODs	Completed templates aligned to IDP
OPMS	Schedule Performance Audit Committee	30 January and 31	MM/Internal Audit	Minutes of Committee
	Year- Reg 14 PPMR	July 2015		Meetings
BUDGET	2015/Budget Mid Term Review	2 February 2015	Finance	Budget Mid-Term review report

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
BUDGET	Review National and Provincial allocation for incorporation In the IDP	2 February	MM	
IDP, BUDGET AND SDBIP	Draft IDP and Budget Report to EXCO	February 2016	Corporate Services	Item: submission of draft IDP to EXCO
IDP BUDGET-SDBIP	Alignment of IDP and Budget towards SDBIP	17-20 February 2016	HODs, Internal Audit.	Completed templates aligned to IDP
IDP	Meeting of COGTA and Municipalities of IDP Assessment process 2015	13 February 2016	COGTA, Municipal Representatives, Sector Departments and State-Owned	Adopt assessment criteria
Critical milestone (below is working backwards)	**Milestone 4 Phase 4 & 5 of the IDP: Integration and approval/Adoption and submission of……..**	**27 March 2016**	**Corporate Services** **DCOGTA and TREASURY**	
BUDGET	2015/2016 First Draft Budget	11 March 2016	Finance Committee Full Council	First Draft Budget report
SDBIP	Submit draft reviewed 2015/16 SDBIP to Treasury	27 March 2016	Treasury, Corporate Services	Proof of submission of draft reviewed
IDP	Municipalities submit	27 March	Corporate Services	Proof of

	draft reviewed	2016		submission of draft reviewed
IDP	Update Report on alignment for this Phase to Mayor	March 2016 (per Calendar)	MM	Phase update reports
BUDGET	Grant notification to local municipalities	13 March 2016	District Municipality	Grants Notification Report
IDP	Adoption of Draft IDP by Council	27 March 2016	Corporate Services	Council Resolution
IDP	Submission of Draft IDPs to COGTA	28 March 2016	PMS/IDP officer	Proof of submitting the draft IDP on time to COGTA
IDP & BUDGET	Advertise Draft IDPs and draft Budget for Public Comments	31 March -24 April 2016	PMS/IDP Officer	Copies of Adverts and directions
OPMS	Review OPMS Policy and prepare draft OPMS scorecard for inclusion into draft IDP (ensure draft……..	31 March 2016	S57 Managers /PMS/IDP Officers	Aligned process

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
Critical milestone (below is working backwards)	Milestone 5: Assessment of Draft 2015/2016 IDPs and self-assessment	29 April 2016	DCOGTA Sector Depts.	
IDP	Meeting with District and LMs-Planning sub-cluster on IDP for self-assessment and planning for joint Izimbizo	03 April 2016	All Municipalities	Circulated self-assessment tool and draft Izimbizo content finalised.
IDP & BUDGET	Present Draft IDP and Budget to the community (Izimbizo) and all	11 April 2016 18 April 2016	Corporate Services	Approved and published schedule of dates for Izimbizo
IDP	IDP Assessment Feedback Session based on IDP Assessment Frameworks	08 May 2016	COGTA: IDP Coordination Business Unit, COGTA Sector Departments	Attendance and reports
IDP & Budget	Incorporate public comments on Draft IDP and Budget	20-30 April 2016	PMS/IDP Officer	Incorporated comments
IDP	Incorporate comments from the Assessment	22 May 2016	PMS/IDP Officer	Response-table

	panel			
BUDGET	Table Final Draft Budget Approve Final Budget 2015/2016	13 May 2016 22 May 2016	Finance Committee	Minutes Council Resolution
IDP BUDGET-OPMS	Address comments from the Auditor General on the Annual Report of the previous Financial year	29 May 2016	All Municipalities	Respons e-table
IDP	Update Report on alignment for this phase to MMs Forum	15 March 2016 (per Calendar)	District Municipality	Phase Updated reports
IDP	Update Report on alignment for this Phase to Mayor	27 March 2016 (per Calendar)	District Municipality	Phase Update reports
IDP	Present Final Draft IDP to Exco	22 May 2016	MM	Item: final draft IDP
IDP-OPMS	Adoption of 2015/16 IDP and performance targets by Council	27 June 2016	MM	Council Resolution
OPMS	Approved Departmental SDBIPs/Scorecards-S53	26 June 2016	PMS Officer & MM	Report
ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS

OPMS	Performance Reports twice a year-Reg 13 PPMR	23 January and 24 July 2016	Mayor/ MM/ PMS Officer/ S57	Reports
IDP-BUDGET	Submit and publish adopted IDP/Budget to COGTA and Public	09 July 2016	Corporate Services	Copies of Adverts and directions
IDP-BUDGET-OPMS	Prepare Final Services Delivery and Budget Implementation Plans (SDBIPs)	29 June 2016	MM	Finalised SDBIPs
OPMS	Complete Datasheet and submit to CoGTA-S47 MSA	28 August 2016	MM/CFO/ S57 Managers/ PMS Officer	Portfolio of evidence on submission
OPMS	Draft 2016/2107 Annual Performance Report-S46 MSA	28 August 2016	MM	Report
OPMS	Prepare 2015/2016 Performance Working Paper File and Submit to AG.	28 August 2016	MM/ PMS/ Internal Audit	Report
IDP	MEC Panel assesses	03-31 August 2016	COGTA-led panel	Result

1.6.4 SECTOR DEPARTMENT INVOLVEMENT

In general, sector planning is very weak within the South African Local Government system as municipalities are not getting recognition as development overseers within their respective areas of jurisdiction. As yet there is no effective legislation that makes it compulsory for all sector departments to align their budgets with municipal budgets and allocate resources using the prioritization list available from municipalities through consultations with communities.

However, Mkhambathini Municipality has investigated an alternative mechanism which has brought sector departments to be fully involved into the IDP process. The mechanism adopted was to engage sector departments on a one-on-one basis in order to deal with specific issues affecting the municipality. Sector departments have also fully participated on the IDP Representative Forums held by the municipality throughout the year. As a result, the municipality has enjoyed working with the following departments and their participation has made significant improvements towards service delivery:-

- Department of Transport;
- Department of Co-Operative Governance and Traditional Affairs (COGTA);
- Department of Social Development;
- ESKOM;
- Department of Public Works;
- Department of Health;
- Department of Economic Development and Tourism;
- Department of Arts and Culture (Library and Museum sections); and
- Department of Human Settlements.

1.6.5 ALIGNMENT WITH FAMILY OF MUNICIPALITIES WITHIN THE DISTRICT

Number of meetings were held with the district family of municipalities to align the IDPs The following is an indication of some of the key alignment issues addressed to date:-

- The IDPs of the uMgungundlovu family are focusing on the outcome based IDP approach thereby align with the Key Performance Areas developed by national government.

- Both the SONA and SOPA have been incorporated into the IDPs.
- Outcome 9 has been incorporated into the IDPs there by giving emphasis to good governance and sustainable human settlements (Outcome 8).
- The PGDP has been incorporated as part of improving the alignment between the province and local government.
- The DGDP has been incorporated as a means to improve alignment between the district and local government.
- The IDPs have given emphasis to the Sukuma Sakhe Program and its associated impact on communities – the fight against poverty through job creation.
- The IDP has also taken cognisance of the 8 Millennium Development Goals as signed in the Millennium Declaration by 189 World Leaders in the Millennium Summit (2000).
- Furthermore, the issues raised at COP 17 on climate change have also been incorporated. These include the implementation of solar energies and smart and conventional meters on new housing developments.
- The new settlement patterns will consider floodlines and the introduction of disaster management centres.

1.7 KEY DEVELOPMENT CHALLENGES

Although the MLM has made significant progress in addressing service backlogs and promoting development within its area of jurisdiction, there are still a number of key development challenges that face the municipal area and its people. These are discussed briefly and categorised according to the national key performance areas below:

1.7.1 HIGH RATE OF UNEMPLOYMENT AND LOW ECONOMIC GROWTH

One of the critical issues that the municipality continues to grapple with is rising unemployment especially youth unemployment. There has been an increase in the number of graduates who are loitering in the streets because they are struggling to find employment. This has driven many young people to migrate to big cities in search of employment opportunities.

The local economy is predominantly agricultural, but the area has a high potential for tourism development. The N3, which carries trade and tourist traffic, also runs through Mkhambathini and provides an opportunity for local economic development.

The IDP process should address important economic issues which include:

- High rate of unemployment and scarcity of employment opportunities.
- Slow economic growth.
- Exclusion of the poor and largely black people from ownership and access to the means of production.

1.7.2 HIGH LEVEL OF POVERTY AND INEQUALITY

Poverty manifests itself in different dimensions with income poverty and human poverty being the most common. Income poverty refers to the lack of sufficient income to satisfy basic food needs and essential non-food needs such as clothing, energy and shelter. It arises from a high rate of unemployment, poor access to productive resources, lack of marketable skills and general lack of job opportunities.

Human poverty broadly refers to the lack of basic human capabilities and it arises from high representation of the members who cannot read, write and numerate, food insecurity, malnutrition, declining life expectancy, increase of sickness and deaths related to preventable diseases and poor access to basic services. Overcrowding also contributes to this situation.

1.7.3 BACKLOG IN THE DEIVERY OF PUBLIC FACILITIES

Huge backlogs in the delivery of public services have been identified as one of the key issues facing Mkhambathini Municipality. It manifests itself in the following forms:

- Poor condition of schools, which does not contribute to building a culture of learning and teaching.
- Poor access to institutions for early childhood education. This field has been identified by the national government as a priority of intervention.

- Poor access to health services which affect delivery health care. The latter is a strategy used by the national government to deliver health services.
- Lack of visible policing.
- Poor access to library services which also affects the development of a culture of learning and teaching.
- Poor access to welfare services including pension pay points, magistrate services, etc.
- Poor access to cemeteries.

1.7.4 POOR ACCESS TO ADEQUATE SHELTER

Mkhambathini Municipality is predominantly rural in character and the majority of the people reside within traditional authority areas, which are characterised by a high level of poverty. People in these areas cannot afford to build and maintain proper houses, due to high level of unemployment. Moreover, traditional authority areas were previously excluded from housing subsidy scheme. Housing needs for farm workers should also be addressed.

1.7.5 BACKLOG IN THE DELIVERY OF BASIC INFRASTRUCTURE

Although substantially progress has been made to deliver such as electricity, water and telecommunication infrastructure the level/extant of need is such that provision of these services remains one of the key development challenges facing Mkhambathini Local Municipality. A large number of settlements is still without reliable sources of energy and depend on candles, paraffin and firewood for light and power.

Access to firewood is becoming serious problem while cost for candles and paraffin may not be affordable to some households. Water delivered below RDP standards with certain areas showing a high rate of dependence on (boreholes) and natural resources.

In some instances, plans have been developed for the delivery of bulk water, but it is important to note that some of the existing bulk water schemes within the district are operating at a loss and put strains on the financial situation of the municipality.

1.7.6 INEQUITABLE ACCESS TO LAND

Access to land within Mkhambathini Municipality is skewed in favour of a few white commercial farmers who owns about 71, 8% of land. This situation is not unique to Mkhambathini, but affects the whole of South Africa. As a means to address this situation the Development of Land Affairs has developed a programme designed to fast-track land redistribution, and has set a target of transferring not less than 30% of agricultural land to the previously disadvantaged and marginalised people within 15 years.

1.7.7 POOR ENVIRONMENTAL QUALITY

Poor environmental management manifests itself in the form of overgrazing and environmental degradation, which characterised the traditional authority areas, and occurs in a few privately owned farms. This issue arises from lack of information about environmental management, poor access to land resources and poor management of natural resources. Water and quality is also declining as a result of pollution from industries in Pietermaritzburg.

1.7.8 INEFFECIENT SPACIAL STRUCTURE

The spatial structure of Mkhambathini Municipality is grossly inefficient with the majority of poor and low income people being resident in remote, distant and badly located areas in the northern and southern tips of the area. The middle part where the N3 runs and Camperdown is located is dominated by commercial farm. This makes Camperdown, which is the main economic centre inaccessible to the majority of the population it should serve.

1.7.9 LACK OF CAPACITY WITHIN MKHAMBATHINI

Mkhambathini Municipality was developed on the basis of Camperdown Transactional Local Council, which was small and did not have sufficient capacity.

While the situation remains largely the same in term of resources, the size of the area Mkhambathini or servicing has increased substantially. There is an urgent, need to create sufficient capacity so as to be able to deliver in terms of constitution and legislative mandate.

1.7.10 PREVALENCE OF HIV/AIDS

The impact of HIV and AIDS pandemic in Mkhambathini Local Municipality manifests itself on various ways. Most local municipalities that constitute the district are experiencing an increase in the number of death that are HIV and ADIS related. This situation manifests in the increase in the demand for burial sites.

The number of people who are sick and require assistance in the form of home based care is also on the increase. This situation has resulted in a number of household not being able to pay for municipal services. Some of these families have lost the sole provider. The number of families that live below poverty line are increasing.

HIV and AIDS is political and socio-economical challenge and therefore its impact is felt in a number of various ways, which include the impact on:

- Individual members of the society
- Families
- Communities in general
- Economic development; and
- Provision of services

SECTION B:

PLANNING AND DEVELOPMENT PRINCIPLES and GOVERNMENT POLICIES AND IMPERATIVES

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

2.1 GOVERNMENT POLICIES AND IMPRERATIVE

Planning and development in MLM occurs within the national and provincial policy framework, and provides for the implementation of the priorities as outlined in these documents.

2.2.NATIONAL POLICY FRAMEWORK

2.2.1 NATIONAL DEVELOPMENT PLAN

All development initiatives in Mkhambathini are guided by the KZN PGDS, NSDP, DFA principles and the parameters of the PDA

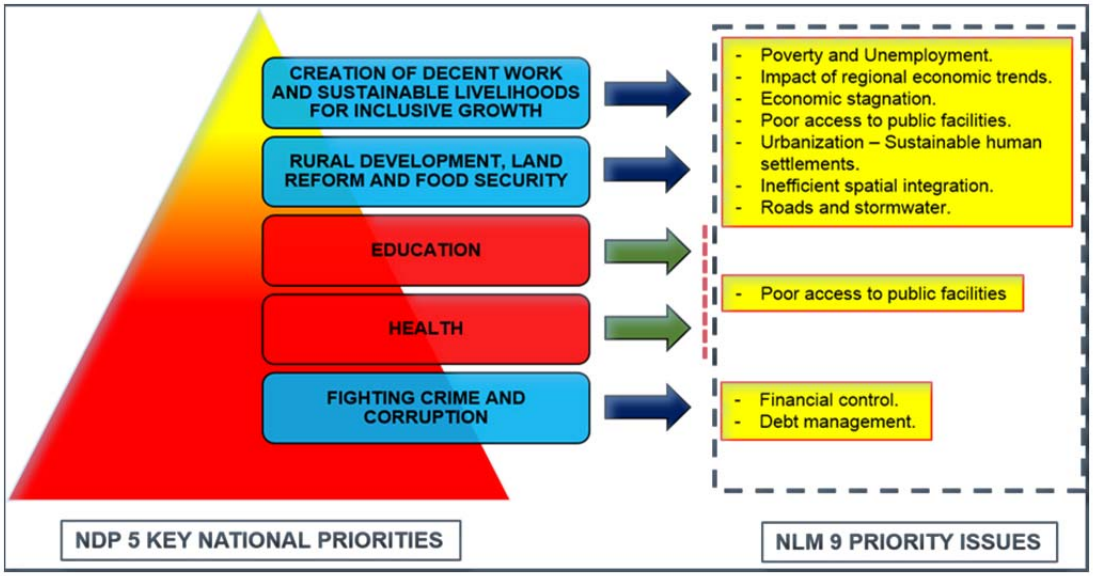


FIGURE 5: THE NSDP PRINCIPLES

The National Spatial Development Perspective (NSDP) was initiative by the National Government to provide direction and guidelines for spatial planning in order to ensure the

eradication of the spatially segregated growth pattern that still exists today. The NSDP principles are specifically aimed at focusing government actions and investment and at enabling the developmental State to achieve maximum social and economic impact within the context of limited resources.

The NSDP puts forward a set of five normative principles:

Principle 1: Rapid economic growth that is sustained and inclusive is a prerequisite for the achievement of other policy objectives, among which poverty alleviation is key.

Principle 2: Government has a constitutional obligation to provide basic services to all citizens (e.g. water, energy, health and educational facilities) wherever they reside.

Principle 3: Beyond the constitutional obligation identified in Principle 2 above, government spending on fixed investment should be focused on localities of economic growth and /or economic potential, in order to gear up private-sector investment, stimulate sustainable economic activities and create long-term employment opportunities.

Principle 4: Efforts to address past and current social inequalities should focus on people, not places. In localities where there are both high levels of poverty and demonstrated economic potential, this could include fixed capital investment beyond basic services to exploit the potential of these localities. In localities with low demonstrated economic potential, government should, beyond the provision of basic services, concentrate primarily on human capital development by providing education and training, social transfers such as grants and poverty-relief programmes. It should also reduce migration cost by providing labour-market intelligence to give people better information, opportunities and capabilities, to enable them to gravitate- if they choose to- localities that are more likely to provide sustainable employment and economic opportunities.

Principle 5: In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or that link the main growth centres. Infrastructure investment should primarily support localities that will become major growth nodes in South Africa and the SADC region to create regional gateways to the global economy.

The national development vision is outlined in various national policy documents, and consolidated in the National Development Plan (NDP). The National Development Plan is presented in 15 chapters, addresses the major thematic areas facing the country in detail, and outlines a national development strategy. It focuses on the critical capabilities needed to transform the economy and society. Achieving these capabilities is not automatic, nor will they emerge if the country continues on its present trajectory. Rising levels of frustration and

impatience suggest that time is of the essence: failure to act will threaten democratic gains. In particular, South Africa must find ways to urgently reduce alarming levels of youth unemployment and to provide young people with broader opportunities. As such, the NDP sets out clear objectives and targets as follows:-

- The unemployment rate should fall from 26.8% in June 2012 to 14% by 2020 and to 6% by 2030. This requires an additional 11 million jobs. Total employment should rise from 13 million to 24 million.
- The public works programme should be broadened thus to expand and cover 2 million fulltime equivalent jobs by 2020.
- The labour force participation rate should rise from 54% to 65%. The cost of living for the poor households should be reduced together with the cost of doing business through microeconomic reforms.
- The proportion of people with access to the electricity grid should rise to at least 90% by 2030, with non-grid options available for the rest.
- A comprehensive management strategy to be developed including an investment programme for water resource development, bulk water supply and wastewater management for major centres by 2012, with reviews every five years.
- To create regional water and wastewater utilities, and expand mandates of the existing water boards (between 2012 and 2017).
- An additional 643 000 direct jobs and 326 000 indirect jobs in the agriculture, agro-processing and related sectors by 2030.
- Increased investment in new agricultural technologies, research and the development of adaptation strategies for the protection of rural livelihoods and expansion of commercial agriculture.
- The National Development Plan requires local government to play a meaningful and active role in ensuring the implementation of the vision 2030. The plan compels local government to be service delivery oriented in ensuring that the following is achieved:-

- A comprehensive management strategy including an investment programme for water resource development, bulk water supply and wastewater management for major centres by 2012, with reviews every five years.

- Create regional water and wastewater utilities, and expand mandates of the existing water boards (between 2012 and 2017).

- An additional 643 000 direct jobs and 326 000 indirect jobs in the agriculture, agro-processing and related sectors by 2030.

- Increased investment in new agricultural technologies, research and the development of adaptation strategies for the protection of rural livelihoods and expansion of commercial agriculture.

- Rural economies will be activated through improved infrastructure and service delivery, a review of land tenure, support to small and micro farmers, a review of mining industry commitments to social investment, and tourism investments.

- A strong and efficient spatial planning system, well integrated across the spheres of government.

- Upgrade of all informal settlements on suitable, well located land by 2030.

- More people living closer to their places of work and better quality public transportation.

- More jobs in or closer to dense, urban townships.

- Develop a strategy for densification of cities and resource allocation to promote better located human settlements.

- By 2030, people living in South Africa should feel safe and have no fear of crime. They should feel safe at home, at school and at work, and they are to enjoy an active community life free of fear. Women are to walk freely in the street and the children play safely outside.

The aim of the Plan was to respond quickly to South African's aspirations and ensure that inclusive economic growth was the main agenda for development.

2.2.2. 14 NATIONAL OUTCOMES

The IDP adopts an outcome based approach in line with the national government priorities and the associated 14 outcomes (refer to Box 2 below). Early in the National Cabinet, adopted were twelve outcome areas that collectively address the main strategic priorities of government. Subsequently, two new outcomes were introduced making it 14 national outcome areas aimed at addressing government priorities. The strategic objective of the

outcome based approach is to improve service delivery across all spheres of government and to introduce a systematic planning, monitoring and evaluation process.

- An improved quality of basic education.
- A long and healthy life for all South Africans.
- All South Africans should be safe and feel safe.
- Decent employment through inclusive growth.
- A skilled and capable workforce to support an inclusive growth path.
- An efficient, competitive and responsive economic infrastructure network.
- Vibrant, equitable, sustainable rural communities with food security for all.
- Sustainable human settlements and an improved quality of household life.
- A responsive, accountable, effective and efficient local government system.
- Environmental assets and natural resources that are well protected and enhanced.
- A better Africa and a better world as a result of South Africa's contributions to global relations.
- An efficient and development-oriented public service and an empowered, fair and inclusive citizenship.
- An inclusive and responsive social protection system.
- Transforming society and uniting the country

High level Negotiated Service Delivery Agreements (NSDA) based on these outcomes have been concluded between the President and national ministers. The National Outcome Nine (9) commits the Minister of Cooperative Governance and Traditional Affairs to develop a local government system which is responsive, accountable, effective, and efficient. In line with Outcome 9 Mkhambathini Municipality's IDP responds directly to issues facing the area and its communities with the aim of rendering local government services efficiently and effectively.

However, the municipality will also contribute directly and indirectly to the attainment of other outcomes, particularly those dealing with economic development, infrastructure development, rural development and environmental management. Therefore, alignment with the relevant sector frameworks and programmes across the spheres of government is critical.

2.2.3. LOCAL GOVERNMENT OUTCOME 9

As an effort to focus government initiatives and manage public expectations, the national government has adopted an Outcome Based Approach. Based on the Medium Term Strategic Framework (MTSF), 14 outcomes have been identified (refer to above). Outcome 9 deals with local government and affects Mkhambathini Municipality directly. It moves from a premise that local government is a key part of the reconstruction and development effort in South Africa, and that aims of democratizing society and growing the economy inclusively can only be realized through a responsive, accountable, effective, and efficient local government system that is part of a developmental state. The government has identified the following Outputs for Outcome 9:-

- Output 1: Implement a differentiated approach to municipal financing, planning and support.
- Output 2: Improving access to basic services.
- Output 3: Implementation of the Community Work Programme.
- Output 4: Actions supportive of the human settlement outcome.
- Output 5: Deepen democracy through a refined Ward Committee Model.
- Output 6: Administrative and financial capability.
- Output 7: Single window of coordination.

2.2.4. STRATEGIC INFRASTRUCTURE PROGRAMME (SIP)

The Infrastructure Plan adopted by Government is intended to transform the economic landscape of South Africa, create a significant number of new jobs, strengthen the delivery of basic services to the people of South Africa and support the integration of African economies. The Presidential Infrastructure Coordinating Commission (PICC), with its supporting management structures, has been established to integrate and coordinate the construction of long term infrastructure.

The plan is based on an objective assessment of the infrastructure gaps through spatial mapping which analyses future population growth, projected economic growth and areas of the country which are not served with water, electricity, roads, sanitation and communication. Based on this work, seventeen Strategic Infrastructure Projects (SIPs) have been developed and approved to support economic development and address service

delivery in the poorest provinces. Each SIP comprise of a large number of specific infrastructure components and programmes.

Among the 17 projects are the initiatives to improve the movement of goods through the Durban-Free State-Gauteng logistics and industrial corridor by prioritising a range of rail and port improvements, supported significantly by a R300-billion investment programme by Transnet over the coming seven years. One of the rail links targeted for upgrading runs through Mkhambathini and is the main Durban Johannesburg link. Subsequent to this is the upgrade and expansion of the N11 road linking the city of EThekwini in Durban, via Mkhambathini to Johannesburg and Mpumalanga Province. These infrastructure programs are meant to boost the economy of the country in order to achieve the vision 2030. In conclusion, Mkhambathini has also been identified as one of the Industrial hubs with particular emphasis on the manufacturing sector which is textile and chemicals.

2.2.5 THE STATE OF THE NATION ADDRESS (SONA) – 2016

In the recent State of the Nation Address held on the occasion of the Joint Sitting of Parliament in Cape Town, the President outlined national government priorities for this year. He briefly explained the current scenario in terms of South Africa's economic outlook, highlighting global issues that have an influence on the economic performance of South Africa. He also made mention of the economies of two of South Africa's BRICSA partners, namely Brazil and Russia, stating that they are expected to diminish this year. Furthermore, he made mention of China stating the expected healthy growth of the country's economy. In view of the President, due to the abovementioned global economic activity, South Africa is expected to be affected by all the developments. Domestically South Africa is also facing challenges that manifest themselves in the form of electricity constraints and unstable industrial relations in naming just a few.

According to the International Monetary Fund and the World Bank, South Africa's economy will grow by less than 1% this year, which is viewed as a low economic growth suggesting lower revenue collection than previously expected. South Africa is also facing a risk of losing its investment grade status from rating egencies which will make it difficult for us to borrow money from abroad for funding development initiatives. In order to counteract the forecasted misfortune to South Africa in general, the President shared a few points towards making a difference and these are as follows:-

- South Africa is an attractive investment destination and thus we must continue to market the country as a preferred destination for investments through a common narative from business, labour and government;
- South Africa should address the need relating to the creation of the appropriate investment support infrastructure through governments One Stop/Invest SA initiative that will signal South Africa as a destination that is open for business;
- South African Tourism will invest R100 million a year towards promoting domestic tourim, encouraging South Africans to tour the country;
- There is a need to empower small, medium and micro enterprises (SMMEs) to accelerate their growth through the provision of access to high-quality, innovative business support towards improvement of success of new ventures;
- Economic transformation and black economic empowerment remain a key part of all economic programmes by government;
- The budget vote dinners for stakeholders hosted by government departments in Parliament will no longer take place, and executive management, boards of public agencies, SOCs, Premiers and Mayors must undertake similar measures and eliminate wasteful expenditure within government;
- Regulation of Land Holdings Bill which will place a ceiling on land ownership at a maximum of 12 000 hectares and prohibit foreign nationals from owning land;
- Government will continue to assist farmers and also provide water-tank services to communities;
- The building of water infrastructure remains critical in order to expand access to people and industry;
- Government will fast-track the implementation of the first phase of broadband roll-out to connect more than 5 000 government facilities in eight district municipalities over a three-year period;
- To revive the HIV/Aids prevention campaigns especially amongst the youth;
- Active monitoring of the Back to Basics program by national government through unannounced municipal visits, spot checks of supply chain management processes, the implementation of recommendations of forensic reports, site visits to Municipal Infrastructure Grant funded projects, and increased interventions to assist struggling municipalities;
- A 10-Point Plan of Back to Basics priority actions has been developed to guide the second phase of the Back to Basics programme.

Mkhambathini is committed to achieving the priorities of government at local level through working with its communities to improve their lives in particular those that were previously disadvantaged. Through the introduction of efficient LED Strategies, MLM will foster the

creation of employment opportunities and SMME development within its jurisdictional area. The conservation of energy is of crucial importance hence MLM is committed to the creation of awareness at household level in order improve the efficient use of electricity. Furthermore, through the improvement of infrastructure within the jurisdictional area, a conducive environment for both domestic and international private investors will be created. MLM realises that an effective Land Use Management System is vital for the conservation of valuable agricultural land. Thus we commit ourselves to the development of an efficient Land Use Management Scheme in order to facilitate Land Reform and Agrarian Reform. Regarding government's policy on Back to Basics, MLM shall continue to deliver an efficient level of services to its communities and also strive to reach out to the areas which were previously marginalised in order to breach the gap on the basic service backlogs.

2.2.6. INTEGRATED URBAN DEVELOPMENT FRAMEWORK (2014)

The Integrated Urban Development Framework is designed to unlock the development synergy that comes from coordinated investments in people and places and aims to guide the development of an inclusive, resilient and liveable urban settlements, while directly addressing conditions and challenges facing South Africa's cities and towns. This it does through a new approach to urban investment by the developmental state, which in turn guides the private sector and households in line with its vision which is as follows:-

'Liveable, safe, resource-efficient cities and towns that are socially integrated, economically inclusive and globally competitive, where residents actively participate in urban life.'

Due to a variety of cities and towns in South Africa with differentiated attributes that influence the respective roles they play and the requirements thereof, the vision has to be interpreted and pursued in differentiated and locally relevant ways and this may be done through the introduction of the following 4 strategic goals:-

- Access: to ensure people have access to social and economic services, opportunities and choices.
- Growth: to harness urban dynamism for inclusive, sustainable economic growth and development.
- Governance: to enhance the capacity of the state and its citizens to work together to achieve social integration.

- Spatial Transformation: to forge new special forms in settlement. Transport, social and economic areas.

The 4 strategic goals mentioned above inform the priority objectives of the eight levers and these eight levers are premised on an understanding that:-

1) Spatial Planning forms the basis for achieving integrated urban development, which follows a specific sequence of urban policy actions;
2) Integrated transport that informs;
3) Targeted investments into integrated human settlements, underpinned by;
4) Integrated infrastructure network systems and;
5) Efficient land governance, which all together can trigger;
6) Economic diversification and inclusion, and;
7) Empowered communities, which in turn will demand;
8) Deep governance reform to enable and sustain all of the above.

The following entails the Integrated Urban Development Frameworks 8 policy levers aimed towards addressing the structural drivers that will promote that current scenario of cities and towns:-

Policy Lever 1: Integrated Spatial Planning.

Policy Lever 2: Integrated Transport and Mobility.

Policy Lever 3: Integrated and Sustainable Human Settlements.

Policy Lever 4: Integrated Urban Infrastructure.

Policy Lever 5: Efficient Land Governance and Management.

Policy Lever 6: Inclusive Economic Development.

Policy Lever 7: Empowered Active Communities.

Policy Lever 8: Effective Urban Governance.

POLICY LEVERS	LONG-TERM STRATEGIC PRIORITIES	SHORT-TERM STRATEGIC PRIORITIES
Policy Lever 1: Integrated Spatial Planning.	▪ intergovernmental and long Support and strengthen capacity to implement SPLUMA. ▪ Improve integrated planning and management. ▪ Maximise existing IGR structures as a mechanism for planning coordination. ▪ Ensure greater involvement by Premiers and MECs. ▪ Strengthen -term planning.	▪ Expand the instruments for spatial intervention.
Policy Lever 2: Integrated Transport and Mobility.	▪ Clarify roles and responsibilities (institutional arrangements). ▪ Strengthen and integrate public transport modes. ▪ Identify core public transport nodes and corridors. ▪ Develop and operational subsidisation policy.	▪ Monitoring and review of policies as required.
Policy Lever 3: Integrated and Sustainable Human Settlements:-	▪ Finalise the Human Settlements White Paper. ▪ Accelerate the upgrading of informal settlements. ▪ Priorities the regeneration of the inner cities. ▪ Provide more housing options. ▪ Finalise the devolution of the housing function. ▪ Promote densification,	▪ Monitoring and review of policies as required.

POLICY LEVERS	LONG-TERM STRATEGIC PRIORITIES	SHORT-TERM STRATEGIC PRIORITIES
	including supporting backyarding in townships and low-cost housing neighbourhoods. - Redevelop townships. - Develop a national policy on inclusionary housing.	
Policy Lever 4: Integrated Urban Infrastructure.	- Institutionalise municipal long-term infrastructure planning. - Consolidate and coordinate infrastructure funding. - Strengthen partnerships and intergovernmental planning. - Develop infrastructure as a bridge between rural and urban areas.	- Initiation of plans for the second phase of long-term social and economic infrastructure development and the diversification of South Africa's economic base.
Policy Lever 5: Efficient land governance and management.	- Simplify land-use planning and management. - Rethink the role of the Housing Development Agency (HAD). - Speed up land tenure. - Promote land value capture. - Consolidate and simplify the legislation governing the disposal of state land. - Ensure legislative concepts are applied consistently.	- Address the fragmentation in public land information.

POLICY LEVERS	LONG-TERM STRATEGIC PRIORITIES	SHORT-TERM STRATEGIC PRIORITIES
	▪ Address impacts of Traditional Authority areas within predominantly urban municipalities. ▪ Improve municipal access to land owned by the state and SOEs. ▪ Improve intergovernmental relations for the acquisition and transfer of state land.	
Policy Lever 6: Inclusive Economic Development.	▪ Strengthen the economic role of municipalities. ▪ Strengthen municipal institutional capacity in economic development. ▪ Strengthen support for small and medium sized towns. ▪ Support municipalities in building and using economic intelligence. ▪ Initiate shared economic development strategies for cities and towns. ▪ Strengthen roles and leverage partnerships with other economic stakeholders. ▪ Improve relations between municipal councils and traditional authorities. ▪ Create the local conditions for supporting enterprise	▪ Build distinctive strengths and extend/link regional economic value chains.

POLICY LEVERS	LONG-TERM STRATEGIC PRIORITIES	SHORT-TERM STRATEGIC PRIORITIES
	development and growth. - Progressively improve inclusive economic infrastructure and services. - Support community-based enterprises and work. - Support livelihoods as a core principle of inclusive urban management.	
Policy Lever 7: Empowered Active Communities.	- Complete the National Framework on Participatory Governance. - Develop models for civic education. - Establish and maintain public participation forums at various levels. - Build institutional capacity to engage. - Explore co-production mechanisms for finding solutions to local government services. - Develop a social media strategy. - Explore service delivery mechanisms for other social services.	- Innovative Neighbourhood Empowerment.
Policy Lever 8: Effective Urban Governance	- Promote a stronger positioning of metro government. - Strengthen intergovernmental and long-	- Establishment of a National Statutory Council

POLICY LEVERS	LONG-TERM STRATEGIC PRIORITIES	SHORT-TERM STRATEGIC PRIORITIES
	term planning and budgeting. - Improve fiscal management to meet the demands of urban growth. - Streamlining of national monitoring of municipal performance.	

2.2.7 DFA PRINCIPLES

The DFA contains general principles for land development and decision making. These principles are summarised hereunder:-

1. Provision should be made for urban and rural land development including the development of formal and informal, existing and new settlements.
2. Illegal occupation of land should be discouraged.
3. Land devolvement should take place effectively and in an integrated manner by:
   a) Integrating social, economic, institutional, environmental and spatial aspects of land development;
   b) Developing urban and rural areas in support of each other;
   c) Providing areas of residence and job opportunities close together or integrated with each other;
   d) Optimise the use of existing resources;
   e) Permitting and encouraging diverse land uses;
   f) Rectifying the distorted spatial patterns of the past;
   g) Compaction of towns discourage urban sprawl;
   h) Ensuring a sustainable natural environment;
   i) Promote conditions under which economic activities can flourish;
   j) Create opportunities for small business at place of high accessibility and economic agglomeration;
   k) Keep the basic for survival to all existing settlement and focus on places with economic potential to provide a higher level and wider range of services or facilities;

4. Development within an area should take place within the limited resources, financial, institutional and physical of the area in order to create a viable community and to protect the natural environment to enable economic growth.

2.2.8 NATIONAL FRAMEWORK FOR SUSTAINABLE DEVELOPMENT (NFSD)

Sustainable development is about enhancing human well-being and quality of life for all time, in particular those most affected by poverty and inequality. Resources use efficiency and intergenerational equity are the core principle. Human welfare and well-being, equality and sustainable living are at the core of many of the MDGs and JPOI targets. The interdependence between people-planet-prosperity is evident in these targets.

The purpose of the National Framework on Sustainable Development is to ensure enunciate South Africa's national vision for sustainable development and indicate strategic interventions to re-orientate South Africa's development path in a more sustainable direction. It proposes a guide the development of the national strategy and action plan.

The national framework for sustainable development seeks to build on existing programmes and strategies that have emerged in the first 14 years of democracy. It aims to identify key, short, medium and long-term challenges in our sustainable development efforts, sets the framework for a common understanding and vision of sustainable development; and defines strategic focus areas for intervention.

South Africa as a country have adopted the following vision for sustainable development:

South Africa aspires to be a sustainable, economically prosperous and self-reliant nation state that safeguard its democracy by meeting the fundamental human needs of its people, by managing its limited ecological resources responsibly for current and future generations, and by advancing efficient and effective integrated planning and governance through national, regional and global collaboration.

The national vision is underpinned by a set of principles that must guide all of us in all decision and actions taken to achieve the vision. These principles are captured in the box below:

The “first order” or fundamental principles relate to those fundamental human rights that are guaranteed in the Constitution, and underpin the very nature of our society and system of governance. These principles affirm the democratic values of:

- **Human dignity and social equity**
- **Justice and fairness**
- **Democratic governance**

The “substantive principles” address the content or conditions that must be met in order to have a sustainable society and are based on principles already enshrined in legislation and policies. The principles underscore a cyclical and systems approach to achieving sustainable development and are as follows:

- **Efficient and sustainable use of natural resources**
- **Socio-economic system are embedded within, and dependent upon, eco-system.**
- **Basic human needs must be met to ensure resources necessary for long-term survival are not destroyed for short term gain.**

The five strategic priority areas for action and intervention that are necessary to reach the desired state of sustainable development described in the national vision reflect a systemic and integrative approach and seek to transcend traditional divisions and sectors. These priority areas, or “pathways” to achieving sustainable development are reflected in the table below:

Our pathways to sustainable development
¾ Enhancing systems for integrated planning and implementation
¾ Sustaining our ecosystems and using natural resources efficiently
¾ Economic development via investing in sustainable infrastructure
¾ Creating sustainable human settlement
¾ Responding appropriately to emerging human development, economic and environmental challenges.

2.2.9 COMPREHENSIVE RURAL DEVELOPMENT PROGRAMME

The strategic objective of the CRDP is to facilitate integrated development and social cohesion through participatory approaches in partnership with all sectors of society.

Rural development in general is regarded as the action and initiative taken to improve the standard of living of communities in non-urban areas. These areas are usually characterised by low ratio of inhabitants in wide open spaces where agricultural activities are prominent, while economic activities relate mainly to the production of food and raw materials.

Rural development actions are therefore mainly aimed at enabling rural people to take control of their destiny, thereby dealing effectively with rural poverty through the optimal use and management of natural resources. This can be achieved through co-ordinated and integrated broad-based agrarian transformation as well as strategic investment in the relevant economic and social infrastructure to the benefit of all rural communities and not only those involved in agriculture. The success of rural development will culminate in sustainable and vibrant rural communities.

The CRDP hinges on a three-pronged strategy with interrelated objectives:

- A coordinated and integrated broad-based agrarian transformation;
- Strategically increasing rural development; and
- An improved land reform programme.

2.2.10 AGRARIAN TRANSFORMATION

Agrarian transformation shall mean rapid and fundamental change in the power relations between land (as well as other natural resources, livestock and cropping) and the community. Some of the objectives of the agrarian transformation strategy include but not limited to:

- Facilities the establishment of business initiative, rural and agro-industries , cooperatives, cultural initiatives and vibrant local markets
- Empowerment of rural communities to be self-reliant and able to take charge of their destiny

- Development of mitigation and adaption strategies to reduce vulnerabilities with special reference to climate change erosion, flooding and other natural disaster
- Increased production and sustainable use of natural resources
- Livestock framing and related value chain development (exploring all possible species for food and economic activity)
- Cropping and related value chain development (exploring all possible species, especially indigenous plants, for food and economic activity)
- Strengthening rural livelihoods for vibrant local economic development. A livelihood is the means of living that rural people build through access to and use of the assets they need for this purpose.
- Us of appropriate technologies, modern approaches and indigenous knowledge system.
- Food security, dignity and improved quality of life for each rural household.

2.2.11 RURAL DEVELOPMENT

Rural development is about enabling rural people to take control of their destiny, thereby dealing effectively with rural poverty through the optimal use and management of natural resources. It is a participatory process through which rural people learn over time, through their own experiences and initiatives, how to adapt their indigenous knowledge to their changing world. Rural development can be achieved through self-help initiatives as well as through strategic investment in economic and social infrastructure that benefits entire rural communities, and not only transformation strategy include but limited to:

- Social mobilisation to enable rural communities to take initiatives
- Establish savings clubs and cooperatives for economic activities, wealth creation and productive use of assets.
- Access to resources clinics
- Non-farm activities for strengthening of rural livelihoods
- Leadership training, social facilitation and conscientisation for CRDP and socio-economic
- Independence
- Democratisation of rural development, participation and ownership of all processes, projects and programmes.
- Co-ordination, alignment and cooperative governance (Local Municipalities, Traditional Council, Provincial Government)

- Participation of Non-Governmental Organisations including Faith-Based Organisations, Community Based Organisations and other organs of civil society.
- Social cohesion an access to human and social capital.

It is acknowledged that there have been major shortcoming in the delivery of rural infrastructure services. In South Africa alone, backlogs in infrastructure delivery are still very high and are particularly severe in rural areas that still receive less attention despite efforts made to self-finance their infrastructure in the past. The CRDP will therefore place great emphasis on the development of new and the rehabilitation of existing infrastructure in rural areas:

- **Improvements or development of economic infrastructure:**

- Roads, Railway, Ports
- Shearing sheds
- Dipping Tanks
- Milking parlours
- Community gardens
- Production/Marketing Stalls
- Fencing for agriculture
- Storage warehouse
- Distribution and transport networks
- Rural electrification
- Communication networks (land lines, cell phones, radio, TV etc)
- Irrigation schemes for small scale farmers
- Water harvesting, water basin and water shed management system(dams etc)
- Post Office and Internet Cafes
- Rural shopping malls

a. Improving or development of Social infrastructure:

- Communal sanitation and ablution system, showers, toilets, etc. for improved health.
- Access to resourced health clinics
- Sport and recreation facilities especially for woman and youth development
- Rural libraries for developing reading nation
- Rehabilitation and development of schools as Centres of Excellence
- Community hall and museums
- ABET centre for capacity building and appropriate skills development

- Such infrastructure development will become a catalyst to unlock the development potential of rural areas.

2.2.12 LAND REFORM

Land reform is national priority and is further entrenched in Section 25 (4) of the Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996). The case for the government's rural land reform programme and its cope and content were clearly set out in the initial policy document of the Reconstruction and Development Programme in 1994:

Land is the most basic need for rural dwellers. Apartheid policies pushed millions of black South Africans into overcrowded and impoverished reserve s, homelands and townships. In addition, capital intensive agricultural policies led to the large-scale eviction of farm dwellers from their land and homes. The abolition of the Land Acts cannot redress inequities in land distribution. Only a tiny minority of black people can afford land on the free market. A national land reform programme is the central and driving force of a programme of rural development.

The objectives of the land reform programme are to address the:

- Injustice of racially-based land dispossession
- Inequitable distribution of land ownership;
- Need for security of tenure for all;
- Need for sustainable use of land;
- Need for rapid release of land for development;
- Need to record and register all rights in property; and
- The need to administer public land in an effective manner

The land reform programme encompasses three distinct component, namely restitution, tenure reform, and the redistribution programme. The establishment of the new Department of Rural Development and Land Reform has also re-confirmed Government's commitment to revitalise and develop rural areas and the land should be seen a catalyst for poverty alleviation, job creation, food security and entrepreneurship.

2.2.13 SPATIAL PLANNING AND LAND USE MANAGEMENT BILL

The draft Spatial Planning and Land Use Management Bill, 2011, sets out the following spatial planning and land use management principles:

The principle of **spatial justice**, whereby

- Past spatial and other development imbalances are redressed through improved access to and use of land;
- Spatial Development Frameworks and policies at all spheres of government address the inclusion of person and area that were previously excluded, with an emphasis on informal settlements, former homeland areas and areas characterised by widespread poverty and deprivation;
- Spatial planning mechanisms, including land use schemes, include provisions that enable redress in access to land and property by disadvantaged communities and persons;
- Land use management system are inclusive of all areas of a municipality and specifically include provisions that are flexible and appropriate for the management of disadvantage areas, informal settlements and former homeland areas;
- Land development procedures will include provisions that accommodate access to secure tenure and the incremental upgrading of informal areas; and
- Where a planning tribunal considers an application before it, the planning tribunal's exercise of discretion may not be impeded or restricted on the ground that the value of land or property is affected by the outcome of the application;

The principle of **spatial sustainability**, whereby

- Spatial planning and land use management system must- promote land development that is within the fiscal, institutional and administrative means of the country;
- Ensure protection of the prime and unique agricultural land, the environment and other protected lands and the safe utilisation of land;
- Promote and stimulate the effective and equitable functioning of land markets;
- Consider all the current and future costs to all parties for the provision of infrastructure and social services in land developments;
- Promote land development in locations that are sustainable and limit urban sprawl;
- Result in communities that are viable;

- The principle of **efficiency** whereby
- Land development optimises the use of existing resources and infrastructure; decision-making procedures are designed with a view to minimising negative financial, social, economic or environmental impacts; and
- Development application procedures are efficient and streamlined and time frames are adhered to by all parties; The principle spatial resilience whereby flexible in spatial plans, policies and land use management system is accommodated to ensure sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks; and

The principle of **good administration** whereby:-

- All spheres of government ensure an integrated and land development that is guided by the spatial planning and land use management systems as embodied in this Act;
- No government department may withhold their sector input or fail to comply with any other prescribed requirements during the preparation or amendment of Spatial Development Framework;
- The requirement of any law relating to land development and land use are met timeously;
- The preparation and amendment of spatial plans, policies, land us schemes as well as procedures for development applications, include transparent processes of citizen participation and all parties to have the opportunity to provide inputs on matters affecting them; and
- Policies, legislation and procedures must be clearly set out and inform and empower citizens.

2.3 PROVINCIAL POLICY FRAMEWORK

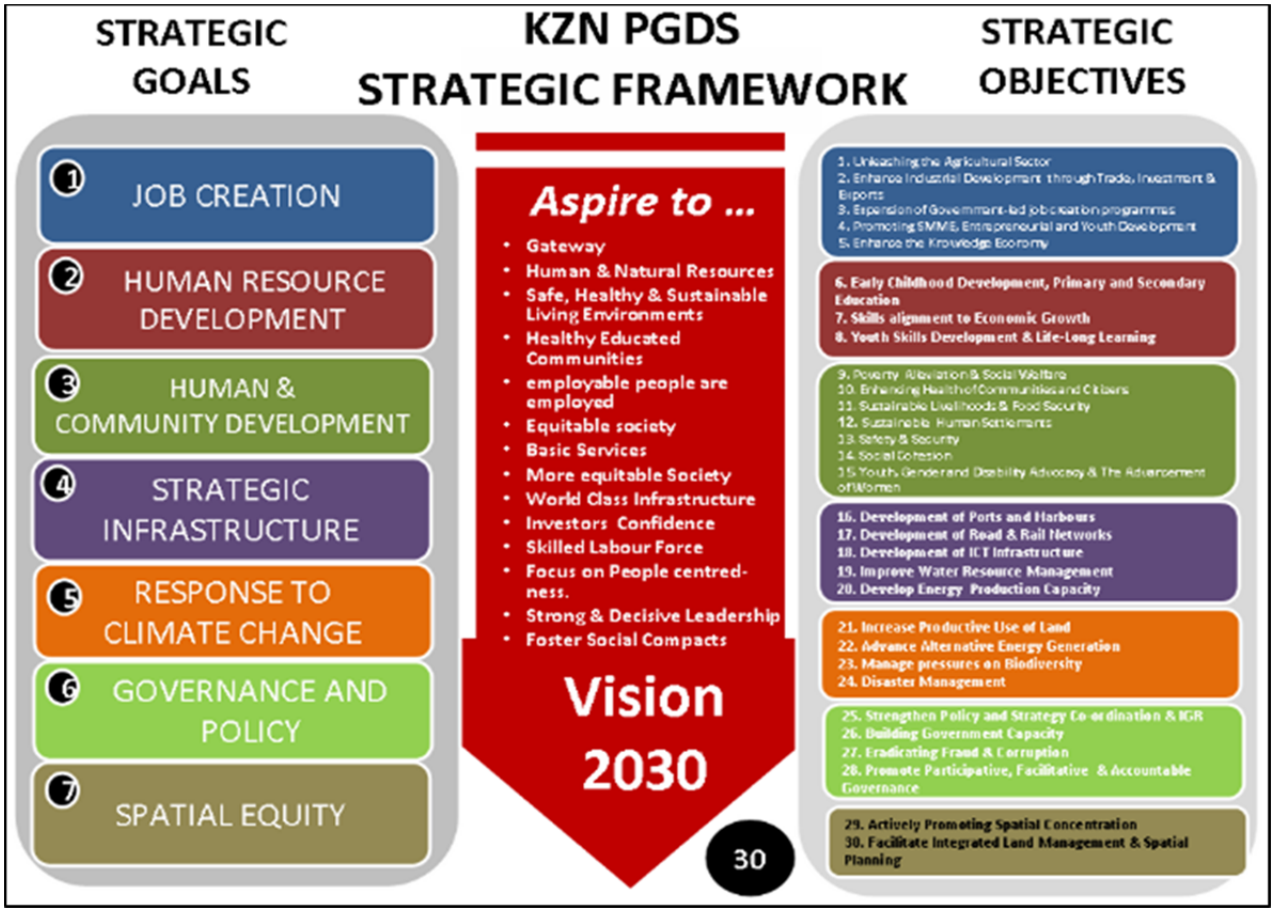
2.3.1. PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY (PGDS)

The KwaZulu-Natal Province's development vision is outlined in the Provincial Growth and Development Strategy (PGDS). The PGDS is a primary strategy for KwaZulu-Natal that drives growth and development in the Province to 2030. It provides the province with a rational strategic framework for accelerated and shared economic growth through catalytic and developmental interventions, within a coherent equitable spatial development architecture, putting people first, particularly the poor and vulnerable, and building

sustainable communities, livelihoods and living environments (PGDS, 2011). Concomitant attention is also given to the provision of infrastructure and services, restoring the natural resources, public sector leadership, delivery and accountability, ensuring that these changes are responded to with resilience, innovation and adaptability. The MLM IDP is formulated within the framework of the PGDS and is fully aligned with the provincial development goals.

The PGDS identifies 7 strategic goals and 30 strategic objectives designed to move the KwaZulu-Natal Province progressively towards the attainment of the 2030 development vision. These goals and objectives are as relevant to the Mkhambathini Municipality as they are for the KwaZulu-Natal Province. This is despite some not being direct functions of local government. Goal 3 to goal 7 form an integral part of local government agenda and focus areas for the Municipality.

FIGURE 6: PGDS STRATEGIC FRAMEWORK.



The Provincial Growth and Development Strategy recognises that environmental vulnerability, social need and economic development are not evenly distributed and spatial disparities will always exist due to the spatial distribution of natural resources, historical imperatives and cultural factors. These spatial disparities have often been aggravated by

past spatial planning. This has resulted in a disjuncture between where people live and where social and economic opportunities are concentrated. This spatial marginalisation from economic opportunities of the majority of the population needs to be addressed in order to reduce poverty and inequality and ensure shared growth and the protection of vulnerable bio-resources.

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

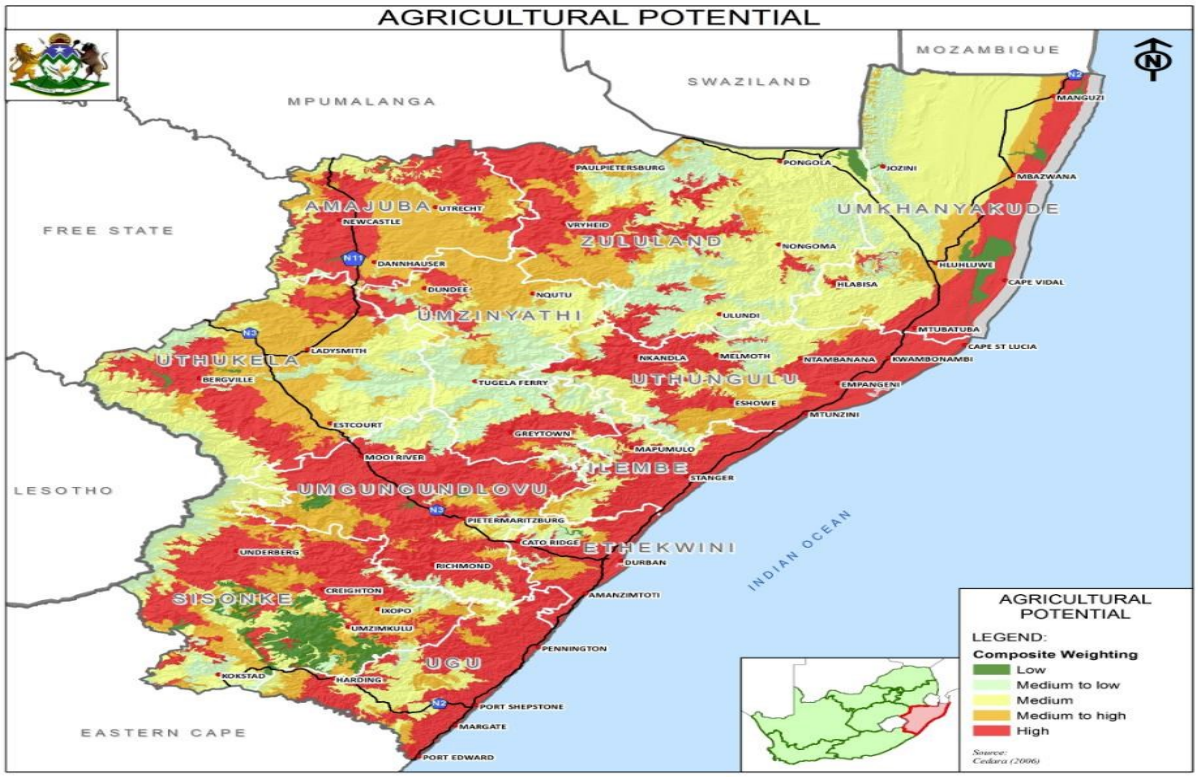


FIGURE 7 AGRICULTURAL POTENTIAL WITHIN KWAZULU NATAL

The agricultural sector is key in order to address poverty within the province of KwaZulu-Natal since most of the areas are currently experiencing high levels of poverty, more specifically within rural areas. The agricultural sector's contribution towards the provincial economy is minimal, but has the potential to increase if its full potential is realised. The commercial agricultural sector is the major employer within major municipalities and forms the economic anchor of such municipalities. Subsistence agriculture is regarded as the most important source of sustainance for a majority of rural households. The challenge towards reducing unemployment and poverty may be addressed through the transformation of

commercial agriculture and improve the linkages between the first economy commercial agriculture and the second economy subsistence agriculture in order to develop subsistance agriculture into small-scale commercial agriculture. The Agrarian Reform coupled with effective Land Reform are identified as key instruments towards achieving agricultural development. According to the map above, Mkhambathini has been identified by the KZN PGDS as having high agricultural potential. The implications thereof to local government is the need to develop strategies towards developing agricultural potential within Mkhambathini, with emphasis being placed on the need to release concealed potential which mostly exists in the Ingonyama Trust Lands, and support of the land reform initiatives in the KZN province. The agricultural potential may further be boosted through unleashing the potential of the Ingonyama Trust Land through improved communication and alignment of local government initiatives with those of the Tribal Authority.

2.3.2. THE STATE OF THE PROVINCE ADDRESS (SOPA) – 2016

The speech by the Honourable Premier of KwaZulu-Natal, Mr. Senzo Mchunu was a reiteration of the objectives echoed in the State of the Nation Address by our President, Mr. Jacob Zuma. The current global financial crisis that has saw an economic downturn of South Africa, which is further propelled by the recent drought and high unemployment, was mentioned as the primary issue impeding upon the development of the country. The budget cuts and implications thereof, as raised by the President, were also emphasised taking into cognisance that “indlala ibanga ulaka” within the Executive. The Premier stated that “in crafting the State of the Province Address, the public was invited to make suggestions through mainstream and social media as a way to afford the people of the KZN province an opportunity to voice their opinions on what should be done by government towards improving their lives.”

Mr. Senzo Mchunu further elaborated on the current financial crisis observing the international, national and the provincial slow economic growth trends. Global economic growth was estimated at 3.1% in 2015 with a projected growth of 3.4% in 2016 and 3.6% in 2017. The projections are based on a risk analysis of the attributing factors including a general slowdown in the emerging market economies, China’s economic slowdown, lower commodity prices, and the gradual exit from extraordinarily accommodative monetary policy (brakes in Quantitative Easing) in the United States. He further mentioned that most countries in sub-Saharan Africa will see a gradual pickup in growth, even though lower commodity prices will retard this growth.

According to observations made by the Finance Minister, Mr. Gordhan, the domestic economy is under severe pressure as a result of subdued global economic performance. In addition the IMF states that SA's economic growth outlook for 2016 has reduced from 1.3% to 0.7%, the lowest forecast on record so far. This is largely due to a combination of fundamental factors such as high debt service costs, high costs of compensation of employees and a contracting tax base. As a result, this has impacted negatively on government revenue streams and the fiscal situation of the country that necessitates substantial budget cuts. Such measures are believed to have negative implications particularly with regards to the government's ability to achieve growth targets which were based on an annual growth rate of 5%.

The KwaZulu-Natal Province is due for cuts totalling over R1 billion in the first year of the MTEF. The challenge raised with regards to the cuts relates to further complications to the current hardships faced by the economic departments in terms of budget constraints, which in reality require more funding towards job creation initiatives. As an initiative to ensure continued planning, the review of the Provincial Growth and Development Strategy has commenced, with the intention being to retain the 20 year planning horizon and the extension of the planning timelines to four five-year quarters spanning between the current period and 2035. The revised strategy is informed by three critical documents for the KZN province and these are as follows:-

- The Revised KZN Situational Analysis;
- The 2015 Citizen Satisfaction Survey; and
- The PGDP Implementation Report.

Regarding the documents mentioned above, worth noting are some of the outcomes of the citizen satisfaction survey which indicate that 64% of the KZN population was satisfied with the level of service rendered to them by government as compared to the other 36% who were displeased. The survey also clearly pointed out what the public regarded as key priorities they want provincial government to attend to and at the top of the list is the need for increased employment opportunities, closely followed by a need for accelerated housing delivery, and then the need to address matters related to crime and corruption including social ills such as substance abuse and violence against women and children. The citizens of KZN indicated that they are happy with the level of health and education services. With regards to service delivery, there is also a high level of satisfaction related to access to piped water, sanitation, and electricity for cooking.

The Honourable Premier went on to elaborate on the additional achievements by government within the KZN province making mention of the increased employment by 6%

based on the Quarterly Labour Force Survey. Progress has also been made in the roll out of the Eskom electrification programme in KwaZulu-Natal with 60 000 connections having been made in 2015. KZN infrastructure spending across the budget votes of the 14 KZN provincial departments has reached the R12 billion mark. Increased focus will be placed on the maintenance of infrastructure so as to ensure full value and optimal employment opportunities out of the capital investments. There's also been progress made on a range of slums clearance projects and the establishment of Agri-villages which are envisaged as means to provide better services to rural communities whilst protecting valuable agricultural land.

KwaZulu-Natal is determined to be "a prosperous province, with healthy, secure and skilled people, acting as a gateway to Africa and the World." Due to such, the Premier gave an overview of the the vision and the high level focus areas of the KwaZulu-Natal Province for the next five years. This is to be achieved through the KZN PGDP and a commitment to the alignment with the Key National Priorities, the 14 National Outcomes and the 9 Point Plan. The following entails the KZN Province Priority Intervention Areas:-

- **PRIORITY INTERVENTION 1**: Revitalization of the agriculture and agro-processing value chain (APAP).
- **PRIORITY INTERVENTION 2**: More effective implementation of a higher impact Industrial Policy Action Plan.
- **PRIORITY INTERVENTION 3**: Advancing beneficiation (adding value to our mineral wealth).
- **PRIORITY INTERVENTION 4:** Unlock the potential of SMMEs, cooperatives, township and rural enterprises.
- **PRIORITY INTERVENTION 5:** Growing the oceans economy.
- **PRIORITY INTERVENTION 6**: Resolving the energy challenge.
- **PRIORITY INTERVENTION 7**: Managing work place conflict.
- **PRIORITY INTERVENTION 8**: Scaling up private sector participation.
- **PRIORITY INTERVENTION 9:** Cross-cutters related to ICT, Transport infrastructure, Science, and Technology and Water.

In addition to the identified priority intervention areas, the Premier mentioned some of the commitments essential towards improving the quality of the lives of the inhabitants of the KZN Province and these are as follows:-

- Development and protection of the human capital through education, training and the development of the required skills to meet growth and demand;

- Human resource development through strategic skills and development projects targeting graduates, TVET learners and unemployed youth;
- Human and community development;
- Good governance through improvement of the municipal audit outcomes;
- Development of strategic infrastructure; and
- Environmental sustainability.

In summary, the State of the Province Address clear sets outs the vision of government towards the development of the KZN Province, with focus being around addressing the identified priority intervention areas.

2.3.3 MILLENNIUM DEVELOPMENT GOALS

During the year 2000, 189 leaders of different nations committed themselves to rid the world from extreme poverty and many forms of deprivations that have been haunting all societies for years. However, South Africa has been a willing signatory of the Millennium Development Goals even before they were introduced through its alignment of a vision that was expressed and supported by millions of South Africans in the form of the 1955 Freedom Charter. The achievement of goals has always been an integral part as the building blocks towards addressing the challenges that are mainly due to the poor planning mechanisms of the apartheid government. Therefore, as part of the South African agenda for development, we aligned our path to the achievement the Millennium Development Goals which are as follows:-

1. To eradicate extreme poverty and hunger.
2. To promote universal primary education.
3. To promote gender equality and empower women.
4. To reduce child mortality.
5. To improve maternal health.
6. To combat HIV/AIDS, malaria and other diseases.
7. To ensure environmental sustainability.
8. To develop a global partnership for development.

In South Africa there still exists enormous pressures for the achievement of the MDG goals. Therefore efforts have been made in order to halve extreme poverty even though there still persists high inequalities. Efforts have also been made towards improving the levels of education within the country through the provision of access to an efficient and high quality education system that is results-driven. And thus South Africa managed to achieve the goal of universal primary education before the targeted date of 2015.

Since 1994, South Africa has been recognised internationally for its relatively good performance in terms of common measures on gender equality. However, gender based violence still remains of particular concern which means decisively dealing with this issues is of particular importance in order to achieve the goal pertaining to the equality and the empowerment of women. According to the Millennium Development Goals Country Report 2013, the target regarding the ratio of literate females to literate males was achieved at 1:1. Therefore the processes already in motion should be maintained as there is still a long way to go in order to achieve gender equality. Significant efforts have also been made to improve the health system in order to reduce child mortality and improve maternal health including the fight against HIV/AIDS. The level of childhood mortality is reflective of a country's health status in general and the health status of the children in the country. There has been improved immunisation for children under the age of 1 hence contributing to the decrease in the child mortality rate.

The creation of awareness campaigns towards the fight against the HIV/AIDS pandemic has also given some positive results. In 2012 South African had the largest population of people living with HIV/AIDS which was estimated at 5.6 million. However, the percentage of HIV prevalence among the population aged between 15 – 24 years has declining significantly over the years, from 10.3% in 2005 to 7.3% in 2012. This is a positive sign towards reaching the goal of combating HIV/AIDS despite the prevalence of some challenges. Fundamental to the nature of MLM is the development of sustainable human settlements and the conservation of the environment thereof. Through strict land use measures and the mainstreaming of development, the significance natural habitats is realised. South Africa accounts for 65% of the carbon emissions in Africa and thus the sustainability of the natural forests is of concern. Like most other countries, South Africa is also vulnerable and exposed to the impacts of climate change and variability due to the socio-economic and environmental context. Therefore, key mitigation programmes have been identified including the promotion of the use of clean energy resources. Such measures will also aid thus decrease the rate of Ozone depletion. Within mLM there has been improvement regarding the provision of access to water and also the provision of improved access to sanitation.

2.3.4 OPERATION SUKUMA SAKHE

The Special Programmes (SP) Unit within Community Services Departement aims to redress previous imbalances, create equal opportunities, and promote accessibility, transparency and accountability of target groups development programmes. It comprises of cross-cutting issues, of which a blind eye cannot be turned as far as service delivery is concerned. Both the political and administrative wings have a critical role to play in the effectiveness of this psychologically tuned mandate.

The Special Programmes initiatives goes deeper than any other project/programme in that through behavioral change, and this change calls for the transformation in cognitive and social stimuli. It has been evident that development is not just about providing shelter, roads etc., but also about the psychological well-being of the community. Children, youth, senior citizen, and people living with disabilities, men and women must have a voice in governance.

The municipality is at the stage whereby it acknowledges that people are different yet the same. In no way can the municipality implement service delivery in isolation of the local democracy. Mkhambathini Municipality has launched the Provincial Sukuma Sakhe program at ward as an attempt to declare war against poverty and social challenges facing the community of Mkhambathini. Operation Sukuma Sakhe Programme (formerly known 5 and 7 as the Flagship Programme) seeks to institute food security, fight disease, in particular HIV, AIDS and TB, and poverty, to empower women and youth, and to instil behavioural change amongst the citizens of the province. The formulation of this 3rd Generation IDP has adopted the principles of Operation Sukuma Sakhe Program thereby establishing partnerships with the local community and getting involved into War Rooms.

Operation Sukuma Sakhe has a 'whole of Government approach' as its philosophical basis. It spells out every initiative and how it links to initiatives being implemented by the different sector departments and the spheres of government, therefore delivery of services is required through partnership with community, stakeholders and government. Mkhambathini Municipality has ensured that all 7 ward committees together with ward councillors do participate in this program through formation of war rooms at ward level.

Operation Sukuma Sakhe is a continuous interaction between Government and the community to come together to achieve the 14 National Outcomes. The program encourages the social mobilization where communities have a role, as well as delivery of

government services in a more integrated way. The Government has structured programs which need to get as deep as to the level of the people they are serving. This is at ward level, translating to all 7 wards and all households within the Mkhambathini area of jurisdiction. The KwaZulu Natal provincial government humbly accepts that it cannot achieve this alone, but needs community's hands in building this nation together.

The following provincial departments have been prominent in spearheading the Operation Sukuma Sakhe program in Mkhambathini Municipality. These include:-

- Department of Health;
- Department of Education;
- Department of Sports and Recreation;
- Department of Social Development;
- Office of Premier; and
- Co-Operative Governance and Traditional Affairs through Community Development Workers (CDWs).

Highlights that took place during 2014/2015

FORUM	PROGRAMME	HIGHLIGHT
Disability Forum	Education and Skills Development	• Training in leadership was provided for the disability forum members
	Sports and Recreation	• The Disability forum participated in DISA games held at Caluza in Msunduzi Municipality
	Health and Social Wellbeing	• People living with disability are provided with Physiotherapy at local clinics every Thursday.
	Economic Participation	• They were provided with the opportunity to exhibit and sell their art work such as beads and woodwork at the Durban ICC.
PLWHIV Forum	Health and Social Wellbeing	• In November 2014, Mkhambathini held a campaign on 16 Days of Activism and also

FORUM	PROGRAMME	HIGHLIGHT
		launched a Men's Sector under the 2014 theme "From Peace in the home to Peace in the World". Mkhambathini Municipality hosted the commemoration of the World Aids day for uMgungundlovu District under the theme "Zero Stigma, Zero discrimination".
	Education and Skills Development	• A number of trainings and workshops were held during the year under review for Traditional healers and members of Ward Aids Committees.
Children's Forum	Safety and Security	• The Municipality in partnership with SALGA donated the following to Letty Mkhize ECD centre: • Gas and gas stove • 8 tables and 25 chairs • A cattle and 3 large pots • 40 Sponges and 40 blankets • Educational material • Jojo water tank • Cleaning equipment • The municipality also procured crèche material for Ward 1 and 3 ECD centres.
OSS		• Mkhambathini Local Task team is fully functional. OSS stakeholders participated in the Public services volunteer week which is held annually in July to

FORUM	PROGRAMME	HIGHLIGHT
		profile households with the aim of providing much needed interventions in partnership with other government departments and to commemorate the Mandela Day on 18 July. **The highlights:** • Ward 2 hosted the delegation from Gauteng Province to benchmark on OSS.
Gender: Men		➢ Mkhambathini held a campaign on 16 Days of Activism and also launched a Men's Sector under the 2014 theme "From Peace in the home to Peace in the World" at Njobokazi in ward 4
Gender: Women		➢ Women empowerment dialogue was hosted by Mayor Cllr T.E Maphumulo to assist women with leadership and business skills
SENIOR CITIZENS	Golden games.	Municipality Senior citizens participated in the District games golden games. 3 Senior citizens from Mkhambathini were selected to represent KZN team.
	Year-end function	➢ The municipality hosted Christmas party for the senior citizens at Nkanyezini in Ward 3. Elders were presented with scarfs, polar fleece and walking sticks.

2.3.5 BACK TO BASIC (B2B) PROGRAMME

Mkhambathini Municipality implement the legislation and carry out Constitutional mandate by subscribing to Back to Basic as articulated by COGTA.

Local government is the sphere of government which is closest to the people. It is also the gateway to service delivery and the platform where most citizens get to interface and interact with government. The vision of a developmental local government system was that it would be the building block on which the reconstruction and development of the country and society was to be built. It was also a place in which the citizens of South Africa could engage in a meaningful and direct way with the institutions of the state. A number of issues related to governance within the local sphere have emanated over the years hence necessitating efforts that support, educate and where needed, enforce implementation. In light of the issues related to the local sphere of government, the transformation of the government sectors thereof remains a priority.

According to the National Development Plan (NDP), achieving South Africa's transformation agenda requires functional municipalities and a capable machinery at a local level that can create safe and healthy economically-sustainable areas where citizens and people can work, live and socialize. Therefore, it is vital to understand where South Africa is, where the country could be and what needs to be done in order to achieve the developmental vision of the country. The goal of Government is to improve the functioning of municipalities in order to effectively render meaningful basic services to communities by getting the basics right. Since the decentralized system of local government was put in place in 1995, as enshrined in the country's Constitution (i.e. as a 'distinctive, interdependent and interrelated' sphere of government), much has been achieved towards building local government.

National Government has provided support to the system of local government through the development of world-class local government legislation and policy, supported by a transparent system of intergovernmental grants that enable municipalities to perform their roles. Furthermore, a wall to wall system of municipalities has been developed for the sole purpose of integrating communities that were previously divided by the apartheid regime. The Local Government White Paper put forward a vision of local government as a key component of the developmental state, and in pursuit of that vision, services have been progressively extended to more citizens than ever before.

His Excellency, President Jacob Zuma, in his State of the Nation Address delivered on the 17th of June 2014, articulated Government's concerns regarding improvements needed at local government level. As part of Government's plan of action to revitalize local government, President Jacob Zuma stated that "South African municipalities are built on a firm foundation, built over the last 20 years of democracy. We have evaluated all our

municipalities. We have inspected their financial management, how they work within legislative processes as well as their ability to roll out projects and to address capacity constraints. We have also looked at how they respond to service delivery protests. There have been many successes in many municipalities. However, we face a number of challenges."

Therefore, against the backdrop of the statement by His Excellency - President Jacob Zuma, the Ministry of Cooperative Governance and Traditional Affairs is pursuing the Back to Basics Approach in order to address the challenges that are faced by local government, and also to strengthen municipalities and instil a sense of urgency towards improving the lives of citizens. The Back to Basics Approach is premised on the recent review of all the 278 municipalities within South Africa, which established three groups of municipalities namely the Top Group, the Middle Group, and the Lower Group. In terms of the Back to Basics Approach, clear benchmarks are set and these are directed towards increasing performance in Government's efforts to ensure that all municipalities perform these basic functions without compromise.

Furthermore, the Back to Basics Approach is of significance because it also supports a transformation agenda which is premised on the need to ensure functional municipalities as outlined by the Minister of Cooperative Governance and Traditional Affairs in his 2014 Budget Vote. The approach is informed by the Constitution, legislation and programmes that are intended at streamlining 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.

As part of Government's efforts to recognize and adequately reward good performance and ensure sufficient consequences for under-performance, the Department of Cooperative Governance (DCoG) has developed a set of indicators to be reported on a monthly basis as per the pillars of the Back to Basics Approach. These indicators will functions thus to measure whether Mkhambathini Municipality is performing in terms of the basics and these are as follows:-

- Putting people first;
- Delivering basic services;
- Good governance;
- Sound financial management; and
- Building capable local government institutions.

Following the first Back to Basics reporting template sent in terms of the Department of Cooperative Governance Circular No. 47 of 2014, Mkhambathini Municipality's reporting

template is attached as **annexure**. According to the circular, Mkhambathini Municipality is obliged to furnish the Minister of COGTA with information on a monthly basis in order to assist in the analysis of the state of local governance within South Africa, and also to afford COGTA the opportunity to make an informed assessment to support and intervene where needed.

Back to Basics Focus Area	MLM Strategic Objective	MLM Strategy	MLM Key Performance Indicator	Responsibility
Service Delivery and Infrastructure	To ensure provision and maintenance of safe roads and effective storm-water infrastructure.	To develop and implement the Roads and Storm-Water Infrastructure Plan	Square meters of sidewalks paved.	**Manager: Technical Services /Manager : Community Services**
			Kilometres of roads released.	
	To ensure access to electricity and other forms of energy where applicable.	To provide Solar Geysers to the Community	Number of solar geysers installed.	
			Number of households with access to electricity.	
	To provide and ensure a safe and healthy environment.	To keep Mkhambathini Municipality surrounding area clean.	Implementation of Communication Plan.	
		Implementation of the Waste Management	% of complains addressed within 24 hours.	

		Strategy in line with relevant legislation.		
Good Governance and Public Participation.	To ensure good governance through openness and, transparency and accountability in the organisation.	To strengthen executive support services.	Reviewed and adopted IDP	**Office of the MM**
			Compliance with record keeping checklist.	
			Number of MANCO meetings convened.	
		To develop and implement an effective Performance Management System.	Annual review of PMS Policy.	
			Annual Performance Report submitted to the Auditor General.	
			Quarterly performance reports submitted to Internal Audit within 25 days of end of quarter.	
		To maintain and implement an effective Risk Management System.	Quarterly reports on implementation of management action plan.	
			Number of anti-fraud and corruption initiatives facilitated.	

			Quarterly reports on implementation of AG Action Plan to Audit Committee.	
		To provide an effective Compliance management systems	Develop and maintain applicable legislation database.	
	To keep communities and stakeholders informed and involved in the affairs of the Municipality.	To improve both internal and external communication.	Annual review of Public Participation Policy.	
			Number of training interventions of Ward Committees.	
			Annual Mayoral IDP/Budget/PMS Roadshows.	
Financial Viability and Management.	To ensure sound financial and fiscal management and good governance.	To ensure compliance with financial reporting in terms of relevant legislation.	Compliance with MFMA reporting obligations as per MFMA calendar.	**Chief Financial Officer**
		To ensure compliance with budget planning and implementation	Approved adjustment budget and final budget timely.	
Institutional	To ensure the	To provide	Average	**Manager:**

Development/ Capacity.	optimal institutional structure to render effective and efficient services aligned to the IDP.	efficient and effective general administrative support services.	turnaround time for filling of vacancies.	**Cooperate Services**
		Implementation and review of the organogram with adequate capacity.	% of critical posts filled as identified and approved by Municipal Manager (as budgeted).	
			Compliance with submission of employment equity Report.	
			Number of people from employment equity target groups.	
	To ensure productive and competent human capital.	To facilitate human resource development.	Successful submission of the WSP to LGSETA.	
			Number of policies developed and reviewed.	

2.1.7 HIERACHY OF PLANS

5 Key National Priorities	MTSF 14 NATIONAL OUTCOMES	KZN PGDP 7 Strategic Goals	ADM DGDP 7 Strategic Goals	MLM IDP Strategic Objectives.
Creation of decent work and sustainable livelihoods for inclusive growth	**Outcome 4:** Decent employment through inclusive economic growth	**Goal 1:** Job Creation	**Goal 1:** Expanded Provincial economic output	To facilitate economic development that will result in sustainable job creation.
	Outcome 5: A skilled and capable workforce to support and inclusive growth path	**Goal 2:** Human Resource Development	**Goal 2:** The human resource capacity of the province is adequate, relevant	To ensure the best institutional structure to render effective and efficient services aligned to the IDP.
				To ensure productive and competent human capital.
				To ensure efficient administrative support services.
	Outcome 6: An efficient, competitive and responsive infrastructure network	**Goal 4:** Strategic Infrastructure	**Goal 4:** Strategic infrastructure that provides for the social and economic growth and development needs of uMgungundlovu District.	To ensure the provision and maintenance of safe roads and effective storm-water infrastructure.
				To ensure access to electricity and other forms of energy where possible.

Rural development, land reform and food security for inclusive growth	**Outcome 7:** Vibrant, equitable, sustainable rural communities contributing towards food security for all	**Goal 1:** Job Creation	**Goal 1:** Expanded Provincial economic output	To identify and facilitate economic development initiatives that will result in sustainable job creation.
	Outcome 8: Sustainable human settlements and an improved quality of household life	**Goal 3:** Human and Community Development	**Goal 3:** Poverty and inequality in uMgungundlovu is reduced	To respond to the needs of vulnerable groups.
				Youth Development and Women Empowerment.
				To facilitate the provision of houses in line with the national and provincial norms and standards.
				To improve access to basic services.
				To create Human Settlements that are economically viable, aesthetically pleasant, habitable and vibrant.
				To ensure efficient management of community facilities.
	Outcome 10: Environmental assets and natural resources that are well protected and enhanced	**Goal 5:** Environmental Sustainability	**Goal 5:** Reduced global greenhouse gas emissions and create social-ecological capacity to adapt to climate	To promote sustainable development and environmental awareness. **(WESSA)**

			change	
Education	**Outcome 1:** An improved quality of basic education	**Goal 2:** Human Resource Development	**Goal 2:** The human resource capacity of the province is adequate, relevant	To ensure productive and competent human capital. **(Team Building Exercises)**
				To ensure efficient administrative support services. **(Training)**
Health	**Outcome 2:** A long and healthy life for all South Africans	**Goal 3:** Human and Community Development	**Goal 3:** Poverty and inequality in Umgungundlovu is reduced	To respond to the needs of vulnerable groups.
				To respond to the effect of HIV/AIDS within the jurisdiction of Mkhambathini Municipality.
Fighting crime and corruption	**Outcome 3:** All people in South Africa are and feel safe	**Goal 3:** Human and Community Development	**Goal 3:** Poverty and inequality in uMgungundlovu is reduced	To facilitate economic development that will result in sustainable job creation.
				To respond to the needs of vulnerable groups.
	Outcome 9: A responsive, accountable, effective and efficient developmental local government system	**Goal 6:** Governance and Policy	**Goal 6:** The population of uMgungundlovu is satisfied with the level of government service delivery	To ensure good governance through openness, transparency and accountability in the organization.
	Outcome 11: A better Africa and a better world as a	**Goal 6:** Governance and Policy	**Goal 6:** The population of Umgungundlovu is satisfied with	To keep the communities and stakeholders informed and involved in all

	result of South Africa's contributions to global relations		the level of government service delivery	municipal affairs **(newsletter/pamphlets) .**
	Outcome 12: An efficient and development-orientated public service and an empowered, fair and inclusive citizenship	**Goal 6:** Governance and Policy	**Goal 6:** The population of uMgungundlovu is satisfied with the level of government service delivery	To ensure an effective and efficient, Municipal Public Accounts Committee the internal audit and Audit Committee.
	Outcome 13: An inclusive and responsive social protection system	**Goal 3:** Human and Community Development	**Goal 3:** Poverty and inequality in Umgungundlovu is reduced	To facilitate economic development that will result in sustainable job creation.
		Goal 6: Governance and Policy	**Goal 6:** The population of Umgungundlovu satisfied with the level of government service delivery	To ensure good governance through openness, transparency and accountability in the organization.
	Outcome 14: Transforming society and uniting the country	**Goal 7:** Spatial Equity	**Goal 7:** Increased spatial access to goods and services in Amajuba	To promote special restructuring and integration.

2.3.6 ALIGHMENT OF THE IDP WITH PROVINCIAL, NATIONAL AND GLOBAL PRIORITIES

Local government must contribute to the realisation of national targets for service delivery and development. Mkhambathini Municipality recognizes that the importance of the fact that our strategic plan needs to be aligned to and fit in with plans of other spheres of government so that there is a seamless integration and a cohesive approach to planning between all the spheres. This is precisely because the planning that is undertaken at Mkhambathini needs to be consistent with planning of other sectors and as such we have attempted to make an effort in terms of aligning our priorities with those that have been set by other spheres.

Millennium Development Goals	National Priorities	Provincial Priorities	Mkhambathini Priorities
Eradication of extreme poverty and hunger	Creating Decent work	Job Creation and economic	Economic Rejuvenation and
Ensure environmental sustainability	Fighting crime	Environmental Integrity (response to	Youth Programmes
Achieve universal primary education	Education	Human development	Facilities and resources
Promote gender equality and empowerment of	Rural development and agrarian reform	Governance	Infrastructure investment
Combat HIV/AIDS, malaria and other diseases	Health	Infrastructure development and	Fighting HIV/AIDS
Outcome 9: Responsive, Accountable and Effective Local Government System			

Improved intergovernmental coordination is critical for the realisation of the country's development agenda and accelerating service delivery. National government cannot realise its development and delivery targets without the contribution of provincial and local government. Similarly, while local government must contribute to national targets, it requires

a supportive environment and national framework in which to promote the socio- economic development of its local area.

SECTION C:

SITUATION ANALYSIS

3. SECTION C : SITUATIONAL ANALYSIS

3.1 DEMOGRAPHIC CHARACTERISTICS

3.1.1 REGIONAL CONTEXT

A comparative demographic analysis demonstrates that the geographic size of Mkhambathini is the second smallest (following Msunduzi Municipality) within Umgungundlovu District Municipality. The area has a substantially low population catchment compared to most areas within Umgungundlovu. It is in fifth position out of the seven areas following Msunduzi, uMshwathi, uMngeni and Richmond. However, in terms of population density, it is the second highest (following Msunduzi) and this is probably due to the geographic size. This density of 69 people/km^2 is lower that the provincial average of 108.8 people/km^2 but higher than the national average of 42 people/ km^2.

3.1.2 POPULATION SIZE AND GROWTH PATTERNS

Table 1: Population Estimates, Density and GVA: Mkhambathini LM in Umgungundlovu District, KwaZulu-Natal and South Africa

Area	**Area Size (km^2)**	**Population Estimate for 2011**	**Population Density (persons per km^2)**	**Gross Value Adding (GVA) R000**
South Africa	1,221,219	51,770,560	42.4	2,405,380,000,000
KwaZulu-Natal	94,361	10,267,300	10838	187,486,020
Umgungundlovu	9,189	1,017,763	113.8	5,709,100
DM				
uMshwathi LM	1,811	106,374	58.7	1,857,024
uMngeni LM	1,567	92,710	59.2	1,496,207
Mpofana LM	1,810	38,103	21.0	267,462
Impendle LM	947	33,105	35.0	148,807
Msunduzi LM	648	618,536	954.5	11,039,508
Mkhambathini LM	915	63,142	69.0	1,733,729
Richmond LM	1,133	65,793	58.1	478,414

The Gross Value Added (GVA) produced and services rendered within Mkhambathini totalled R1,733,729.00 in 2004. This places Mkhambathini in the third position within uMgungundlovu in terms of the highest GVA within uMgungundlovu District. This is a good indication in terms of the economic productivity of the area when compared with most municipalities within the district.

3.1.3 POPULATION DYNAMICS AND FUTURE GROWTH TRENDS

3.1.3.1 POPULATION SIZE AND GROWTH PROJECTIONS

The total size of Mkhambathini population is estimated at 63 142 people. This only accounts for 6% of the district population. The number of households is estimated at 14 964, the majority of these are situated within the traditional authority areas. According to the graph below, the population of Mkhambathini has been inconsistent in terms of growth and decline over the past 17 years. It increased by 16% from 1996 to 2001 but from 2001 to 2007 it declined by 21%, and it has since increased by 26% from 2007 to 2011. This implies that there has been a great level of in-and out-migration that has taken place within the area.

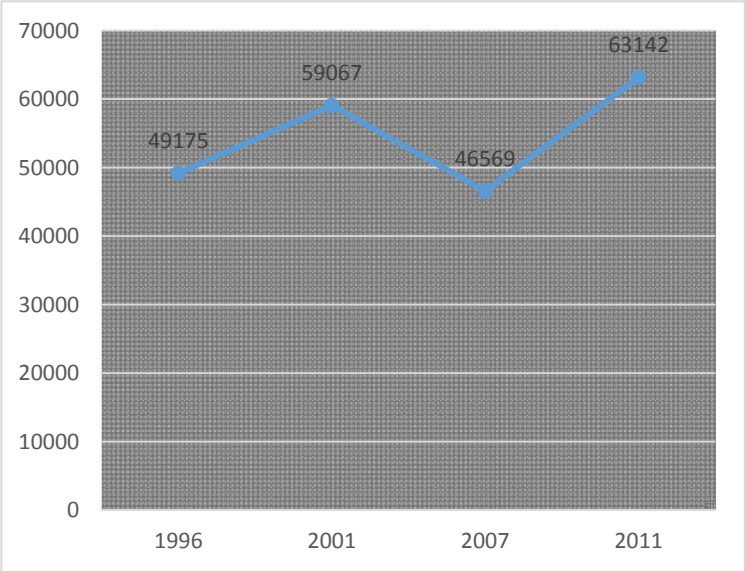


FIGURE 8 POPULATION PROJECTION

3.1.3.2 POPULATION DISTRIBUTION

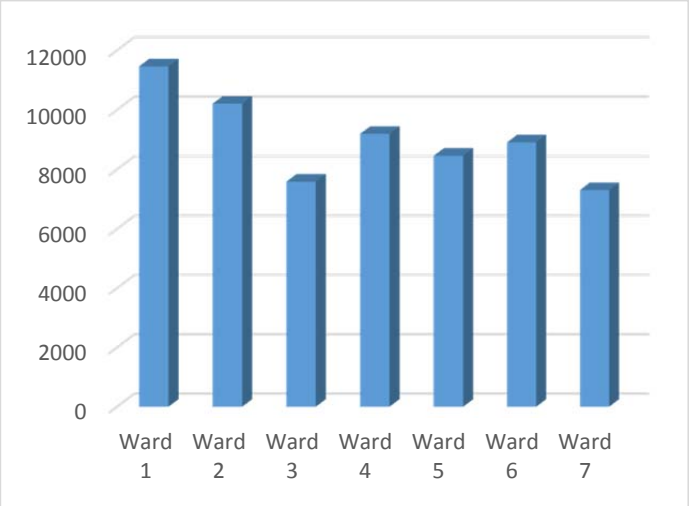


FIGURE 9 POPULATION DISTRIBUTION PER WARD

The population of Mkhambathini is unevenly distributed amongst seven administrative wards as depicted in figure 2 below. The northern and southern parts of the municipality comprises of the traditional council areas which accommodate more people than many parts of the municipal area. Ward 1 has the highest population. This ward is located on the far north side of the municipal area and the settlement composition of this ward includes Table Mountain, Maqongqo and Villa Maria. This is followed by ward 2 which is located adjacent to ward 1 and it has Ntweka, Ophokweni, Abebhuzi and Manyavu settlement areas. There is a substantial number of people who also who reside within Camperdown, Eston, Manderston, Ntimbankulu and Tala Valley. These areas make up ward 4 which is located within the middle of Mkhambathini Municipal Area.

3.1.3.3 GENDER DIFFERENTIATION

Age Group	Male	Female	Total Age Group
0-4	3677	3720	7397
5-9	3208	3143	6351
10-14	3174	3085	6259
15-19	3441	3306	6747
20-24	3423	3395	6818
25-29	3011	3108	6119
30-34	2186	2306	4492
35-39	1805	1969	3774
40-44	1366	1656	3022
45-49	1237	1609	2846
50-54	955	1331	2286
55-59	961	1194	2155
60-64	773	1042	1815
65-69	459	625	1084
70-74	255	528	783
75-79	152	333	486
80-89	119	305	424
85+	67	216	284
Total	**30270**	**32872**	**63142**

Mkhambathini Local Municipality's population is slightly imbalances with females out-numbering their male counterparts. In 2011 females out-numbered their male counterpart by 4%. This confirms the national and provincial trend that a higher proportion of women than men are found in rural areas. Nevertheless, this confirms with the national trends that a higher proportion of women are found in the dominant rural areas than men. This disparity in the proportion could well be attributed to the fact that the male counterparts still tend to leave the homestead in search of work. Therefore, how the municipality factors this gender split into their service delivery priorities, especially human settlement development, is of essence.

In addition to the above, it can also be suggested that there is a needs for a developmental agenda that should pro-actively target female empowerment within Mkhambathini area.

3.1.3.4 AGE COMPOSITION

Mkhambathini is dominated by youthful population segments. According to the table above, the population structure of the area demonstrates that approximately 51% of the population consists of working age-group members aged between 20 and 60 years. This is followed by the infancy and school age populations which amount to 41% of the population. The aged population (older than 60 years) is relatively low at 8%.

3.1.3.5 SOCIO-ECONOMIC PROFILE AND LIVELIHOODS

3.1.3.5.1 UNEMPLOYMENT AND POVERTY ANALYSIS

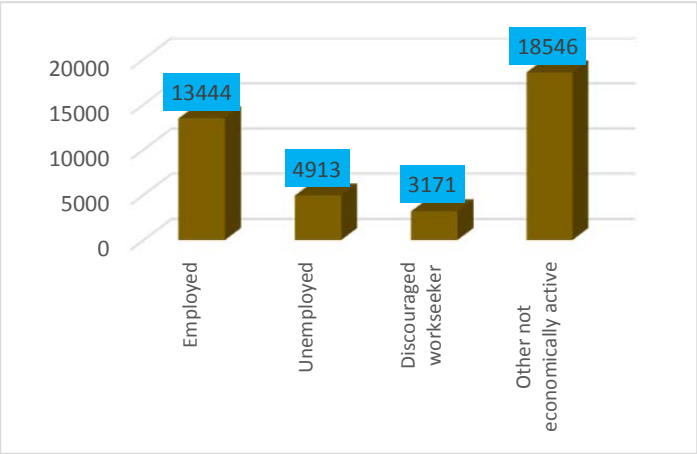


FIGURE 11 UNEMPLOYMENT AND POVERTY ANALYSIS

The unemployment rate is currently at 12% within the area. Although this may appear to be relatively low when a comparison is drawn with the national unemployment rate which is sitting at 25%, Mkhambathini has a very high proportion of non-economically active population (46%) and discouraged job seekers (8%) and this implies that the dependency rate is quite high. Poverty is a complex concept to define and measure. Initial measures of poverty are usually based on financial indicators such as the World Bank measure of income less than $1/day. The World Bank recommends that when monitoring country poverty trend, indicators based on

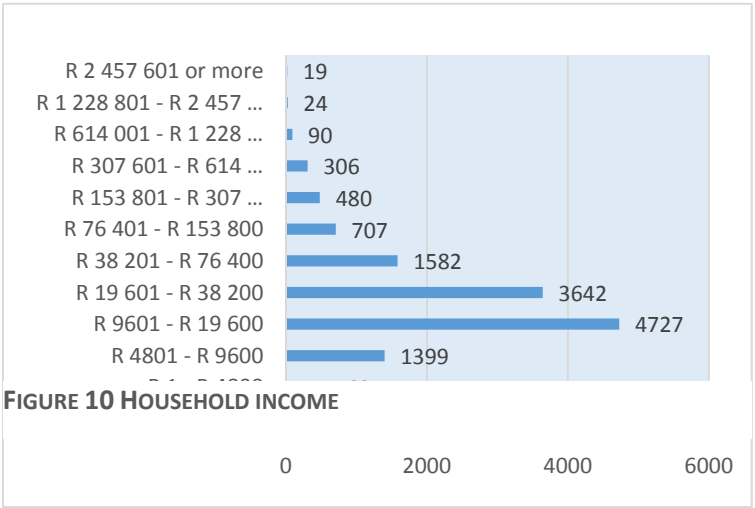


FIGURE 10 HOUSEHOLD INCOME

national poverty lines should be used in place of the WB measure. In view of this, the "Minimum Household Living Level (MHLL)" created by the South African Bureau for Market Research can be used as an indication of the prevalence of poverty in the study area. The MHLL states that in March 2004 and average household with 3.7 members living on R22,728/year (R1,894/month) or less will be unable to meet its financial requirements. 1354 households do not have any form of income while the majority of the households (6760) have an income which is below R 22,728 per annum and are regarded as living below the poverty datum line. This income profile is also a reflection of the low education level and high rate of unemployment that is found within Mkhambathini.

3.1.3.5.2 EDUCATION PROFILE AND LITERACY LEVELS

Education plays a pivotal role in community development. It provides a base of skills development, creativity and innovative ability for individuals within the community. The 1996 constitution provides everyone with the right to basic education, which includes Adult Basic Education. It also provides individuals with the right to further education, with the government tasked with the duty of progressively making it accessible and available to all. The level of education is slowly improving within Mkhambathini such that the rate of people who have no schooling has dropped from 37.6% (in 1996) to 12% in 2011. However, the number of people who did not complete school is very high, with approximately 29% of the population failing to complete primary school, while an alarming 37% did not complete secondary school. Only 14% of the population completed Matric (grade 12). The number of people with higher education has however constantly increased from 1.9% (1996) to 2.5% (2001) and eventually to 3.4% (2011). This shows a growing number of people accessing funds to further their education and the results being produced are at least suitable for submission to tertiary institutions.

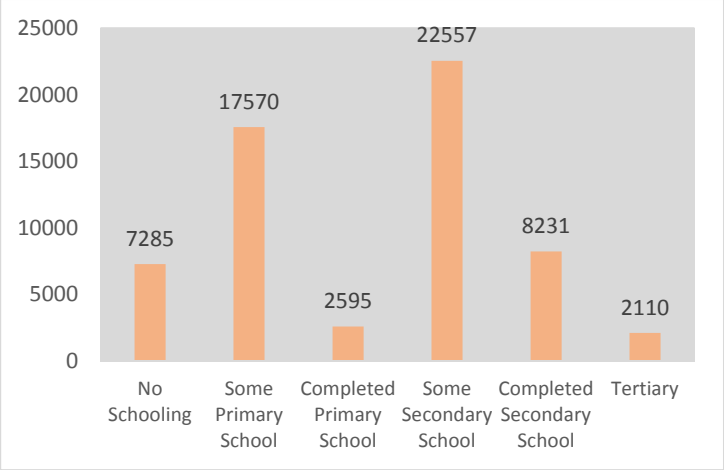


FIGURE 12 EDUCATIONAL PROFILE

3.1.3.5.3 HIV AND AIDS

The 2004 survey conducted by the National Department of Health indicates that 29.5% of the women who visited antenatal clinics are HIV/AIDS infected. According to a study, KwaZulu-Natal has the highest prevalence of the HIV/AIDS incidents in South Africa (40.75). The figure below indicates that 38.5% of HIV positive people are between the ages of 25-29, followed by the age category of between 30 and 34, which constitutes 30.8% of people with AIDS.

The HIV and AIDS pandemic has had a profound impact on both the quality of life of communities and families and on the economy. A number of initiatives have been implemented through the National Department of Health to combat the current epidemic, however major challenges still remain. Within Mkhambathini, the number of HIV positive persons has increased at an average annual growth rate of 2.9% during the period 2000 - 2010, bringing the percentage of the population with HIV to almost 17% of the total population. The number of AIDS related deaths has increased at an average annual growth rate of 8.7% during the period 2000 – 2010, with AIDS deaths accounting for about 62% of total deaths in the municipality. This highlights the severity of the current situation and the need for interventions that target and attempt to address these HIV/AIDS challenges. The HIV/AIDS pandemic will lead to the following:

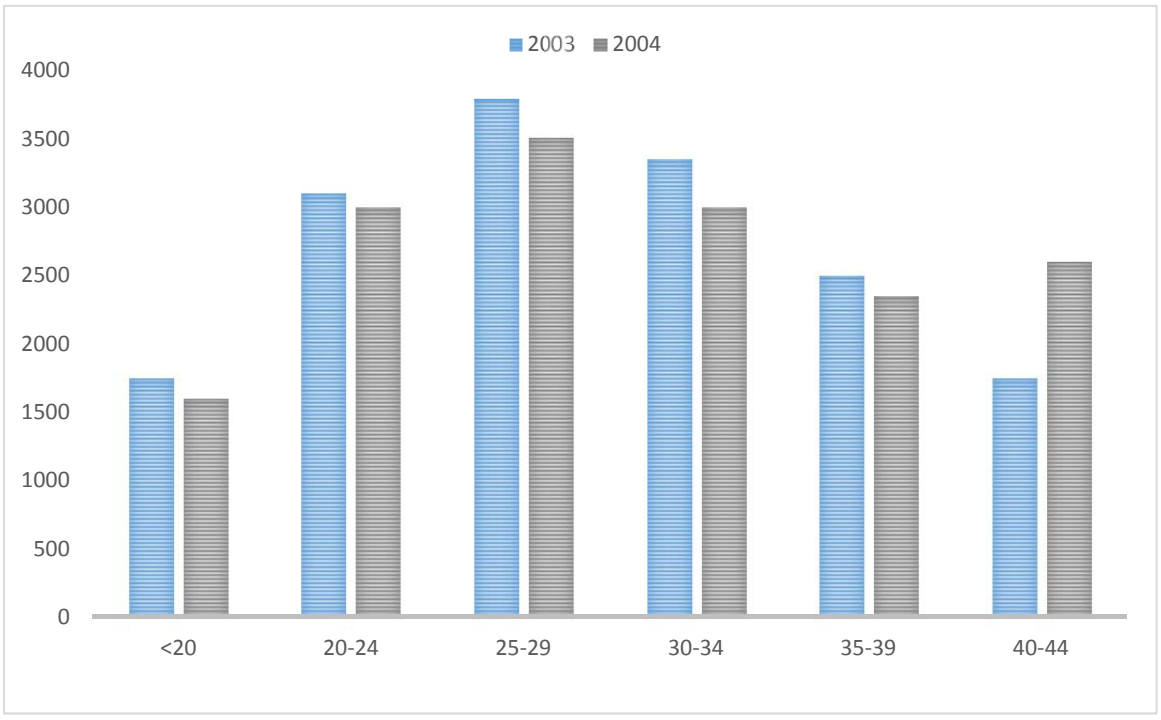


FIGURE 13 HIV/AIDS PANDEMIC REPRESENTATION

Low and/or zero population growth rate, thus affecting the sustainability of projects that are based on certain population projections.

A significant number of households will suffer a loss of income when the economically active member/breadwinner dies of AIDS related complications. Families of HIV/AIDS victims will be forced to divert their income, which could have been used for other socio-economic activities to conduct burial ceremonies, as the African culture encourages expensive funerals.

The economy of Mkhambathini in particular and KZN province will be negatively affected, as income will be lost due to absenteeism caused by ill health, and the necessary training of new incumbents.
The agricultural sector will suffer most as it relies heavily on the availability of masculine workforce members and the 70% management (equivalent of 100% management in the laboratory) needed to realize maximum potential yield.

For the agricultural sector to continue thriving in this HIV/AIDS age it need to shift its focus from being labour intensive to instead being capital intensive. The increase in the number of orphans and abject poverty will eventually force the government to spend more on social activities rather than on capital infrastructure, which would propel economic development. This will have a negative impact on the ability of the municipality and the locality, as investments rely heavily on the availability of capital infrastructure. The table below illustrates the number and the percentage of people who have gone for testing at the local clinics within Mkhambathini Local Municipality

Number of People Tested for HIV

Name of Clinic	No of people tested	No of people tested positive	No of people tested negative	% of HIV positive	% of HIV negative
Baniyela Clinic	145	24	121	17	83
Embo Clinic	62	10	48	16	74
Maguza Clinic	288	77	151	34	66
Njabulo Clinic	507	148	359	29	71

3.2 CROSS CUTTING ISSUES – SPATIAL, ENVIRONMENTAL AND DISASTER MANAGEMENT

3.2.1 SPATIAL ANALYSIS

3.2.1.1 REGIONAL CONTEXT

Mkhambathini is a strategically located Municipality within KwaZulu-Natal province. It forms part of Umgungundlovu District, and provides an important link between Ethekwini Unicity and the District. It is sandwiched between Pietermaritzburg and Durban, which are both urban nodes of provincial and national significance.

FIGURE 14 REGIONAL CONTEXT

It adjoins Cato Ridge, which has potential to develop as an industrial node and is a possible relocation site for the Virginia Airport. The N3, which is identified in the Spatial Growth and Development Strategy as a Provincial Corridor, runs east-to-west through the central part of the municipal area. It is a major link between the national industrial hubs of Johannesburg and Durban. A significant portion of Mkhambathini Municipality falls within the Valley of a Thousand Hills, with Table Mountain being a major landmark. This area has been identified

as a high potential area for eco-tourism. A large portion of Mkhambathini Municipality falls within the Midland Mist belt, which is well known for its high agricultural potential and well-established agricultural economy.

3.2.1.2 ADMINISTRATIVE ENTITIES

Mkhambathini Local Municipality is divided into seven (7) administrative wards. Wards 1, 2, 5 and 7 comprise traditional council areas. The traditional councils that exist within wards 1 and 2 are Maphumulo and Manyavu, while wards 5 and 7 accommodate Embo-Timuni. Wards 3 and 6 mainly consist of farming areas with a few settlements such as Umlaas Road, Mid-Illovo, Milford and Avondale. Ward 4 comprises the urban component of the municipality. It is centrally located within the middle of the municipality and it entails Camperdown, Eston, Manderston, Ntimbankulu and Tala Valley settlements.

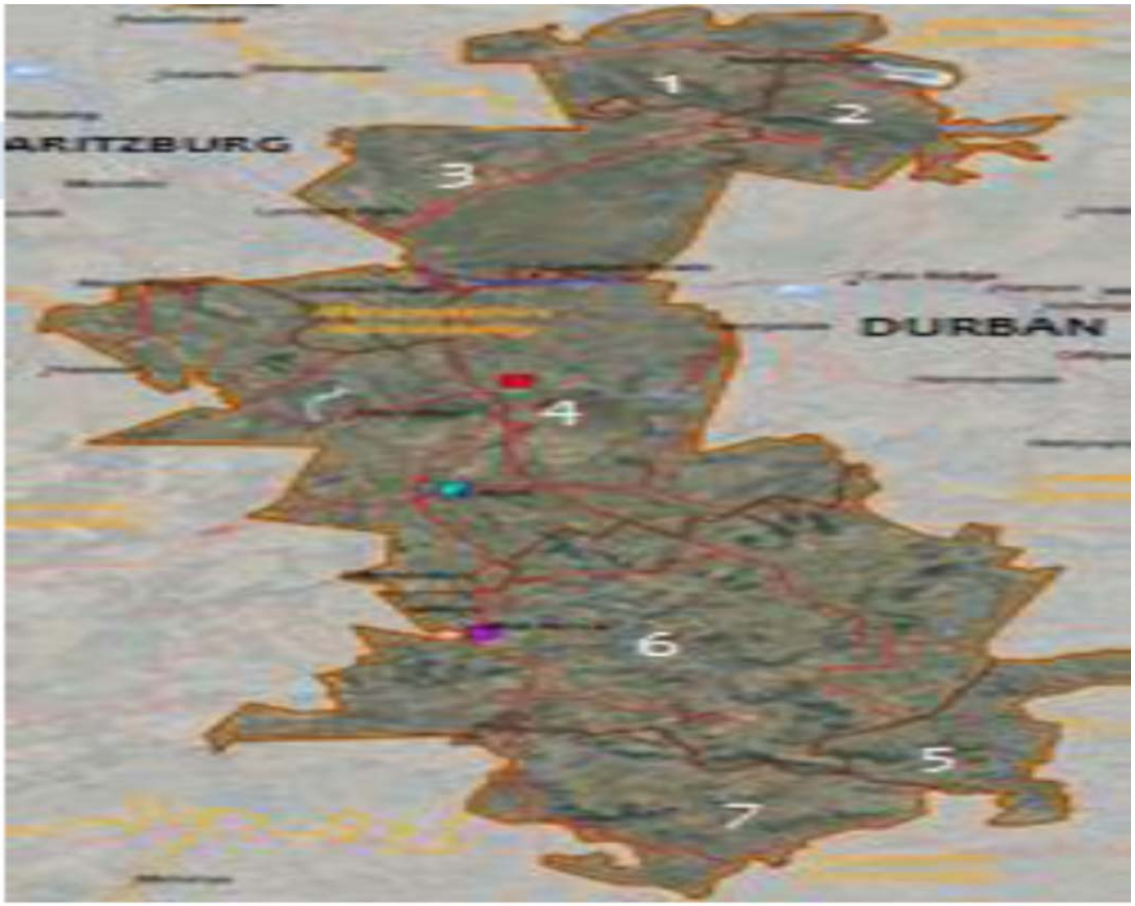


FIGURE 15 MUNICIPAL WARDS

3.2.2 STRUCTURING ELEMENTS

3.2.2.1 IMPACT OF POST-APARTHEID SPATIAL PLANNING LEGACY

The legacy of the post-apartheid policies had a profound impact of the structure and functionality of Mkhambathini Municipality. It fragmented communities, marginalised their economic activities and undermined their participation in the economy. It located people in areas with poor access to urban services and facilities, and effectively entrenched the philosophy of unequal development. Spatial fragmentation was implemented to effectively separate the urban complex of Camperdown and the rural areas of Embo-Timuni, Maphumulo and Manyavu.

These two areas are situated at least between 30km and 59km from Camperdown Central Business District (CBD) in line with apartheid spatial engineering. Spatial fragmentation, referring to separate blobs of development with no linkages, has the potential to undermine the role of Mkhambathini in its regional context and impact negatively on its ability to perform its functions effectively and efficiently.

3.2.2.2 INFLUENCE OF STEEP TERRAIN AND MOUNTAINOUS AREAS

Slope and terrain are also very strong structuring elements in terms of Mkhambathini spatial configuration. The northern part of Camperdown town has very steep terrain which limits the expansion of this town towards the north. This implies that the physical expansion of this town will be severely limited. The northern and southern parts of the municipality have high slope inclines, indicating mountainous areas. This step terrain within the traditional council areas promote the dispersed settlements structure and creates difficulties in terms of bulk infrastructure provision. In fact, most of the settlements within the rural parts of Mkhambathini have followed this terrain such that the homesteads have tended to locate within the flatter terrain while steep spaces within and between settlements have remained vacant.

3.2.2.3 UMNGENI AND MKHOMAZI RIVERS

The biggest rivers that are found within the Mkhambathini Municipal area are the Umngeni and Mkhomazi Rivers. These rivers are the most visible natural structuring elements of the municipal area such that the Municipal Demarcation Board actually used these to demarcate the boundaries between Mkhambathini. As evidenced from the map (insert), Umngeni River

is used as a northern boundary of the municipality which separates Mkhambathini from the uMshwathi area of jurisdiction.

The southern part of the municipality contains Mkhomazi River which acts as a boundary that separates Mkhambathini with Vulamehlo Municipal area.

3.2.2.4 THE ROLE OF THE N3 NATIONAL ROUTE

The N3 runs east to west through the central part of the municipal area. It is the busiest corridor in the province and a major link between the national industrial hubs of Johannesburg and Durban. It can be considered as the primary route within the area. This route is however, largely a movement corridor between the dominant urban areas. Due to the high volumes of traffic along this road, and the fact that it is largely being utilised as a main route by trucks and other freight vehicles, may opportunities exist for development that can capitalise on the existence of this route. Due to the limited access nature of this road, opportunity exist at key intersections or off-ramps along its route, of which two occurs within the study area.

3.2.2.5 EXISTING NODES (INCLUDING URBAN EDGES)

The nodes identified are based on the functions of the centres within the municipality and were classified as such by the Mkhambathini Local Municipality. The municipality differentiates between primary, secondary and tertiary nodes:

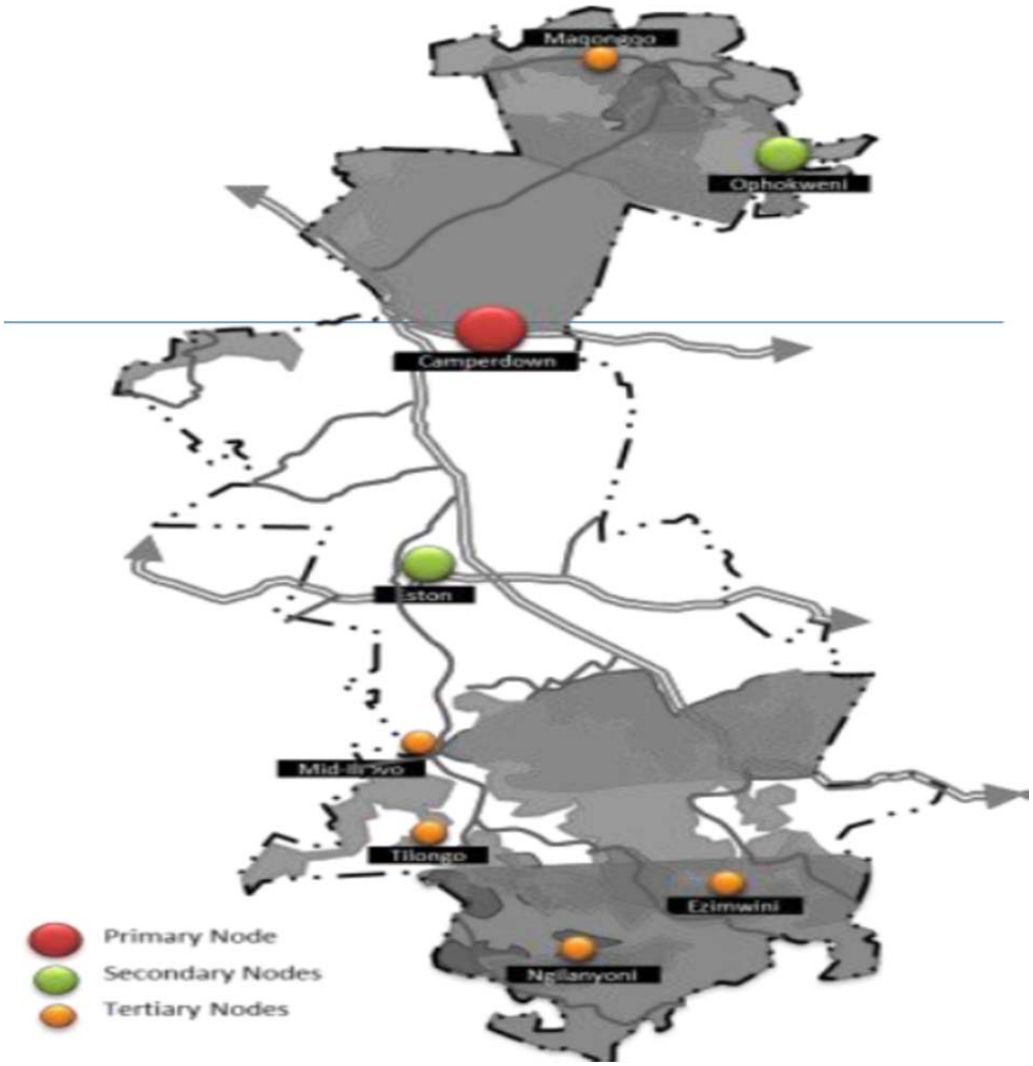


FIGURE 16 REGIONAL NODES

3.2.2.6 PRIMARY NODE: CAMPERDOWN

Camperdown has been identified as the primary centre within Mkhambathini Local Municipality. Its role and development is focused on promoting municipality-wide development and re- enforcing integration with the surrounding major urban centres. Other than forming part of set of nodes along the N3 corridor, Camperdown holds the key to future integration of the Greater Pietermaritzburg Functional area and the Durban Unicity area. It accommodates the municipal offices, schools, police station, a hotel bottle store and a variety of commercial and retail outlets. The "village in the country" atmosphere which is evident in some portions of the area is an important attribute which needs to be conserved and enhanced, particularly as new areas are opened up for residential and other development. The node is traversed and separated by the Primary Movement Corridor which is the National Road Route (N3) and to the West it links onto the Primary Corridor

connecting the Municipality to the South Coast (R603), providing a high degree of accessibility.

3.2.2.7 SECONDARY NODES: ESTON AND OPHOKWENI

The areas of Opokweni overlapping into the Outer West Municipality, and Eston have been identified as Secondary Nodes or Service Centres. These areas play an important role as service centres to communities and farmers in the northern and central portions of the municipality, providing housing and a smaller range of commercial and social services than what is offered in the Primary Node.

3.2.2.8 TERTIARY NODES

Tertiary nodes have been identified at Maqongqo (north), Mid-Illovo (central), Tilongo, Ngilanyoni and Ezimwini (south).

3.2.2.9 EXISTING CORRIDORS

FIGURE 17 EXISTING CORRIDORS

3.2.2.10 PROVINCIAL CORRIDOR : N2

The N3 is a high speed limited access road, and does not provides any development opportunities at a local scale. As a result is has been excluded from the system of corridors.

As indicated on the Map, the primary corridors have been used to re-enforce integration with the surrounding areas and to promote accessibility from within and outside Mkhambathini.

3.2.2.11 PRIMARY CORRIDOR: R603

The R603 is the Primary Corridor which links the Municipality to the South Coast. It is of Provincial and Municipal importance. It serves the commercial agriculture community, rural residential communities and also serves as a tourism link. Development along this corridor should be safe and attractive to enhance tourist appreciation and should not be permitted on an ad hoc basis.

3.2.2.12 SECONDARY CORRIDOR

The road from the Lion Park interchange leading to Maphumulo Tribal Area has been upgraded to a secondary transportation route, and provides a main link from the N3 between Pietermaritzburg and Durban to the Maphumulo Tribal Authority area. A small corridor from the N3 along the proposed secondary transportation route is proposed which should also be for mixed-use purposes. The length of this corridor would extend approximately 1.5 to 2km from the interchange in addition to the opportunity point identified at this intersection 1 interchange. In order to promote eco adventure-tourism, routes have been identified and are shown linking Eston with the tribal areas and ultimately the Umkomaas River and into Vulamehlo Municipality.

3.2.2.13 BROAD LAND USES

3.2.2.13.1 URBAN SETTELEMENT

FIGURE 18 URBAN SETTLEMENT REPRESENTATION

The areas that are considered to be urban include Camperdown, Mid-Illovo and Eston. There is a concentration of commercial land use areas adjacent to the N3. This is expected, as the N3 is a strategic national transport route and the area is located on a stretch between Durban and Pietermaritzburg, with substantial road and rail freight traversing the area. Camperdown is the commercial hub of Mkhambathini Local Municipality. It has a large residential component compared to a relatively small business and retail sector due to the surrounding agricultural potential and poultry farming that consist in the area. Camperdown poses a more relaxed lifestyle on a regional scale outside the rushed city life of Durban and Pietermaritzburg.

3.2.2.13.2 RURAL SETTLEMENT AND SUBSITENCE FRAMING

FIGURE 19 RURAL SETTLEMENTS ON THE NORTH OF MKHAMBATHINI MUNICIPAL AREA

The northern and southern parts of the municipality are the rural settlements. The southern part is mountainous, steep and mainly covered with subsistence cultivation and thicket with some scattered forest areas, while the northern sloped areas are distinctively covered with thicket and natural grassland and some limited forest areas and informal built-up areas. Although indicated as “built-up” in terms of the land cover classification, the majority of these settlements are characterised as rural in terms of density and character. These settlements are heavily concentrated within the north central parts of the municipality within the traditional authority areas, and occur along national and provincial roads. The main concentration of subsistence farming is found in the south-eastern portions of the municipality.

FIGURE 20 RURAL SETTLEMENTS ON TEH SOUTH OF MKHAMBATHINI MUNICIPAL AREA

3.2.2.13.3 COMMERCIAL FARMING

The majority of the central portions of the municipality are cultivated for commercial sugarcane, with especially high occurrence of this around the Eston settlement area. The southern parts of the municipality have a potential for wildlife, forestry and light grazing as land use options. The central parts of the municipality are dominated by Classes IV and VI. Class VI includes wildlife, forestry and light and moderate grazing as land use options. Class IV, which is dominant in the central areas directly south of the N3 and also widely scattered in the southern parts of the municipality, includes wildlife, forestry and light, moderate and intensive grazing as well as poorly adopted cultivation as land use options.

The northern part of the municipality has large areas of class II land, which include arable land for intensive, well adopted cultivation purposes, moderately well adopted cultivation, light to intensive grazing, wildlife and forestry. These areas are scattered in the lower lying areas of the northern part of the municipality and can generally be regarded as having high agricultural potential. The agricultural production in the municipality centres around vegetables grown for local and hinterland fresh produce markets, and maize and sugarcane production. The area features the second highest concentration of poultry producers in the world, supported by a network of service suppliers, as well as pig and beef farming.

3.2.2.13.4 LAND OWNERSHIP

Mkhambathini is one of the municipalities with a very diverse land ownership composition. Most of the land is however privately owned. The broad pattern of this can be divided as follows:

- State-land;
- Privately owned Land;
- Trust owned land;
- Land owned by Companies or Close Corporation;
- Land owned by Entities; Ingonyama Trust land; and
- There are areas where Ownership is unknown at this stage.

The majority of the farms located within the central portions of the municipality are either privately owned or trust owned. This increased number of the farms that are owned by trusts in the form of the Communal Property Associations (CPAs) is an outcome of the land reform process. Previously these farms were under private ownership. There are a number of farms that also belong to companies and close corporations while the remaining few farms belong to the state. The vast tracks of land in ward 1, 2, 5 and 7 belong to Ingonyama Trust. The day to day management of this land is the responsibility of the traditional council under the leadership of the tribal chiefs concerned, but the administration and long-term leasing of these land parcels is the responsibility of the Ingonyama Trust Board. The land parcels within Camperdown are mainly owned by individuals or private owners.

3.2.2.14.LAND REFORM AND PROGRAMME AND RURAL DEVELOPMENT

3.2.2.14.1 LAND RESTITUTION CLAIMS

The process of transferring the farms that were under restitution claims as part of the land reform programme has progressed extremely well within Mkhambathini Municipal Area of jurisdiction. A total of 503 claims were lodged within Mkhambathini amount to 45 964 ha of land. 498 of these claims have been settled with the land that amounts 44 971 ha. The question that remains is the effectiveness of this programme in terms of ensuring that the farms that have been transferred are productively used.

3.2.2.14.2 LABOUR TENANT CLAIMS

A total of 263 labour tenant claims have been lodged within Mkhambathini. These total size of the land affected is 9 086 ha. It is unclear at this stage if these claims have been resolved. Land Tenure Reform is a complex process, which involves interests in land and the form which these interests should take. While it addresses problems created by the past apartheid policies (inferior tenure rights for black people), it introduces a fundamental change to the notions of land ownership. In terms of a suite of legislation including Extension of Informal Land Rights Act, (Act No. 62 of 1997), the right of access to land, its use and its occupation may now be shared between its owner and other persons who hold rights to the land the rights conventionally held by third parties and encompass notions of co-ownership.

Although Mkhambathini is relatively stable and has not had conflicts arising from land tenure issues between the landowners and the farm dwellers, a number of people reside within commercial farms under different situations. Some live in compounds and their residential rights are linked to employment while others have acquired ESTA rights in view of their length of stay within these farms. Irrespective of the nature of land rights, this segment of the population requires special attention as it does not benefit from government funding and does not have adequate access to public services and facilities.

3.2.2.14.3 LAND REFORM PROJECTS

There are twelve land reform projects that have been undertaken within Mkhambathini Municipality. These can be indicated on the table below:

LEGAL NAME	NAME OF PROJECT	PROGRAMME USED	PRODUCT TYPE AND NUMBER OF HOUSEHOLDS
Mzomusha CPA	Vaalkop and Dadefontein	LTA	Settlement (10 HH)
PL & DS Mkhabela	Mr PL Mkhabela	Redistribution	Agri (1 HH)
Alhe Brothers CC	Camperdown Ahle Brothers	Redistribution	Commercial Farming (4 HH)
Tomboti Trading	Tomboti Trading Pty Ltd	Redistribution	Agri (4HH)

Tomboti Trading	Tomboti Trading Pty Ltd	Redistribution	Agri (4HH)
Zungu Family Trust- Trustees	Killarney Labour tenants	LTA	Stock Farming, Cropping and Settlement (1 HH)
Singz & Singz	Killarney (Singz and Singz)	Redistribution	Sugarcane Farming (3HH)
Zibophezele Community Land Trust	Inglebrook	Redistribution	Sugarcane and Livestock Farming (64 People)
Amadwala Trading	Amadwala Trading CC	Redistribution	Farming, Chicken, Piggery, Cattle and Goat (2 HH)
Zuma Family Trust	Sweethome	Labour tenant	Sugarcane (18 People)
Clear Trade 108 CC	Valsch River Clear Trade	Redistribution	Sugarcane Farming (3 HH)
T. Bulala	Valsch River TFSL Farming cc	Redistribution	Sugarcane Farming (3HH)

According to the information received from the Department of Rural Development and Land Reform, these projects were implemented successfully and are said to have benefited approximately 35 households.

3.2.2.14.4 LAND CAPABILITY

The land capability of the Mkhambathini municipal area, as indicated on the map in 3.6.3 Land Capability, is highly dispersed, ranging between Land capabilities classes II to VII. There is no dominant land capability classification found in the municipal area and a very large portion of the land is falls under Classes IV, VI or VII. According to Table 2 below, Class VII, which is dominant in the southern parts of the municipality, includes Wildlife, forestry and light grazing as land use options. The central parts of the municipality are dominated by Classes IV and VI. Class VI includes wildlife, forestry and light and moderate grazing as land use options.

Class IV which is dominant in the central areas directly south of the N3 and also widely scattered in the southern parts of the municipality includes wildlife, forestry and light, moderate and intensive grazing as well as poorly adopted cultivation as land use options.

The northern part of the municipality has large areas of Class II land, which include arable land for intensive, well adopted cultivation purposes, moderately well adopted cultivation, light to intensive grazing, wildlife and forestry. These areas are scattered in the lower lying areas of the northern part of the municipality and can generally be regarded as having high agricultural potential. This will need to be factored into the economic development and agrarian reform strategies of the municipality.

FIGURE 21 SOURCE DEPARTMENT OF AGRICULTURE

The Soil Depth within the Municipal Area ranges from >750mm to <450mm with relative fields in between. Depicted on the map the northern section together with parts in the east has soil depths of 450mm-750mm indicated in green. The other major visible field is soil less than 450mm in depth, located in the mid central areas and towards the southern border of the municipal area indicated in yellow. Soil depth, although not exclusively, has an impact on agricultural activities and disaster management. Areas where soil depths are shallower normally have lower agricultural potential. Flood risks could also be higher, due to the shallow soil's inability to capture absorb and maintain moisture.

3.2.2.15 ENVIRONMENTAL ANALYSIS

3.2.2.15.1 HABITATS

The indigenous plants found within Mkhambathini Municipality are a function of a number of factors such as availability of water, soil type and so on. Preliminary investigation indicates that the predominant vegetation type within Mkhambathini Municipality is the Ngononi Veld

type and the Valley Bushveld type. The Ngononi Veld type is mostly found in ward 2, in certain portions of wards 3, 4, 5 and 6 and also in certain areas along the N3. The Valley Bushveld vegetation characterizes most of wards 1, 2, 7 and certain portions of ward 4. The land slope in most areas of Mkhambathini Municipality can be regarded as disturbed, and the causing factors are mainly settlement agricultural activities. Nevertheless, there are certain portions of undisturbed land within various wards. The remaining undisturbed land should be protected wherever possible since it provides habitats for various species. The maintaining of indigenous habitats will assist towards augmenting biodiversity in the area.

3.2.2.15.2 KEY HYDROLOGICAL FEATURES

The main rivers that run through Mkhambathini Municipality are Mlazi, Umgeni, Mkomazi and
Lovu Rivers. Wards 1, 2 and 3 drain towards the Umgeni River, whilst certain portions of ward
4 are drained by Umlazi River. Certain portions of wards 5, 6 and 7 are drained by Mkomazi River. As a result of extensive soil erosion, steep valley is evident especially in wards 1 and 7. The drainage system within Mkhambathini Municipality has been described as comprising of large system of perennial and non-perennial rivers. This drainage system evolves from a high surface run off which is attributed to low permeable shallow cover.

Hydrology exerts a need to protect, conserve and manage the amount and quality of surface as well as ground water resources. As a result, management of water resources especially in the Northern part of Mkhambathini Municipality has been prioritised by Umgeni Water. It is described as the lifeblood of Durban and Pietermaritzburg, and supports about 40% of the population and 65% of the industrial activities. Water resources within Mkhambathini Municipality have other potentials. Umgeni and Msunduzi Rivers host the annual Duzi Canoe Marathon, which has become a major sporting event of international importance. This event attracts tourists and visitors from around the country, and it generates substantial revenue for the region.

3.2.2.15.3 PROTECTED AREAS

The existing protected areas within Mkhambathini Municipality include Mpushini Protected Reserve, Camperdown Nature Reserve, Killarney Isle and Gwahumbe Game Reserve. According to map (insert) environmental sensitivity is classified in composite weights ranging from high to low. The composite weighting in Mkhambathini municipality is dominated by

medium to low weighting, with some scattered areas to the south and north classified as medium to high. There is a strong correlation between the Environmental Sensitivity and Minset maps as the medium to high composite weighting is also in areas with priority in terms of biodiversity. During 2005, Ezemvelo Wildlife embarked on a process whereby it systematically mapped critical biodiversity areas in Kwazulu-Natal with increasing accuracy. This dataset is based on various studies on fauna, flora and water resources, identifying key local biodiversity areas to be considered in spatial planning, and this is referred to as Minset.

The Minset map for the Mkhambathini municipal area hosts different biodiversity priority areas, with the light green areas being biodiversity priority 1 areas where they are depicted towards the north of the N3 and scattered areas towards the south forming a decisive majority. Biodiversity priority 3 areas are found towards the far north and central portions of the municipality with scattered patches towards the south depicted in yellow. Large areas of Transformed land are found in the central areas indicated in red. Groundwater vulnerability depicts the vulnerability of groundwater in the Mkhambathini Municipal area, and clearly shows that the vulnerability of the larger area of the municipality is classified as being very low. Only in the southern areas of the municipality is the vulnerability slightly higher, being classified as being medium to low. Small, scattered areas around the borders in the central and northern parts of the municipality are also classified as medium to low.

3.2.2.15.4 BIODIVERSITY

Bio resource units are demarcated areas in which the environmental conditions such as soil, water, vegetation, climate, and terrain are sufficiently similar to permit uniform recommendations of land use for a given area. It also provides a framework for decision-making regarding the types of crops that can be grown and the expected yields per unit area to be made. Various bio resource units are grouped together to form bio resource groups for an area. This permits easier agricultural planning and allocation of agricultural resources for a given area.

There are twenty-three bio resource groups in KwaZulu- Natal. The KZN Department of Agriculture and Environmental Affairs is responsible for conducting research and establishing information. The institution provides technical advice and relevant information concerning agricultural resources and farm practices. Of the twenty-three (23) bio resource

groups of KwaZulu-Natal, as indicated by the bio resource groups of KZN Department of Agriculture and Environmental Affairs, Mkhambathini Municipality falls into eight vegetation and ecological systems. The various bio resource groups and the wards in which they fall are shown in Table 1 (insert). The Dry Midlands Mist belt appears to be most wide spread ecological system in the Mkhambathini Municipality. However the single most extensive bio resource group within Mkhambathini Municipality is the moist Coast Hinterland Ngongoni Veld, which occupies an estimated land area of 50% of Ward 3, 75% of Ward 4, 30% or 5.50% of Ward 6, and 25% of Ward 7.

3.2.2.15.5 CLIMATE CHANGE

South Africa has a relatively good weather pattern. However this weather pattern faces a threat due to climate change which is taking place at a global level. Global climate change is possibly the greatest environmental challenge facing the world in this century. Although often referred to as 'global warming', global climate change is more about serious disruptions of the entire world's weather and climate patterns. This includes the impacts on rainfall, extreme weather events and sea level rise, rather than just moderate temperature increases. According to the international studies undertaken by NFCC the impacts of a global average temperature rise of between 2.5°C and 3°C from the 1990 levels are countless, and in South Africa it is estimated that agriculture, tourism and conservation will be the areas which will feel the effects the most.

Particular reference was made to the Kruger National Park which may encounter a situation whereby a third of the animal species are likely to become extinct under temperature changes. This will devastate the park in terms of its tourism revenue and effectively put an end to South Africa's oldest conservation reserve. For the global tourism industry, climate change brings more risks than opportunities. There will be regional and seasonal shifts in tourist flows, resulting in both winners and losers. Although the majority of the developing world faces greater challenges than the developed world, South Africa is in a better situation compared to the rest of the African countries. This is due to the fact that South Africa has more heterogeneous and less climate-dependent products to offer tourists.

3.2.2.16 STRATEGIC ENVIRONMENTAL ASSESSMENT

3.2.2.16.1 TOPOGRAPHY

KwaZulu-Natal is well known for undulating topography and steep slopes. Like other areas within the province, the terrain is linked to the land use pattern and reflects the impact of the apartheid past. Fertile and gentle sloping land above the escarpment is generally covered by commercial farms while the traditional authority areas where the majority of the population resides are located below the escarpment on the northern part of the municipal area and in areas characterized by sloping terrain in the south.

Substantial portion of Wards 1, 2 and 3 are located on steep slopes, with a low agricultural potential. The majority of wards 1 and 2 form part of the Valley of thousand Hills, which is famous for its undulating terrain. The scenic amenity created by the impressive views and vistas over such landscape has served as a catalyst for eco-tourist related development within Mkhambathini and provides further opportunity for an expansion in this regard. Map 10 depicts the dominant land cover within Mkhambathini.

The impact of the topography on development within the municipal area is difficult to judge since the delineation of the boundaries was based on the existing situation and nothing has changed since then. However, it is important to note that steep terrain on both ends of the municipal area possess a serious threat to development. Settlement, especially on the northern part of the area, is not only far from well-established transport infrastructure, but also occurs in small isolated pockets separated by very steep terrains and river valleys.

This results in very high establishment and maintenance costs. The major transport corridors such as the N3 and Durban Gauteng railway line has largely followed the availability of flat land along the crest lines and bottom of some valleys. The same applies to the alignment of the R603. Furthermore, the delivery of water to various settlements will have to be undertaken in the form of small piecemeal water schemes.

3.2.2.16.2 CLIMATE CHANGE – MKHAMBATHINI SITUATION

Mkhambathini Municipality is characterized by humid temperature with dry winter and wet summer seasons. Wards 3 and 4 fall within the Midlands Mist belt, which is known for its high agricultural potential and mean annual rainfall. Ward 1 and 2 are regarded as the driest areas within Mkhambathini Municipality, getting approximately 600 to 700mm of rainfall per annum. Wards 5, 6 and 7 receive a great share of rainfall on annual basis. Good climate conditions within Mkhambathini Municipality manifest through the indigenous vegetation, and agricultural activities, which are being undertaken without any complications. Of the seven

wards, ward 5 is reported to have good potential land and this is mainly attributed to high annual rainfall.

3.2.2.16.3 GEOLOGY AND SOILS

The geological formations that apply to Mkhambathini Municipality are summarized as follows: Maphumulo Group, which is characterised by low permeability and porosity. It has shallow soils with a limited percolation and high surface, which encourages soil erosion and loss of vegetation cover. Natal Group, which forms part of the Table Mountain Sandstone. According to the IIDP, sandstone and shales of the Natal group underly most of the central portion of the municipal area. The combination of less resistant shale and more resistant sandstones has resulted in flat topography. The valley sides are more steeply sloping due to incising by the major watercourses. Karoo group, which is divided into four series, that is Dwyka series and Ecca series. This formation dominates the area between Camperdown and Mid Illovo.

Geological formations will have a major impact on the soils found within Mkhambathini Municipality, in terms of texture, depth, drainage as well as its suitability for agricultural activities etc. The soil resources will provide basis for effective and efficient land use management. It will assist in providing the basis for identifying land, which has a potential for agriculture and for grazing. Most soils found in wards 1 and 2 ranges from dark grey sandy soils to fine sandy loams soils. Wards 3 and 1 have been identified as having high agricultural land potential. Ward 4 is regarded as having less potential for agricultural activities. However, the extensive use of irrigation equipment has resulted in this area becoming the most agriculturally productive portion within the Mkhambathini Municipality. Timber and dry land- cropping activities dominate Ward 6. Ward 5 is also reported to have high agricultural potential. However, a more in-depth analysis of the soil issues should be undertaken as a separate study.

3.2.2.16.4 QUALITY WATER

Umgeni Water maintains that the quality of water flowing to the main water sources within Umgeni valley has deteriorated over time leading to high purification costs. This is mainly attributed to pollutants flowing into Msunduzi River from Pietermaritzburg and the impact of the lack of proper sanitation and waste disposal facilities for settlements located along river

valleys. Umgeni Water and the department of Water Affairs and Forestry (DWAF) have both raised concerns about the following issues, which also affect the quality of water and life:

Spread of waterborne diseases caused by consumption of raw water from the natural sources.
Excessive algae growth in both Nagle and Inanda dams and the resulting high purification costs.
Forest plantations, which have reduced the availability of water by a margin not less than 20%, which is equivalent to increased water demand. Flooding which results to loss of life and damage to property. Loss of topsoil, which results to soil erosion.

Increase in alien vegetation, which results to an increase in pollution levels.

3.2.2.17 SPARTIAL AND ENVIRONMENTAL: SWOT ANALYSIS

STRENGHT	WEAKNESS
↓ The Municipality is strategically located in terms of its position between provincial notes (Pietermaritzburg and Durban) as well as the national corridor (N3) ↓ The town of Camperdown is growing into a strong service centre for the municipality and it is appropriately positioned at the central part of the Municipality and the N3. ↓ Good Climate Condition	↓ It is a very small rural dominantly municipality with the limited private development taking place within it. ↓ The legacy of the past apartheid policies is still visible in the sense of communities were marginalised from economic opportunities are still largely suffering. ↓ Badly structured routes at a regional level limit the regional integration within the municipality. ↓ Most of the land is privately owned which may limit the pace at which the state can deliver the public facilities since the land acquisition processes may sometimes be time consuming. ↓ Steep terrain limits development within some parts of the municipality especially the CBD expansion towards the north as well as agricultural development in ward 1,2 and 3.

OPPORTUNITIES	THREATS
▪ It is located within the busiest corridor within the province which open a lot of trading and storage opportunities. ▪ Potential exists to develop and intensify the role of Eston and Ophokweni as secondary nodes. ▪ The municipality is endowed with relatively good agricultural land and opportunities exists to develop this sector even further. ▪ Land claims (restitution) have progressed very well an this provides opportunities for agrarian reform.	▪ Growing pressure to protect sensitive vegetation such as Ngongoni and Bushveld Valley. ▪ There is an increasing burden to protect the rivers and wetlands with limited resources available at the municipality.

3.2.18 DISASTER MANAGEMENT

The management of disasters in Mkhambathini is a shared function between Mkhambathini and Umgungundlovu District Municipality. As such the district has prepared a Disaster Management Plan in order to minimize, reduce and eradicate any risk that the area may face due to disasters. This plan indicates that a disaster can be caused by humans or nature since these are events that are sometimes unpredictable. It also states that disasters and development have both a negative and positive relationship, this relationship needs to be recognised and managed to achieve sustainable development. In a negative sense, disasters can destroy development or uncontrolled, improper development can cause disasters.

In a positive sense, disaster can create an opportunity for more resilient development and proper development can reduce the risk of disasters occurring. Umgungundlovu Disaster Management Plan further points out that badly planned development in a floodplain increases disaster risk by making the new community vulnerable to flooding, which would constitute a disaster. The development of well-planned and effective flood defence measures can decrease the vulnerability of the community and thus contribute to disaster risk reduction. Disasters are inevitable although we do not always know when and where

they will happen. But their worst effects can be partially or completely prevented by preparation, early warning, and swift and decisive responses.

3.2.18.1 MUNICIPAL INSTITUTIONAL CAPACITY

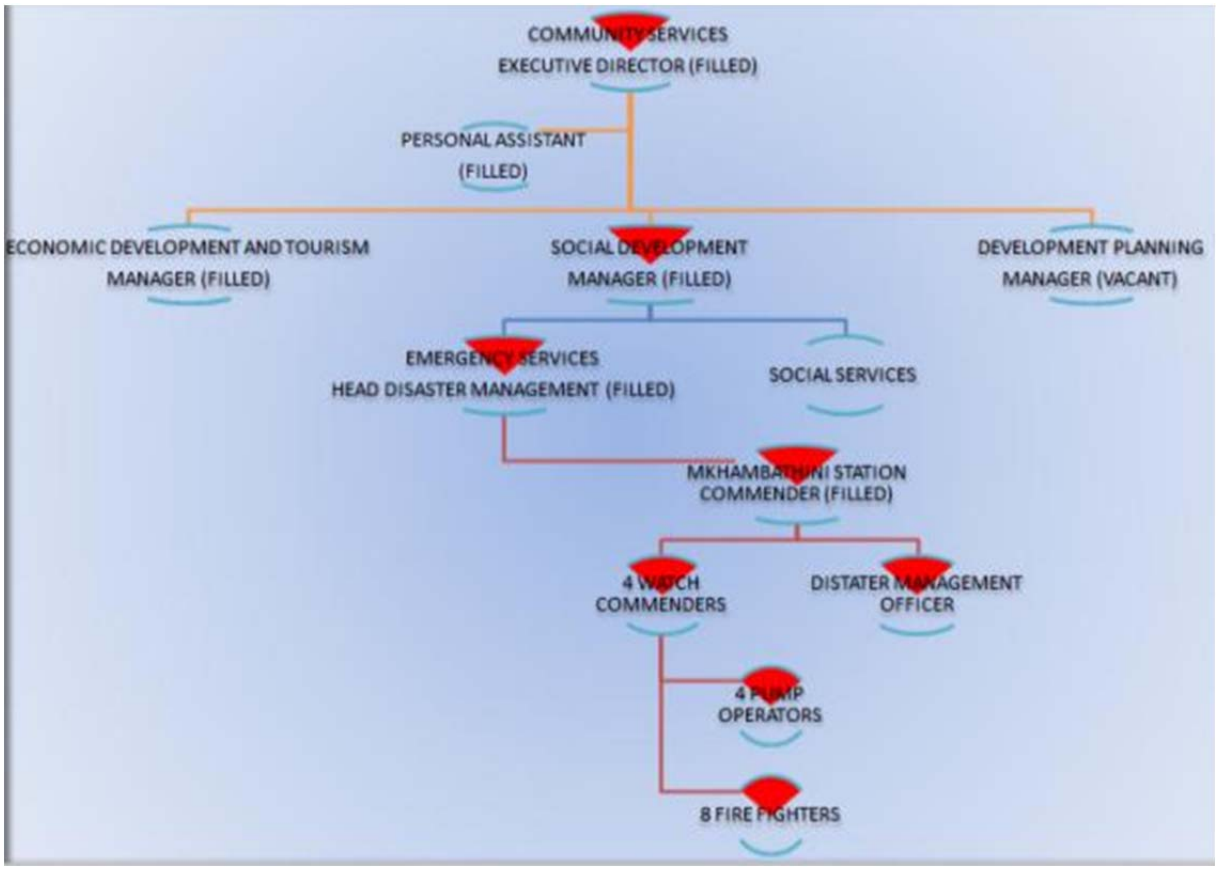


FIGURE 22 UMGUNGUNDLOVU DISTRICT DISASTER MANAGEMENT ORGANOGRAM

With reference to figure 07 above, the management of disasters within Umgungundlovu District is undertaken by the Social Development Unit which falls under the Department of Community Services. The unit is well staffed with a compliment of 17 which are responsible for Mkhambathini. In terms of figure 14, Mkhambathini Local Municipality has also started the process of allocating human resources for the management of disasters. However the organisational structure currently has provision for a single position of Disaster Management Coordinator. This position is also vacant which implies that the municipality does not have any resources for the execution of this function.

3.2.18.2 DISASTER MANAGEMENT WARD BASED RISK ASSESSMENT

In line with the Disaster Management Act 57 OF 2002, Mkhambathini Municipality established and launched its Disaster Management Advisory Forum on 02 September 2014. This is an advisory body in which a municipality and relevant disaster management role players - government, business, academia, labour and civil society consult one another, assist people to better understand their roles in reducing the impact of disasters; assist in the planning, development and coordination of actions to address all aspects of disasters risk reduction. Since its establishment, this forum sits on quarterly basis.

The main aim of the Disaster Risk Assessment is to establish a uniform approach assessing and monitoring disaster risks in all 7 wards, management planning and risk reduction undertaken by the Municipality by**:**

- **Hazard identification-** to identify its Nature, Location, and Intensity, Likelihood (probability and frequency)
- **Vulnerability analysis –**To identify the existence and degree of vulnerabilities and exposure to a threat(s**)**
- **Capacity analysis –** To determine capacities and resources available to reduce level of risk or the effect of a Disaster
- **Risks analysis to determine the levels of risk**
- **Risk Evaluation and prioritisation**

Mkhambathini Municipality in partnership with the Provincial Disaster Management Center held a two day working meeting/workshop on 17 and 18 August 2015, aimed at identifying hazards which may cause disaster incidents and identifying communities at risk.

Day 1(Nkanyezini hall) Targeting Communities from Wards 1, 2 and **3**

Day 2 (Council chamber) Targeted Communities form Ward4, 5, 6 and 7

On a scale of 1 to 5, the assessment was able to determine the Probability, Frequency, Predictability and the Magnitude of a particular hazard. The exercise used information that was provided by the community members, ward committee members, community leaders including representatives from tribal authorities within Mkhambathini area of jurisdiction. Indigenous knowledge also played a vital part in the process.

HAZARD AND CATERGORY NAME

HYDRO METEOROLOGY

Hydro meteorological hazards received highest score in all wards in terms of probability and magnitude and taking into consideration the current change in weather patterns, these hazards are highly common

Potential Hazards	Category	Peak Season	Vulnerability	Likelihood	Rating	Consequence	Rating		Risk Profile		
Drought	Natural	Winter	Medium	Possible	3	Moderate	3	12	High		
Lightning and thunderstorms	Natural	Summer	Medium	Possible	3	Major	2	12	Medium		
Epidemic Human Diseases	Biological	All year	Medium	Likely	4	Moderate	3	12	High		
Animal plant disease	Natural	All year	Medium	Possible	3	Moderate	3	9	Medium		
Hazmat	Technological	All year	Medium	Likely	3	Moderate	Moderate	2	Medium		
Severe Storms	Natural	Summer	High	Likely	4	Major	4	16	Very High		
Transport accident	Technological	All year	High	Possible	4	Major	4	12	High		

Potential Hazards	Category	Peak Season	Vulnerability	Likelihood	Rating	Consequence	Rating		Risk Profile		
House fires	Civil/Human	All year	Moderate	Likely	3	Moderate	1	4	Low		
Veld fires	Human/Natural	Winter	Medium	Likely	4	Moderate	3	12	High		
Flooding	Natural	Summer	High	Likely	4	Moderate	3	4	Very High		

IDENTIFICATION OF COMMUNITIES AT RISK

DROUGHT

Almost every region in the Province of KZN is facing the shortage of water. Mkhambathini Municipality is no exception as there is clear indication of major rivers and dams losing water and some have dried up completely. The Climate change have a major part to play in every area. Emerging and Commercial famers within the municipal area of jurisdiction are all at risk.

LIGHTNING

Mkhambathini Municipality has seen an increase in the number of lightning strike incidents especially in the rural communities. In places like Maqongqo under ward 1, the use of corrugated material in building of RDP Houses have been identified as the cause in the increased incidents. In Mid-Illovo under ward 6/7 and KwaNyavu under ward 2, it will be noted that these areas are mountainous and high in latitude. Indigenous knowledge, installation of lightning conductors and public awareness programs are encouraged as part of mitigation of risks.

FIRE

Fire incidents/disasters can occur in any ward and therefore fire regulations are required. Mkhambathini Municipality is vulnerable as it does not have a fire station nearby. It is important that the risk profile include fire management plans, trainings, and awareness. Strategic risk Mitigation plans need to be in place i.e. Fire breaks and MoU's with neighboring Municipalities and farmers associations.

MAJOR ACCIDENTS AND HAZARDOUS CHEMICALS

The N3 Road is the main road arterial route from Durban to Gauteng Province and is notorious for major accidents especially overloaded taxis, buses, speeding motor cars and heavy trucks carrying hazardous chemicals which can spill on the road. Transnet pipe lines is the major transporters of many hazardous chemicals and fuels.

3.2.18.3 DISASTER MANAGEMENT SWOT ANALYSIS

STRENGTH	WEAKNESS
▪ District Disaster management Plan is in place and has a sound coverage for Mkhambathini; ▪ Most of the resources in terms of human capital are allocated at a district level to handle disaster situations that may take place in; ▪ The Municipality is not prone to dreadful natural disasters such as tornadoes, earth quakes or hurricanes.	▪ Limited human capital allocation at a local municipality level; ▪ The volunteer programme is neither legislated nor guaranteed success; ▪ Lack of local disaster management plan; ▪ The spatial configuration and isolation for some of the areas may threaten the turnaround time to arrive during emergencies.
OPPORTUNITIES	**THREATS**
▪ The opportunity still exists to develop a local disaster management plan using the district plan as a framework; ▪ The structures used during the IDP processes can be utilised to identify and mobilise volunteers.	▪ Inability to respond to emergencies within prescribed response time would undermine the role of the municipality in terms of meeting its constitutional obligation; ▪ Lack of sufficient budget would imply that the plan would not be implemented effectively.

3 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

3.3.1 HUMAN RESOURCES STRATEGY/PLAN

The Municipality has a Draft Human Resources Strategy in Place. The Strategy will be implemented once approved by Council. However it should be noted that the Municipality has a Workplace Skills Plan which assist the municipality in implementing skills based strategic priorities of the Municipality.

3.3.2 HUMAN RESOURCES FOR ENVIRONMENTAL MANAGEMENT

The Municipality does not have a dedicated human resources for environmental management services of a Shared Services and also assistance from the District is utilised.

3.3.3 MUNICIPAL ORGANISATION STRUCTURE

3.3.1 POWERS AND FUNCTIONS

The following Local Government Powers and Functions as authorised to Mkhambathini Municipality were separated into core and non-core functions. Further allocation of powers and functions is elaborated on under institutional arrangements section.

Core/Primary	Function	Capacity to implement (MDB)	Proposed intervention
Schedule 4 Part B	Building Regulations	Yes	None
	Municipal Planning	Yes	None
	Storm water Management systems in Built up areas	Yes	None
Schedule 5 Part B	Cemeteries	Yes	None
	Cleansing	Yes	None
	Municipal Roads	Yes	None
	Refuse Removal, refuse dumps and solid waste disposal	Yes	None

Non-core Powers and Functions.

	Non-core /Secondary Functions		
Schedule 4 Part B	**COMMENT FROM MDB(District Wide)**	**Schedule 5 Part B**	**COMMENT FROM MDB(District Wide)**
Air Pollution	None	Beaches and Amusement Facilities	Not or being poorly performed
Child Care facilities	Not or being poorly performed	Billboards and the display of advertisements in public places	None
Municipal Airports	*Not or being*	*Control of undertakings*	*Not or being poorly*

	Non-core /Secondary Functions		
Schedule 4 Part B	**COMMENT FROM MDB(District Wide)**	**Schedule 5 Part B**	**COMMENT FROM MDB(District Wide)**
	poorly performed	*that sell liquor to the public*	*performed*
Municipal Health Services	None	Facilities for the accommodation, care and burial of animals	Not or being poorly performed
Municipal Public Transport	Not or being poorly performed None	Fencing and fences	None
Municipal Public Works	None	Licensing of dogs	Not or being poorly performed
Pontoons, ferries, jetties etc	Not or being poorly performed	Licensing and control of undertakings that sell food to the public	Not or being poorly performed
Trading Regulations	Not or being poorly performed	Markets	Not or being poorly performed
Local Tourism	Being poorly performed	Municipal Abattoirs	Not or being poorly performed
		Noise Pollution	Not or being poorly performed
		Pounds	None
		Public Places	None
		Street Trading	None
		Control of public nuisances	None
		Local Sports facilities	None
		Municipal parks and recreation	None
		Funeral parlours and crematoria	None

Due to the size of the municipality some of the core function are shared with other local municipalities within the UMDM family of municipalities. Some of the non-core functions are

performed with the assistance of various government departments and other service delivery agencies e.g. Eskom.

All powers as stipulated in Section 32 of the Local Government: Municipal Structures Act 1998, not otherwise delegated, have been delegated to the Executive Committee excluding the following:

- Approval of the IDP;
- Passing of by laws;
- Approval of Budget ;
- Imposition of rates and other taxes, levies and duties; and
- Raising of Loans.

3.3.4 MUNICIPAL VACANCY RATE

The MLM has a total staff complement of 89 people. 81 of these are permanent while only 8 are temporary employees. The management (section 57 employees) comprises of one male and two females and two positions are vacant, that of the Technical Services Manager and Manager Corporate Services. These post were advertised and shortlisting have been finalised with an aim of filling these position before 1 July 2016.

3.3.4.1 STAFF BREAK - DOWN

DEPARTMENT	NO OF EMPLOYEES	MALE	FEMALES	NUMBER OF VACANCIES
MUNICIPAL MANAGER'S OFFICE	5	2	3	7
FINANCIAL SERVICES	14	6	8	21
COMMUNITY SERVICES	18	6	12	19
CORPORATE SERVICES	26	11	15	35
TECHNICAL SERVICES	25	21	4	31

3.3.5 EMPLOYMENT EQUITY AND WORKPLACE SKILLS PLAN

During the last financial year the municipality developed a new Employment Equity Plan which was approved by Council in a meeting held on 26 October 2015. The employment Equity Plan was aimed at addressing the injustice of the past through the promotion of affirmative action and gender equity for the previously disadvantaged people. According to this plan, substantial progress hs been made with regards to affirmative action.

Occupational Level	Male				Female				Foreign National		Total
	A	C	I	w	A	C	I	W	Male	Female	
Top Management	0	0	1	0	2	0	0	0	0	0	3
Senior Management	0	0	0	0	0	0	0	0	0	0	0
Professionally Qualified and Experienced specialist and mid management	0	0	0	0	0	0	0	0	0	0	0
Skilled Technical and academically qualified workers, junior management, supervisors, foremen, and superintendent	7	0	0	0	17	0	0	1	0	0	25
Semi-skilled and discretionary decision making	13	0	0	0	9	0	2	1	0	0	25

Unskilled and defined decision making	25	0	0	0	10	0	0	0	0	0	35
Total Permanent	**41**	**0**	**1**	**0**	**34**	**0**	**2**	**2**	**0**	**0**	**80**
Temporary Employees	5	0	0	0	3	0	0	0	0	0	8
Grand Total	**46**	**0**	**1**	**0**	**37**	**0**	**2**	**2**	**0**	**0**	**88**

The Municipal Council have adopted a workplace skills plan which is in line with the capacity challenges that the municipality have.

3.3.6 IMPLEMENTATION OF WORKPLACE SKILLS PLAN AND EMPLOYMENT EQUITY PLAN

A training development plan and skills audit have been conducted this will assist in the implementation of the WSP. The Human Resources Section has been rolling out training programmes as per the WSP. A number of trainings and workshops which address the skills gaps identified by each employee respectively. The most interesting and fascinating training attended by Mkhambathini personnel has been the Municipal Finance Management Development Program which has enrolled all senior managers and some of our Financial Services Department staff.

The Implementation of the EEP is dependent on the diversity of people responding to advertised position. The Municipality is striving to ensure that EEP targets are considered when appointing. This will be visible when a number of vacant positions are filled.

3.3.7 ICT POLICY FRAMEWORK

As a measure thus to ensure effective and efficient management of ICT resources and processes, MLM has recently developed a Municipal Corporate Governance of Information and Communication Technology Framework. In turn, this will aid the municipality in achieving the municipal goals and objectives. The main purpose of the policy is to align ICT functions to the organizational goals, minimise the risk ICT introduces and ensure that there is value in the investments made in ICT.

The view of the Municipality is that ICT should be governed and managed at all levels within an organizational structure and this is also supported by internationally accepted good practice and standards. With regards to municipal operations, the framework places a very specific responsibility on the Council and Management within MLM in order to ensure that the decision making process for ICT remains transparent. Such measures enable the municipality to align the delivery of ICT services with the municipality's Integrated Development Plan's strategic goals.

ICT Governance is implemented in two different layers namely:-

Corporate Governance of ICT – the governance of ICT through structures, policies and processes;

- In terms of Corporate Governance of ICT, the current and future use of ICT is directed and controlled.

Governance of ICT – through Standard Operating Procedures.

- In terms of Governance of ICT, used are the individual processes and procedures which ensure the compliance of the ICT environment based on pre-agreed set of principles.

November 2012 marked the approval of the Public Service Corporate Governance of ICT Policy Framework by Cabinet. The Cabinet also made ICT applicable to National and Provincial Departments, Provincial Administrations, Local Governments, Organs of State and Public Entities for implementation by July 2014.

In order to meet the set requirement from the Cabinet, various government departments collaborated and developed the Municipal Corporate Governance of ICT Policy for application in the Local Government sphere. Such government departments entail the Western Cape Department of Local Government, Department of Cooperative Governance (DCOG), Department of Public Service and Administration (DPSA), South African Local Government Association (SALGA), and the Western Cape Provincial Treasury.

The main purpose of the Municipal Corporate Governance ICT Policy is to institutionalise the Corporate Governance of ICT as an integral part of corporate governance within the municipality. This Municipal Corporate Governance ICT Policy provides the Municipal Council and Management with a set of principles and practices that must be complied with, together with an implementation approach to be utilised for implementation of ICT Governance.

The objectives of this Corporate Governance of ICT Framework for the Municipality seek to achieve the following:-

1. Institutionalise a Corporate Governance of ICT Policy that is consistent with the Corporate Governance Frameworks of the Municipality;
2. Aligning the ICT strategic goals and objectives with the Municipality's strategic goals and objectives;
3. Ensuring that optimum Municipal value is realised from ICT-related investment, services and assets;
4. Ensuring that Municipal and ICT-related risks do not exceed the Municipality's risk appetite and risk tolerance;
5. Ensuring that ICT-related resource needs are met in an optimal manner by proving the organisational structure, capacity and capability;
6. Ensuring that the communication with stakeholders is transparent, relevant and timely; and
7. Ensuring transparency of performance and conformance and driving the achievement of strategic goals through monitoring and evaluation.

3.3.7.1 ICT SWOT ANALYSIS

STRENGTH	WEAKNESS
↓ High levels of staff commitment; ↓ Renowned ERP system; ↓ Use of modern technology; ↓ Good relations with stakeholders; ↓ All core ICT systems to support the business are currently in place; ↓ Strong commitment from the business to support ICT initiatives; ↓ Extensive technical expertise available from the consultant/contractor ecosystem; ↓ KRONE certified LAN; ↓ Dedicated server room; ↓ Full Management support of ICT; ↓ ICT Steering committee;	↓ Uncontrolled usage of ICT services; ↓ Lack of ICT policies, standards and strategy; ↓ Poor environmental controls in the server Room; ↓ Dependence on service providers for ICT support; ↓ Insufficient ICT budget to meet ICT requirements; ↓ Slow machines; ↓ Dependence on district for internet and email access
OPPORTUNITIES	**THREATS**
↓ Using ICT to enhance revenue base; ↓ Speeding up ICT services; ↓ Existing modern technology base can be further exploited; ↓ Increased internet speed by bypassing the districts VPN; ↓ New technology can enhance business operations; ↓ Maximum utilisation of Pastel Evolution to meet business needs.	↓ Staff stress/morale is an issue as it may make the users negative towards ICT; ↓ Business Units make decisions which may impact ICT without consulting ICT; ↓ Constantly changing ICT technologies ↓ Increasingly sophisticated security risks and threats; ↓ More stringent audits focussing on controls; ↓ Trend towards e-government integration;

3.3.8 ORGANISATIONAL DEVELOPMENT

3.3.8.1 INSTITUTIONAL ARRANGEMENT

The Municipality (KZ 226) is a Category B Municipality as determined by the Demarcation Board in terms of Section 4 of the Municipal Structures Act 1998. The Municipality functions under the Collective Executive System consisting of Four (4) executive members of whom one is a Mayor. The Council consist of 14 Councillors including the members of the Executive Committee. Of the 14 Councillors 7 are Ward elected Councillors. There Council has 7 portfolio standing Committees which each member of EXCO serving as a portfolio councillor. The seven (7) Portfolio of the Municipality are as follows.

- Political Liaison Committee;
- Economic Development and Planning Committee;
- Audit Committee;
- Human Resource Committee;
- Housing Committee;
- Local Labour Forum; and
- Municipal Public Accounts Committee.

The Communication strategies that the Municipality is currently using include the Integrated Development Planning (IDP) Representative Forum, Mayoral Imbizo, Monthly Ward Committee Meeting and Communication Survey (i.e through suggestion boxes and questionnaires)

3.3.8.2 HUMAN RESOURCES POLICIES

The following Human Resource and strategies are in place:

- Recruitment and Selection Policy;
- Leave Policy;
- Overtime Policy;
- Sexual Harassment Policy;
- Employment Equity Policy
- Employment Benefits and Conditions Policy;
- Industrial Relations Policy;
- Workplace Skills Plan Policy;

- Training and Development Policy;
- Travel and Subsistence Policy;
- Fleet Management Policy;

3.3.8.3 DEMOCRACY AND GOVERNANCE: INTERACTION WITH COMMUNITY

Section 6 (3) b of the Constitution stipulates that he municipality use the language that the communities prefer when communicating. The White Paper on Local Government suggest mechanisms, which includes forums, focused research and focused stakeholders groups as communication tools. Transparency and reciprocal information flows are the tenants being put forward by the government. Transparency has been given more prominence through Acts such as the Promotion of Administrative Justice Act and the Access to Information Act. In this instance, the Municipality has prepared and adopted a Communication Strategy. IT should be noted that the IDP Representative Forum is also legislative requirement that promotes public participation in the affairs of the municipality

3.3.9 AUDITOR GENERAL ACTION PLAN

Ref.	Matter	Detail	Planned corrective action	Responsible official/structure	Timeframe	outcome
17. 18. 19. 20. 21.	**Reported objectives, indicators and targets not consistent with planned objectives ,indictors and targets** **Local Economic Development - Reliability of reported performance information** **Social Development**	Section 41 (c) of the Municipal Systems Act of South Africa 2000 (Act no. 32 of 2000) (MSA) requires the integrated development plan to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. - A total of 96% of the reported objectives were not consistent with those in the approved	- The appointment of the Performance Management Consultant to undertake a review of all the findings and to prepare and implement an action plan to address the issues appearing in the audit report. - The HoDs and the PMS Officer will be responsible for ensuring that there are appropriate systems to	Municipal Manager Performance Management Consultant All HoDS PMS Officer	Immediate and thereafter On-going	PMS Consultant to be appointed. KZN CoGTA to assist with reviews on the alignment between the IDP, SBDIP and quarterly/ monthly reports

Ref.	Matter	Detail	Planned corrective action	Responsible official/structure	Timeframe	outcome
	Services – Reliability of reported performance information	integrated development plan. This was due to the fact that the municipality did not ensure that the planning documents and reporting document were consistent. - A total of 31% of the reported indicators were not consistent with those in the approved service delivery and budget implementation plan. This was due to the fact that the municipality did not ensure that the planning documents and reporting document were consistent.	collect, collate, verify and store performance information. - Once the Performance Management Consultant is appointed, monthly reports to be submitted to MANCO, will be reviewed to ensure progress on addressing the findings raised by the Auditor-General. - KZN CoGTA to review the alignment between the IDP, SDBIP and quarterly/monthly reports.			

Ref.	Matter	Detail	Planned corrective action	Responsible official/structure	Timeframe	outcome
		▪ A total of 72% of the reported targets were not consistent with those in the approved service delivery and budget implementation plan. This was due to the fact that the municipality did not ensure that the planning documents and reporting document were consistent. <u>Local Economic Development</u> - The FMPPI requires municipality's to have appropriate systems to collect, collate, verify and store performance information to				

Ref.	Matter	Detail	Planned corrective action	Responsible official/structure	Timeframe	outcome
		ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Adequate and reliable corroborating evidence could not be provided for 41% of the targets to assess the reliability of the reporting performance information. The municipality's records did not permit the application of alternative audit procedures. This was due to the absence of proper record keeping system. <u>Social Development Services</u> - The FMPPI requires municipality's to have appropriate systems to collect,				

Ref.	Matter	Detail	Planned corrective action	Responsible official/structure	Timeframe	outcome
		collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Adequate and reliable corroborating evidence could not be provided for 63% of the targets to assess the reliability of the reported performance information. The municipality's records did not permit the application of alternative audit procedures. This was due to the absence of proper record keeping system.				
8.	**Material impairments**	As disclosed in note 8 to the financial statements, material	Management have appointed an employee	Municipal Manager	Implemented and on-going	Letters of demand have

Ref.	Matter	Detail	Planned corrective action	Responsible official/structure	Timeframe	outcome
		impairment to the amount of R4.9 million	from April 2015 within the income/revenue department to initiate revenue collection mechanisms for all outstanding debtors. Debt collection mechanisms and implementation of the internal receivables policy will be a priority for the 2015/16 financial year.	CFO		been sent to customers
27.	**Procurement and contract management**	Quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or	A review of the procurement processes is currently being conducted by the CFO, including the detailed review	Municipal Manager CFO	Immediate and thereafter On-going	New SCM measures and training on contract and

Ref.	Matter	Detail	Planned corrective action	Responsible official/structure	Timeframe	outcome
		connected to any person employed by the state, as required by SCM regulation 13 (c).	of bid documentation and that the declaration of interests by service providers is provided. - The Internal Supply Chain Management Policy will be reviewed and aligned to the Supply Chain Management Regulations. - SCM to ensure that the declaration forms are completed and signed by bidders who are awarded work by the Municipality. - With Provincial Treasury SCM Support unit conducting training and	SCM		procurement management to be provided by KZN Provincial Treasury will assist.

Ref.	Matter	Detail	Planned corrective action	Responsible official/structure	Timeframe	outcome
			reviews.			
28.	**Expenditure management**	Reasonable steps were not taken to prevent irregular, fruitless and wasteful expenditure, as required by section 62 (1) (d) of the MFMA	▪ Management will ensure that expenditure and capital project expenditure is reviewed, including supporting documentation. ▪ A Technical Services Manager will be appointed during the 2016 financial year to oversee all capital projects and review all supporting documentation.	Municipal Manager CFO SCM	Dependent on the appointment of the Technical Services Manager	The Technical Services Manager will be appointed from April 2016. The Municipal Manager and CFO to review all expenditure information and supporting documents relating to capital projects.

Ref.	Matter	Detail	Planned corrective action	Responsible official/structure	Timeframe	outcome
29.	**Asset management**	An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63 (2)(a) of the MFMA.	▪ The fixed asset register will be updated on a bi-annual basis, with reviews will performed by the CFO and internal audit. ▪ The reviews of cost, depreciation and impairment calculations will be performed by the CFO and internal audit.	Municipal Manager CFO Internal Audit	January 2016 onwards	Financial controls over the fixed asset register and related internal controls will be implemented via the office of the CFO. The necessary oversight and review will be provided by the Municipal Manager and Internal Audit.

Ref.	Matter	Detail	Planned corrective action	Responsible official/structure	Timeframe	outcome
31.	**Leadership**	The accounting officer did not exercise adequate oversight over financial and performance reporting and compliance with legislation. The vacancy in the position of accounting officer resulted in the chief financial officer acting as accounting officer. The chief financial officer therefore did not have sufficient time to oversee the finance section, which has had a negative impact on the oversight and monitoring functions of management. This further affected the credibility of the information and reports provided to leadership for oversight and decision-making.	The post of the Municipal Manager has been filled with effect from 15 October 2015.	Municipal Manager	15 October 2015	The Municipal Manager's post has been filled. The Municipal Manager will provide the necessary leadership and oversight during the 2015/16 financial year.

Ref.	Matter	Detail	Planned corrective action	Responsible official/structure	Timeframe	outcome
32.	**Financial and performance management**	There was inadequate supervision and monitoring of the financial management functions of the entity, resulting in the system of financial and internal controls not preventing, detecting and correcting material non-compliance and material findings in the annual performance report.	▪ The fixed asset register will be updated on a bi-annual basis, with reviews will performed by the CFO and internal audit. ▪ Management will ensure that expenditure and capital project expenditure is reviewed, including supporting documentation. ▪ The Performance Management Consultant and KZN CoGTA will assist the municipality with regards to the addressing of the performance information	Municipal Manager CFO Internal Audit PMS Manager	January 2016 onwards	Financial controls over the fixed asset register and related internal controls will be implemented via the office of the CFO. Controls over performance information will be implemented during 2016 by the PMS Manager, with assistance

Ref.	Matter	Detail	Planned corrective action	Responsible official/structure	Timeframe	outcome
			findings raised by the Auditor-General.			from a Performance Management Consultant and KZN CoGTA. The necessary oversight and review will be provided by the Municipal Manager.
33.	**Governance**	The was inadequate review of predetermined objectives, financial reporting and compliance with applicable legislation by internal audit and audit committee during the year which resulting in the internal	↓ Management will liase with internal audit to perform detailed reviews on asset management at the municipality. ↓ Recommendations made by	Municipal Manager Internal Audit Audit Committee	January 2016 onwards	Meetings will be held from January 2016 onwards with the respective stakeholders.

Ref.	Matter	Detail	Planned corrective action	Responsible official/structure	Timeframe	outcome
		controls not preventing, detecting and correcting material non-compliance and material findings in predetermined objectives.	internal audit and the audit committee will be adhered to by municipal management.			

3.3.10 MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT SWOT ANALYSIS

STRENGTH	WEAKNESS
▪ The Porfolio Committee system is in place ▪ Council decisions are compliant with the MSA ▪ Communication Strategies and culture of public participation is being practice through izmbizo, IDP Representative Forums, and suggestion boxes ▪ Human Resource Policies have been developed	▪ Lack of sufficient capacity (vacancies); ▪ Vacancies at Senior Management level hampers the efficiency of the municipal units.
OPPORTUNITIES	**THREATS**
▪ Opportunities exist to fill the vacant posits in order to beef up municipal capacity	▪ Insufficient budget to fill vacant positions this results in post remain frozen. This hampers the municipality from delivering on some of its functions.

4. BASIC SERVICE DELIVERY

4.1.1 IS THE MUNICPALITY AS WATER SERVICES AUTHORITY

The Municipality is not a water services authority uMngungundlovu District Municipality is responsible for all water related issues in Mkhambathini. However all the project that are undertaken by UMDM are communicated through IGR Structures and progress reports are submitted to council on a continuous basis.

4.1.2WATER SERVICES

UMDM prepares all operations and Maintenance plan for water and sanitation consultation with uMngeni Water. The following diagram indicate water sources of UMDM which provides for its surrounding municipalities.

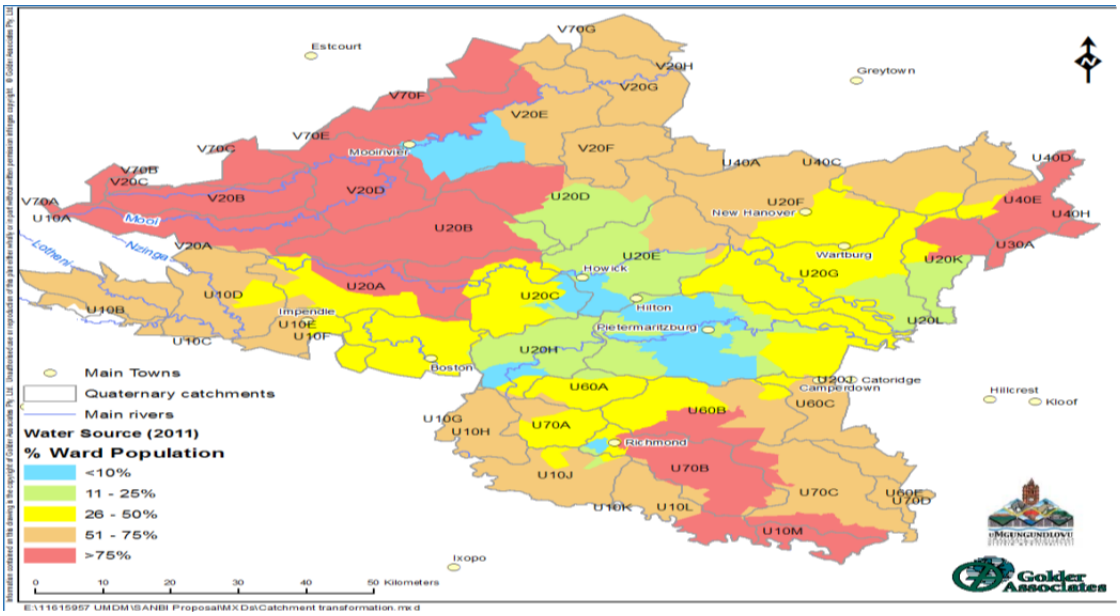


FIGURE 23 WATER SUPPLY PER WARD

The percentage of the ward's population reliant on boreholes, springs, dams, water tanks, rainfall and rivers for water supply (extracted from the 2011 StatsSA census data)

The following table indicate the progress on the projects Umgeni Water is implementing for the Umgungundlovu family of municipalities (9 May 2016).

Strategic Integrated Project (SIP)	PGDS GOALS	KZN PGDP Strategic Objective	Umgungundlovu PRIORITIES	Umgeni Water Projects	Progress to Date (as of April 2016)	BUDGET (subject to review)	LOCALITY	OUTCOME (AS PER 14 OUTCOMES)	Sub-Outcome (of the 14 Outcomes)
SIP 18 - Water and Sanitation	Goal 4: Strategic Infrastructure	Strategic Objective 4.5: Improve Water Resource Management and Supply	- Address backlogs in terms of the MDG. - Operation and maintenance of assets with relation to water.	**The uMkhomazi Water Supply Project** Current water demand from the Mgeni System has already exceeded the 99% assurance of supply level that will be achieved with the commissioning of the MMTS-2. Further augmentation of the Mgeni System is therefore already required. Water resource development on the uMkhomazi River has been identified as the next likely major project to secure long-term water resources for the Umgungundlovu and eThekwini municipal areas. The purpose is therefore to augment the water resources.	Technical Study is complete; however, a variation order is required for additional work that is needed for the WULA. The draft EIR has been circulated for comment. This precedes the public meetings which are now planned for May 2016. The earliest possible commissioning for Phase 1 is 2024.	Total Project Cost for Infrastructure Component: R4,728,196,000 (subject to review). Budget (subject to review): 2016/2017 - 2017/2018 - R25,000,000 2018/2019 - R25,000,000 2019/2020 - R45,000,000 2020/2021 - R45,000,000 Cash flows Beyond 5 Years 2021/2022 - 2031/2032 - R4,565,552,000	Ingwe, Richmond, Mkhambathini and Impendle Municipalities.	Outcome 6: An efficient, competitive and responsive economic infrastructure network	Sub-outcome 4: Maintenance and supply availability of our bulk water resources ensured

Strategic Integrated Project (SIP)	PGDS GOALS	KZN PGDP Strategic Objective	Umgungundlovu PRIORITIES	Umgeni Water Projects	Progress to Date (as of April 2016)	BUDGET (subject to review)	LOCALITY	OUTCOME (AS PER 14 OUTCOMES)	Sub-Outcome (of the 14 Outcomes)
SIP 18 - Water and Sanitation	Goal 4: Strategic Infrastructure	Strategic Objective 4.5: Improve Water Resource Management and Supply	- Address backlogs in terms of the MDG. - Operation and maintenance of assets with relation to water.	**Greater Mpofana Bulk Water Supply Scheme** Sustained housing development and tourism related activities are increasing the water demands at several nodes along the Mooi River – Lions River corridor. This growth is beginning to stress local water resources and water supply infrastructure in the area. It has been identified that a regional bulk water supply scheme is required to ensure that the area has a reliable water supply that will sustain this growth into the future.	In construction/tender. Anticipated date of completion is Jan 2019.	Total Project Cost for Phase 1: R615,487,000 (subject to review). Budget (subject to review): 2016/2017 - R191,115,000 2017/2018 - R186,329,000 2018/2019 - R46,446,000 2019/2020 - R12,570,000 2020/2021 - R73,140,000	Wards 2 and 3 of Mpofana Municipality and Ward 3 of uMngeni Municipality.	Outcome 6: An efficient, competitive and responsive economic infrastructure network	Sub-outcome 4: Maintenance and supply availability of our bulk water resources ensured
SIP 18 - Water and Sanitation	Goal 4: Strategic Infrastructure	Strategic Objective 4.5: Improve Water Resource Management and Supply	- Address backlogs in terms of the MDG. - Operation and maintenance of assets with relation to water.	**'251 Raw Water Pipeline: Midmar Dam to Midmar WTP** The current raw water pipeline is the only raw water supply into the Midmar WTP and this therefore is a risk to the entire region. The installation of a second raw water pipeline will mitigate this risk.	The progress as of April 2016 is 47% complete in relation to the approved programmed that includes several additional works and delays in commencement of concrete chambers due to adverse physical conditions. Anticipated date of completion is Feb 2017.	Total Project Cost: R116,026,000 (subject to review). Budget (subject to review): 2016/2017 – R35,694,000 2017/2018 - R12,375,000	Ward 12, uMngeni Local Municipality but raw water into the regional WTP therefore entire PMB-Durban region benefits.	Outcome 6: An efficient, competitive and responsive economic infrastructure network	Sub-outcome 4: Maintenance and supply availability of our bulk water resources ensured

Strategic Integrated Project (SIP)	PGDS GOALS	KZN PGDP Strategic Objective	Umgungundlovu PRIORITIES	Umgeni Water Projects	Progress to Date (as of April 2016)	BUDGET (subject to review)	LOCALITY	OUTCOME (AS PER 14 OUTCOMES)	Sub-Outcome (of the 14 Outcomes)
SIP 18 - Water and Sanitation	Goal 4: Strategic Infrastructure	Strategic Objective 4.5: Improve Water Resource Management and Supply	- Address backlogs in terms of the MDG. - Operation and maintenance of assets with relation to water.	**Midmar Water Treatment Plant Upgrade** To upgrade the current WTP to meet increasing demands and to match the available water resources once MMTS-2 is commissioned.	Construction on the upgrade of the WTP is approximately 65% complete. Anticipated date of completion is Nov 2017.	Total Project Cost: R223,795,000 (subject to review). Budget (subject to review): 2016/2017 – R94,368,000 2017/2018 – R19,610,000 2018/2019 - R27,632,000	Ward 12, uMngeni Local Municipality but regional WTP therefore entire PMB-Durban region benefits.	Outcome 6: An efficient, competitive and responsive economic infrastructure network	Sub-outcome 4: Maintenance and supply availability of our bulk water resources ensured
SIP 18 - Water and Sanitation	Goal 4: Strategic Infrastructure	Strategic Objective 4.5: Improve Water Resource Management and Supply	- Address backlogs in terms of the MDG. - Operation and maintenance of assets with relation to water.	**Howick North Reservoir Upgrade** Upgrade the current Howick-North Reservoir to meet the growing demands in Howick.	Commissioned.	Total Project Cost: R19,618,000 (subject to review). Commissioned.	Ward 5, uMngeni Local Municipality.	Outcome 6: An efficient, competitive and responsive economic infrastructure network	Sub-outcome 4: Maintenance and supply availability of our bulk water resources ensured
SIP 18 - Water and Sanitation	Goal 4: Strategic Infrastructure	Strategic Objective 4.5: Improve Water Resource Management and Supply	- Address backlogs in terms of the MDG. - Operation and maintenance of assets with relation to water.	**Howick West Reservoir Upgrade (8.5Ml)** Upgrade the current Howick-West Reservoir complex to meet the growing demands in the Mpophomeni and Garlington areas.	Design completed. Due to drought, anticipated date of completion is approximately 2024.	Total Project Cost: R61,236,000 (subject to review). Budget (subject to review): 2021/2022 - R12,705,000 2022/2023 - R39,259,000 2023/2024 - R8,696,000	Ward 7, uMngeni Local Municipality (beneficiaries are located in Wards 7 and 12).	Outcome 6: An efficient, competitive and responsive economic infrastructure network	Sub-outcome 4: Maintenance and supply availability of our bulk water resources ensured

Strategic Integrated Project (SIP)	PGDS GOALS	KZN PGDP Strategic Objective	Umgungundlovu PRIORITIES	Umgeni Water Projects	Progress to Date (as of April 2016)	BUDGET (subject to review)	LOCALITY	OUTCOME (AS PER 14 OUTCOMES)	Sub-Outcome (of the 14 Outcomes)
SIP 18 - Water and Sanitation	Goal 4: Strategic Infrastructure	Strategic Objective 4.5: Improve Water Resource Management and Supply	- Address backlogs in terms of the MDG. - Operation and maintenance of assets with relation to water.	**Lion Park Pipeline Augmentation** To augment the Lion Park Pipeline to accommodate the additional demand from the new Manyavu Pipeline.	The construction is 70% complete, all the valves have been delivered on site and the chambers are being constructed while the trenching and laying of the pipe is underway. Anticipated completion is Sep 2016.	Total Project Cost: R49,208,000 (subject to review). Budget (subject to review): 2016/2017 - R12,125,000 2017/2018 - R5,184,000	Ward 3 in Mkhambathini Municipality.	Outcome 6: An efficient, competitive and responsive economic infrastructure network	Sub-outcome 4: Maintenance and supply availability of our bulk water resources ensured
SIP 18 - Water and Sanitation	Goal 4: Strategic Infrastructure	Strategic Objective 4.5: Improve Water Resource Management and Supply	- Address backlogs in terms of the MDG. - Operation and maintenance of assets with relation to water.	**Greater uMshwathi Regional Bulk Water Supply Scheme** Meet the growing demands in the Greater Wartburg area.	Construction in progress. Anticipated completion is May 2018.	Total Project Cost: R858,581,000 (subject to review). Budget (subject to review): 2016/2017 - R303,954,000 2017/2018 - R82,898,000 2018/2019 - R175,774,000	Wards 1, 2, 3, 4, 7, 9, 10 and 12 in uMshwathi Municipality.	Outcome 6: An efficient, competitive and responsive economic infrastructure network	Sub-outcome 4: Maintenance and supply availability of our bulk water resources ensured

Strategic Integrated Project (SIP)	PGDS GOALS	KZN PGDP Strategic Objective	Umgungundlovu PRIORITIES	Umgeni Water Projects	Progress to Date (as of April 2016)	BUDGET (subject to review)	LOCALITY	OUTCOME (AS PER 14 OUTCOMES)	Sub-Outcome (of the 14 Outcomes)
SIP 18 - Water and Sanitation	Goal 4: Strategic Infrastructure	Strategic Objective 4.5: Improve Water Resource Management and Supply	- Address backlogs in terms of the MDG. - Operation and maintenance of assets with relation to water.	**Darvill Wastewater Works Upgrade**	Construction in progress. Anticipated date of completion is May 2017.	Total Project Cost: R623,392,000 (subject to review). Budget (subject to review): 2016/2017 - R254,106,000 2017/2018 - R28,605,000	Ward 35 in The Msunduzi Municipality	Outcome 6: An efficient, competitive and responsive economic infrastructure network	Sub-outcome 4: Maintenance and supply availability of our bulk water resources ensured
SIP 18 - Water and Sanitation	Goal 4: Strategic Infrastructure	Strategic Objective 4.5: Improve Water Resource Management and Supply	- Address backlogs in terms of the MDG. - Operation and maintenance of assets with relation to water.	**Wartburg to Bruyns Hill Pipeline** Augment the Wartburg-Bruyns Hill System due to - Increased growth in demand within the current supply zone of Swayimane; - Proposed housing developments on the fringes of Swayimane and, - A new supply node into Ilembe Municipalities Wosiyane area. The projected demand is expected to be 9 Ml/day. Initial planning suggests that a 400 mm diameter steel pipe will be required. In addition, a 0,5MW booster pump station is proposed at Wartburg Reservoir.	Tender in progress. Anticipated date of completion is Jul 2017.	Total Project Cost: R122,612,000 (subject to review). Budget (subject to review): 2016/2017 - R83,035,00 2017/2018 - R12,774,000 2018/2019 - R14,970,000	Ward 7 in the uMshwathi Municipality (beneficiaries include parts of Wards 6, 9, 10 and 11).	Outcome 6: An efficient, competitive and responsive economic infrastructure network	Sub-outcome 4: Maintenance and supply availability of our bulk water resources ensured

Strategic Integrated Project (SIP)	PGDS GOALS	KZN PGDP Strategic Objective	Umgungundlovu PRIORITIES	Umgeni Water Projects	Progress to Date (as of April 2016)	BUDGET (subject to review)	LOCALITY	OUTCOME (AS PER 14 OUTCOMES)	Sub-Outcome (of the 14 Outcomes)
SIP 18 - Water and Sanitation	Goal 4: Strategic Infrastructure	Strategic Objective 4.5: Improve Water Resource Management and Supply	- Address backlogs in terms of the MDG. - Operation and maintenance of assets with relation to water.	**Umbumbulu Pump Station** A booster pump is required to increase the capacity of the Umbumbulu pipeline to serve future demands in Umbumbulu and the Greater Eston area. Designed to deliver approximately 23 Mℓ/day at 98 m pumping head. This requires four (4) pumps, three duty and one stand-by.	Design brief completed. Anticipated date of completion is 2026.	Total Project Cost: R125,000,000 (subject to review). Budget (subject to review): 2016/2017 - R200,000 2021/2022 - R7,500,000 2022/2023 - R2,500,000 2023/2024 - R40,000,000 2024/2025 - R54,800,000 2025/2026 - R20,000,000	Ward 4 in Mkhambathini Municipality. Beneficiaries are Ward 100 in eThekwini Municipality and Wards 4, 5, and 6 in Mkhambathini Municipality.	Outcome 6: An efficient, competitive and responsive economic infrastructure network	Sub-outcome 4: Maintenance and supply availability of our bulk water resources ensured
SIP 18 - Water and Sanitation	Goal 4: Strategic Infrastructure	Strategic Objective 4.5: Improve Water Resource Management and Supply	- Address backlogs in terms of the MDG. - Operation and maintenance of assets with relation to water.	**Impendle Bulk Water Supply Scheme** The area of Impendle has unreliable sources of water and many small run-off-river abstraction and borehole schemes. This project will increase the level of assurance of supply to the community of Impendle as requested by Umgungundlovu District Municipality.	In preliminary design. Anticipated date of completion is 2026.	Total Project Cost: R200,000,000 (subject to review). Budget (subject to review): 2016/2017 - R10,000,000 2021/2022 - R10,000,000 2022/2023 - R40,000,000 2023/2024 - R75,000,000 2024/2025 - R52,500,000 2025/2026 - R12,000,000	Impendle Municipality.	Outcome 6: An efficient, competitive and responsive economic infrastructure network	Sub-outcome 4: Maintenance and supply availability of our bulk water resources ensured

Strategic Integrated Project (SIP)	PGDS GOALS	KZN PGDP Strategic Objective	Umgungundlovu PRIORITIES	Umgeni Water Projects	Progress to Date (as of April 2016)	BUDGET (subject to review)	LOCALITY	OUTCOME (AS PER 14 OUTCOMES)	Sub-Outcome (of the 14 Outcomes)
SIP 18 - Water and Sanitation	Goal 4: Strategic Infrastructure	Strategic Objective 4.5: Improve Water Resource Management and Supply	- Address backlogs in terms of the MDG. - Operation and maintenance of assets with relation to water.	**Vulindlela Upgrade** Upgrade the Vulindlela pumps and optimise the bulk system to meet the increasing demands in the Vulindlela area. This project includes the Groenekloof Reservoir Upgrade.	Design has commenced. Anticipated date of completion is 2025.	Total Project Cost: R287,112,000 (subject to review). Budget (subject to review): 2016/2017 - R4,038,000 2021/2022 - R48,962,000 2022/2023 - R158,238,000 2023/2024 - R48,538,000 2024/2025 - R25,215,000	Wards 2, 3 and 9 in Msunduzi Municipality and Wards 7, 8 and 9 in uMngeni Municipality.	Outcome 6: An efficient, competitive and responsive economic infrastructure network	Sub-outcome 4: Maintenance and supply availability of our bulk water resources ensured
SIP 18 - Water and Sanitation	Goal 4: Strategic Infrastructure	Strategic Objective 4.5: Improve Water Resource Management and Supply	- Address backlogs in terms of the MDG. - Operation and maintenance of assets with relation to water.	**Table Mountain Upgrade** The Table Mountain Upgrade has been requested by Umgungundlovu District Municipality to look at the augmentation of the existing infrastructure to meet current and future demand.	Feasibility.	Total Project Cost: R100,000,000 (subject to review). Budget (subject to review): 2021/2022 - R1,000,000 2022/2023 - R30,000,000 2024/2025 - R30,000,000 2025/2026 - R9,000,000	Wards 1 and 2 in Mkhambathini Municipality.	Outcome 6: An efficient, competitive and responsive economic infrastructure network	Sub-outcome 4: Maintenance and supply availability of our bulk water resources ensured
SIP 18 - Water and Sanitation	Goal 4: Strategic Infrastructure	Strategic Objective 4.5: Improve Water Resource Management and Supply	- Address backlogs in terms of the MDG. - Operation and maintenance of assets with relation to water.	**Camperdown WWW**	Detailed design in progress. Anticipated date of completion is Jul 2017.	Total Project Cost: R3,722,000 (subject to review). Budget (subject to review): 2016/2017 - R961,000	Wards 1 and 2 in Mkhambathini Municipality.	Outcome 6: An efficient, competitive and responsive economic infrastructure network	Sub-outcome 4: Maintenance and supply availability of our bulk water resources ensured

Strategic Integrated Project (SIP)	PGDS GOALS	KZN PGDP Strategic Objective	Umgungundlovu PRIORITIES	Umgeni Water Projects	Progress to Date (as of April 2016)	BUDGET (subject to review)	LOCALITY	OUTCOME (AS PER 14 OUTCOMES)	Sub-Outcome (of the 14 Outcomes)
SIP 18 - Water and Sanitation	Goal 4: Strategic Infrastructure	Strategic Objective 4.5: Improve Water Resource Management and Supply	- Address backlogs in terms of the MDG. - Operation and maintenance of assets with relation to water.	**Greater Eston Phase 1B Pipeline** Construction of 5km long reticulation pipeline that was omitted from the scope of work for Greater Eston Phase 1.	As of the 28 April 2016 the percentage of actual construction work completed was 80%. Anticipated date of completion is Jul 2016.	Total Project Cost: R9,141,000 (subject to review). Budget (subject to review): 2016/2017 - R5,111,000 2017/2018 - R256,000	Ward 4 in Mkhambathini Municipality.	Outcome 6: An efficient, competitive and responsive economic infrastructure network	Sub-outcome 4: Maintenance and supply availability of our bulk water resources ensured
SIP 18 - Water and Sanitation	Goal 4: Strategic Infrastructure	Strategic Objective 4.5: Improve Water Resource Management and Supply	- Address backlogs in terms of the MDG. - Operation and maintenance of assets with relation to water.	**Upgrade of Mphophomeni WWW**	Detailed design in progress. Anticipated date of completion is 2020.	Total Project Cost: R150,722,000 (subject to review). Budget (subject to review): 2016/2017 - R30,133,000 2017/2018 - R75,037,000 2018/2019 - R12,515,000 2019/2020 - R27,002,000	Ward 9 in uMngeni Municipality.	Outcome 6: An efficient, competitive and responsive economic infrastructure network	Sub-outcome 4: Maintenance and supply availability of our bulk water resources ensured

The table below indicates an improvement in the service delivery of water within the municipality.

	Census 1996	Census 2001	Census 2011
In dwelling/yard	3560	5722	7910
Access to piped water	3621	5189	5039

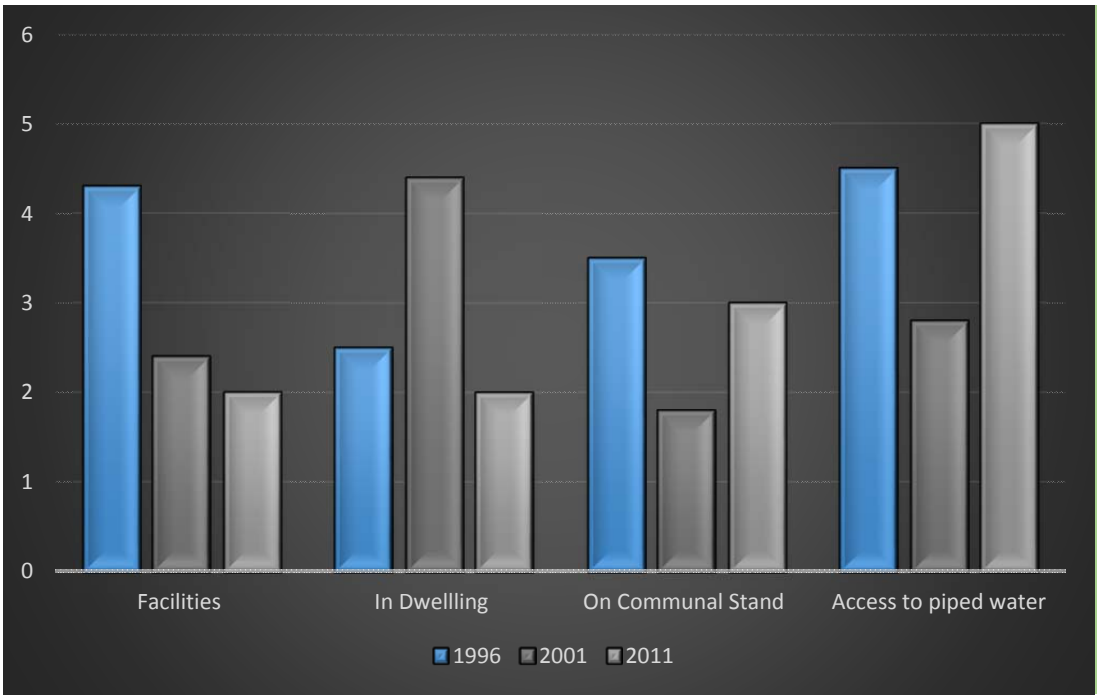


FIGURE 24 SERVICE DELIVERY OF WATER FOR THE LAST 3 GENERATIONS CENSUS RESULTS

4.1.4 NEEDS AND PRIORITIES FOR WATER AND SANITATION SERVICES

Source : uMGUNGUNDLOVU DISTRICT MUNICIPALITY PROJECTS IMPLEMENTATION FINANCIAL YEARS 2015 - 2018

WATER & WASTE WATER WORKS				
	Mkhambathini	Greater Eston Water Supply	Constructi	63,447,226.36
	Mkhambathini	Mkhambathini WWTW Retic	Planning	4,000,000.00
	Mkhambathini	Upgrade Manyavu Community	Planning	27,114,397.00
	Mkhambathini	Upgrade Nkanyezi Community	Planning	38,043,534.00
	Mkhambathini	Upgrade Manzamnyama	Planning	14,887,761.00
	Mkhambathini	Asbestos Cement Pipe Replacement in Camperdown	Planning	55,667,705.00

4.1.5 COORDINATION OF DEVELOPMENTS ACTIVITIES WITH THE RELEVANT SECTOR DEPARTMENTS AND SERVICE PROVIDERS

The municipality coordinate its development activities with UMDM. Public Participation are conducted to hear the views of the community regarding water and sanitation needs.

4.2 SOLID WASTE MANAGEMENT

Refuse disposal is critical in creating an enabling environment for every resident of the municipality, more especially the younger generation as they are more exposed to hazardous conditions. The Municipality has improved the collection of refuse within its jurisdiction comparing the Census 1996, 2001 and the 2011 Community Survey. The municipality does not separate waste currently, however the municipality is part of the Advanced Solid Waste Management Programme which is implemented by uMgungundlovu District Municipality and funded by KFW and the Department of Environmental Affairs nationally. The aim of this programme is to provide technical support to local municipalities in order to reduce waste disposed of at the landfill sites, with the aim of maximising job creation within the municipalities. The municipalities currently exploring strategies of sorting and separating waste for recycling purposes. The Municipality provides Solid Waste Services to its 480 Households. 300 Households are benefiting from a free basic service.

4.2.3 MUNICIPAL LAND FILL SITE

THE Municipality does not have its own land fill site. Waster is collected on a weekly basis and transported to Umsunduzi Municipality New England Road Landfill site at a fee.

4.2.4 WASTE RECYCLING

The Municipality does not have a recycling plan in place. However during public participation through identification of youth programmes, an interest was shown by youth. The programme is being put in place to assist in setting up a recycling centre in ward 1,2, and 3 this will be done in consultation with WESSA.

4.3 TRANSPORT INFRASTRUCTURE

4.3.1 TRANSPORTATION INFRASTRUCTURE NETWORK

The primary transport route within the municipality is the N3 Route that traverses Mkhambathini and links Durban to the east with Pietermaritzburg and ultimately the Gauteng Highveld to the west and north-west. Mkhambathini enjoys a relatively good level of access at a Provincial and Regional level. This allows for a smooth flow of goods and movement of people in and out of the area. Access to roads shows that the largest majority of households in the Mkhambathini municipality enjoy access to roads at a distance of less than 1km. There are a number of provincial roads spread relatively even throughout the municipal area, improving the relative accessibility of the majority of settlements and households

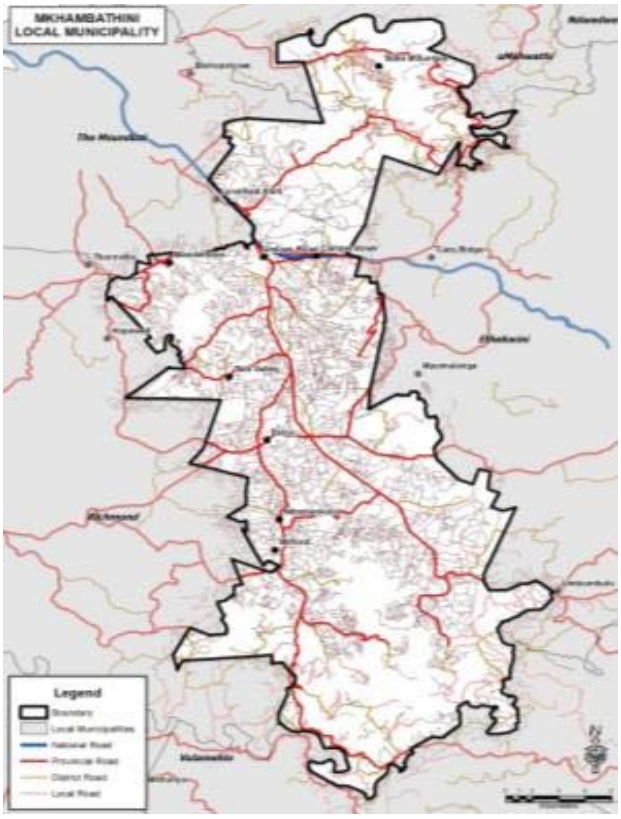


FIGURE 25 MAP INDICATING TRANSPORT ROUTES

in the municipality. Many households are also serviced through lower order, district or local and roads.

There are a number of provincial roads spread relatively evenly throughout the municipal area, improving the relative accessibility of the majority of settlements and households in the municipality. Many households are also serviced through lower order, district, or local roads. The quality of roads in the traditional authority areas is generally poor and requires substantial upgrading and maintenance. This impacts negatively on the development potential of these areas. Problems associated with unsurfaced roads include damage to vehicles, dust, erosion and inaccessibility.

Gravel	Surfaced	Total
367.23	162.24	**529.47**

With reference to table above, the majority of the roads within Mkhambathini are gravel. This implies a need to ensure that these roads are properly maintained through re-gravelling and grader blading. Due to the remoteness of these roads, as well as the limited funding for infrastructure maintenance, maintenance of these roads might pose a problem in future.

4.3.2 INSTITUTIONAL RESPONSIBILITY

4.3.3. OPERATIONAL AND MAINTENANCE PLAN FOR EXISTING ROADS AND PUBLIC TRANSPORT.

The following are the roads that will be maintained by the Department of Transport on behalf of the Municipality:

Proect Name	Type of Structure	Ward	End KM	2016-17 Budget
Construction of Gumede Road	New Gravel	1	2,6	1 300 000
Construction of Dambayi Rd	New Gravel Roads	3	2,5	1 250 000
Re-Graveling of L1673 and L1674 o-16 km and 0,0 9 km	Regravelling	7	1,6	1 000 000
Safety Maintenance Blacktop Patching:	Blacktop Patching and rut	2	Various	200 000

Contract No 1	repair			
Construction of Goqo Road	New Gravel Roads	3	2	900 000
Construction of Mampungashe	New Gravel Roads	1	1,3	700 000
Routine maintenance-Blading of local roads-1	Blading	4	various	800 000
Routine Maintenance-Camperdown specialised	Drain cleaning and verge maintenance	5	Various	200 000
Road Maintenance –Nagle Dam pipe desilting	Drain cleaning and verge maintenance	4	various	200 000
Road Maintenance Nagle Dam labour based 1	Drain cleaning and verge maintenance	3	various	200 000
Road Maintenance Nagle Dam specialised	Drain cleaning and verge maintenance	4	various	200 000
Routine maintenance P21	EPWP Departmental	1	20	500 000
MR Specialised Maintenance PHASE 2	EPWP Departmental	4	20	500 000
MR 338 &P1-3 Routine Maintenance	EPWP Departmental	6	20	500 000
MR 1-4. 1-5 & P478 Routine Maintenance	EPWP Departmental	2	20	500 000
Re-gravelling of D 60 – 0-5.6	Re-gravelling	4	5.6	2 400 000
Re-gravelling of P430 and D418 (0-4.35 + 0-1.5)	Re-gravelling	6	10,2	2 135 000
Re-gravelling of D 58-4-12.5	Re-gravelling	5	12.5	2 500 000
Re-gravelling of P117 (14.9-23.1)	Re-gravelling	5	23.1	2 870 000
Re-Gravelling od D113-0-2	Re-Gravelling	7	2	830 000
Re-Gravelling of D1000-0-9.5	Re-Gravelling	9.5	2	3 000 000

Road Number	**Project Name**	**Activities**	**Budget Allocation**
n/a	3559 Whitecliff uMgeni River Pedestrian Bridge	New Pedestrian Bridge	1 000 000
	3559 Whitecliff uMngeni River Pedestrian Bridge	Design and Supervision	500 000
P21-1 (km15 to km18)	P21-1 (km15 to km18)	Heavy Rehab	68 796 000
P21-1 (km15 to km18)	Professional Fees	Heavy Rehab	1 938 290
P118 (km0 to km 1.8)	P118 (km 0 to km1.8)	Reseal	1 080 000
P118 (km0 to km 1.8)	Professional Fees	Reseal	162 000

4.4 ENERGY

4.4.1 PROVISION OF ENERGY

The Municipality is not the Electricity Provider/Energy Provider, however have a responsibility to ensure that the community benefits in the provision of electricity using the grant funding from Department of Minerals and Energy. Furthermore the Municipality does provide to the indigent in its annual budget which is paid to ESKOM who is the provider of electricity within its jurisdiction.

There has been a substantial improvement in the percentages of households that use electricity for the following table depicts the results of the recently conducted 2011 Community Survey (See Table Below):

Energy / Fuel for Lighting, heating and cooking

Energy / Fuel	Census 1996	Census 2001	Census 2011
Lighting	2578	5329	9758
Heating	**1484**	**2553**	**6441**
Cooking	1734	3021	7767

4.4.2 ENERGY SECTOR PLAN

Eskom is responsible for the Energy Sector Plan. The municipality only receive reports of the implementation therefore.

4.4.3 ESTIMATED BACKLOG

Total Number of Households	No of Households	Not of Household not electrified	% Electrified
12 550	6811	5739	54%

The number of household electrified based on completed INEP projects from 2001 to date excludes Eskom and Customer Funded Programme.

4.5 ACCESS TO COMMUNITY FACILITIES

Table 4: Sports Facilities

WARD	FACILITY	COMMUNITY	STATUS AND CONDITION
1	Maqongqo Sports field	Maqongqo	Maintenance & fencing required
2	Mphayeni Sports field	Mphaya	No Netball Court & Tap
2	Ophokweni Sports field	Ophokweni	No Netball Court & Tap
2	Ngangezwe Sports field	Ngangezwe	No Netball Court & Tap
2	Mbungwini Sports field	Mbungwini	No Netball Court & Tap
2	Stadeni Sports field	Esidadeni	Maintenance required
3	Mahlabathini Sports field	Nkanyezini	Upgrade required
3	Masangweni Sports field	Masangweni	Upgrade required
4	Camperdown Sports field	Camperdown	Maintenance required
5	Msholozi Sports field	Nungwane	Upgrade required
5	Mahleka Sports field	Mahleka	Upgrade required
6	Makholweni Sports field	Makholweni	Maintenance required
7	Nsongeni Sports field	Nsongeni	Upgrade required
7	Ismont Sports field	Ismont	Maintenance required

There are no standard prescribed in terms of population catchment for sports facilities but a 15 minutes' drive by Public Transport facilities is recommended. Mkhambathini does not appear to be encountering backlogs in terms of the adequacy of these facilities but the challenge is maintaining these in proper condition. There are currently no official community halls recorded for Mkhambathini. This is highly unlikely, as Mkhambathini is well established, and with the amount of schools, a number of multi-purpose facilities must have been constructed to be utilised by the community and the schools. The data indicating the number and location of community halls should be confirmed and will be mapped once available.

4.5.1 2014/2015 Completed Projects

Project Name	Area	Status
Upgrade of Mahleka Sports Field	Ward 4	Completed
Mpekkula Community Hall	Ward 7	Completed
Nkhanyezini Taxi Rank	Ward 3	Completed
Thokozani Crech	Ward 1	Completed
QHungeshe Gravel Road	Ward 5	Completed
Magqonqo Sports Field	Ward 1	Competed
Nkanyezini Gravel Road	Ward 2	Completed

4.6 HUMAN SETTLEMENT

4.6.1 PRINCIPLES ON SUSTAINABLE HUMAN SETTLEMENTS

The notion of Sustainable Human Settlement refers to an integrated approach to housing provision for the residents of Mkhambathini (especially those who are classified within the low income group). At the concept level, the requirements of sustainable human settlement are precise and unambiguous. In terms of the level in which housing should be provided for the residents within Mkhambathini are and these can be briefly summarized as follows:

The focus on the provision of housing should not only be on *housing delivery* but also on *housing development* with a greater positive impact for the residents to be able to sustain their livelihood within that particular locality. This implies that future housing delivery and development that takes place within Mkhambathini should be incorporated within the vicinity of social facilities and economic opportunities to make it easier for the community to commute, in order to obtain services and employment opportunities. This requirement is intended to address the legacies of the past whereby individuals (especially the less privileged) were subjected to poor living conditions with a serious lack of amenities to sustain their livelihood within those settlements. The provision of housing should be an integrated approach to development using the delivery of shelter as a primary focus but including amongst other things basic service delivery (i.e. potable water, appropriate sanitation and access to electricity), obtaining or upgrading of land tenure rights, ease of access to adjacent communities and economic services, job creation plus skills transfer (i.e. during construction stages) and the outcomes should also build self-esteem in the end users.

Housing delivery and development within Mkhambathini occurs in to different forms. The first regards the state funded, low-cost housing in which the Department of Human Settlements serves as the developer. The second pertains to private sector developments targeting mainly the upper income groups. The draft Mkhambathini Spatial Development Framework should be a pillar in terms of informing the realization of sustainable human settlements through the implementation of these housing projects.

4.6.2 RURAL HOUSING DEMAND

Approximately 46% (6269) of the households consist of traditional dwellings. From this, it is evident that the housing backlog is very high in trial council areas. Housing demand is defined as the number of households requiring formal housing. Traditional housing is perceived as an acceptable form of housing and the majority of the traditional population lives in this form of housing. In the Tribal Areas traditional households usually include the clustering of a number of thatched roofed huts which lack basic infrastructure. Formal dwellings are houses with solid, usually concrete, top structure that are served with basic infrastructure. Informal dwellings are made from a variety of materials, are not structurally secure and have no basic infrastructure. Large portions of the people in the municipal area reside in traditional houses with formal and informal houses concentrated mainly in urban areas.

4.6.3 URBAN HOUSING DEMAND

According to the 2011 census statistics, only 14% (464) households reside within informal settlements. This involves 387 (3%) households that reside in informal dwellings, and 77 (1%) of the households that reside in backyards. This implies that the level of homelessness and housing backlog within the urban areas is very low.

4.6.4 CURRENT HOUSING PROJECTS

There are 10 projects within the municipality which are at various stages. An amount of R 35 744 000.00 was allocated in the 2014/2015 financial year.

- **Five are at implementing stage**
- Maqongqo Rural housing Project
- Mbambangalo Rural Housing Project
- Kwa-Mahleka Rural Housing Project
- KwaNjobokazi Rural Housing Project

- **One at planning stage**
- Stockdale Project

- Poortje Slums Clearance Project

    - **Four at inception stage**

o Ward 2, 3 and 6

o Rental stock

The status of each project is broken down as follows:

Project Name	**:**	**KwaMahleka Rural Housing**
Ward	:	5
No. of subsidies	:	500
Project Value	:	R36 742 530.00
Monies Spent To Date	:	R23 770 972.93
Start Date	:	June 2012
End Date	:	June 2015
Approved Beneficiaries	:	472
Transfers	:	N/A
Houses Built To Date	:	220

Project Name	**:**	**Mbambangalo Rural Housing**
Ward	:	1
No. of subsidies	:	1 500
Project Value	:	R123 632 115.00
Monies Spent To Date	:	R119 526 139.48
Start Date	:	June 2012
End Date	:	June 2015
Approved Beneficiaries	:	1500
Transfers	:	N/A
Houses Built To Date	:	1500

Project Name	**:**	**KwaNjobokazi Rural Housing**
Ward	:	4
No. of subsidies	:	400
Project Value	:	R41 043 191.55
Monies Spent To Date	:	R9 491 413.99
Start Date	:	March 2013
End Date	:	March 2015

Approved Beneficiaries	:	400
Transfers	:	N/A
Houses Built To Date	:	78

Project Name	**:**	**Maqongqo Rural Housing**
Ward	:	1
No. of subsidies	:	500
Project Value	:	R39 260 581.55
Monies Spent To Date	:	R32 484 765.18
Start Date	:	May 2007
End Date	:	June 2013
Approved Beneficiaries	:	498
Transfers	:	N/A
Houses Built To Date	:	405

NEW POTENTIAL PROJECTS

Projects identified in the IDP and Housing Sector Plan:

- **Stockdale:**

o This project has been recently approved for 250 units. A detailed environmental study is required.

o **Poortje:**

o This is a slums clearance project which is planned to have approximately 481 units. However, there is a land issue, the owners challenged the expropriation.

o Mkhambathini Ward 7: A service provider has been appointed and a GPS referencing is being undertaken.

o Mkhambathini Wards 2, 3, 6: These are new projects and the service provider still needs to be appointed. The project is planned for 2015-2019 financial years.

OTHER POTENTIAL PROJECTS ARE

o Mkhambathini Ward 6 for 1000 units

o Mkhambathini Ward 5 for 1000 units

o Middle income development the land is owned by Ethekwini Metro.

4.6.5 OPERATION SUKUMA SAKHE

- 32 units have been profiled from various wards. The service provider has been appointed but reluctant to start the construction due to the reasons that the houses are far apart and this might cost more than the allocated funds. Discussions are held with other service provider.
- 4 beneficiaries assisted under Mbambangalo Project, all houses are completed, 5 beneficiaries already benefiting from the Maqongqo Housing Project.
- The contract for the previously appointed service provider for 32 interventions was terminated in October 2013. A new service provider is being engaged to take over the project. One house got burnt at Maqongqo and will form part of Operation Sukuma Sakhe.

4.6.6 TOTAL HOUSING DEMAND AND BACKLOG

The total housing backlog is estimated at 6733 units. These include 6269 dwelling units within the tribal council areas as well as 464 units within the urban areas.

4.7 TELECOMMUNICATION INFRASTRUCTURE

Mkhambathini is supplied with the necessary telecommunication infrastructure, such as coverage by cell phone service provider and Telkom. As such, the area is serviced with communications technology which is easily accessible to individuals.

4.8 SERVICE DELIVERY AND INFRASTRUCTURE: SWOT ANALYSIS

STRENGTH	WEAKNESS
▪ Electricity supply has been reasonable extended to the rural areas i.e. tribal council areas. ▪ The location of the municipality in close proximity to Oribi Airport in Pietermaritzburg, King Shaka International Airport and Dube Trade Port is an advantage for investment and trading opportunities within the area. A very small housing backlog exists within the urban area.	▪ Lack of bulk water infrastructure to support development within some parts of the municipality. Most of the roads (69%) within the Municipality are gravel which limits the development prospects in some areas. There is no stormwater master plan resulting in adhoc project implementation. ▪ There is general lack of public transport facilities in the Mkhambathini Municipality, the few existing alternatives are informal and require serious upgrading. ▪ There is a huge housing backlog in rural areas.
OPPORTUNITIES	**THREATS**
1. Plans to construct a new Waste Water Treatment Works with a 2Ml capacity within Camperdown will unlock development opportunities. 2. The National government's massive investment in rail infrastructure may result in the revamp of the railway line connecting Durban-Pietermaritzburg-Witwatersrand. This will be of great benefit to Mkhambathini.	3. Failure to implement the National Environmental Management Waste Act No. 59 of 2008 (extending waste management to tribal council areas) due to unaffordability of this service. 4. Failure to deliver community facilities (health and libraries) that are needed due to disqualification by planning standards, resulting in community uproar.

5. LOCAL ECONOMIC DEVELOPMENT (LED) SOCIAL DEVELOPMENT ANALYSIS

5.1.1 LOCAL ECONOMIC DEVELOPMENT STRATEGY/PLAN

Mkhambathini Municipality has advertised for the preparation of the LED Strategy, thus information from the 2012 strategy and Stats SA information is used to address the LED section within this document. The purpose of the LED Strategy/Plan is to give direction to the Municipality for the implementation of the economic development sector plan within Mkhambathini Municipality area through formulation of key guidelines. The objectives of LED strategies are as follows:

- To undertake a detailed economic analysis so as to enable identification of appropriate market interventions that will lead to economic development of the area.
- To formulate an implementable LED Strategic Framework to guide the promotion and support of sustainable economic development within the Mkhambathini municipal area.
- To create a database of projects within the municipality including those being implemented, economic opportunities and future potential projects.
- To formulate a matrix to guide the Municipality in terms of identification and prioritising strategic projects for investigation and implementation.
- To optimise the creation of new economic and business opportunities that will translate into meaningful economic growth, job creation and poverty alleviation in Ingwe area region.
- To create meaningful synergy with the National Programmes and the KZN government's Provincial Growth and Development Strategy, which represents the emerging consensus regarding the approach to be followed in dealing with the socio-economic challenges in the Province.
- To undertake a Socio-Economic analysis which determines the impact of HIV/AIDS on the local economy taking into account current programmes of intervention that are being executed and recommend how best to main stream HIV in LED implementation.

It is envisaged that this plan would assist the Municipality in achieving its economic goals and objectives in line with national policy framework on LED.

The importance of involvement of the municipality in the achievement of the mentioned objectives is that the LED would create employment opportunities, increase and broaden municipal tax and revenue base thus contribute to sustainability of the municipality and reduction in poverty.

The task of economic development is a domain on local government, just as it is for National government. While the national government sketches broad strategic roadmaps such as the National Development Plan, Local government represents the most relevant space through which meaningful development can take place. This is mainly because the government is closest to the people on a local level. As such, local government relates to the context, culture and challenges in a more constructive way than other tiers of government.

5.1 2 LOCAL ECONOMIC DEVELOPMENT INTERVENTIONS

The Municipality through its consultative meetings with Communities in all 7 wards number of Local Economic projects were identified and included as catalyst projects to assist in uplifting the lives of Mkhambathini Community. The Following projects were identified.

- Cooperative initiatives (piggeries, poultry farming (livestock);
- Community gardening vegetable and crop production;
- Beadwork;
- Sewing ;
- Bakery;
- Shoe making;
- Tissue making;
- Catering; and
- Block making

Plans have been put in place to address those project that can be funded through the Municipal Budget. Business plans will be formulated to seek external funding to assist out SMME's and Cooperatives.

5.1.4 LOCAL ECONOMIC DEVELOPMENT SWOT ANALYSIS

STRENGHTS	WAKNESSES
LED unit in place Functional led support structures (forums)	Climate change (Drought) Decline in the Agricultural Sector has contributed to job loss High levels of unemployment Impact of land reform processes has

▪ LED PSC in place ▪ Informal traders chamber in place ▪ Commercial and subsistence Farming ▪ Location in relation to the economic hubs (i.e Durban and Pietermaritzburg) ▪ Good weather conditions	affected the agricultural sector ▪ The short term nature of public investment programmes ▪ Few alternatives approach to sustainable development, such as recycling, exploitation of natural and renewable energy sources. ▪ Insufficient funding to support LED programmes ▪ Poor Monitoring and Evaluation
OPPORTUNITIES	**THREATS**
▪ The municipality is reviewing its LED Strategy which will assist with governing economic development; ▪ National and provincial focus on the N3 corridor development; ▪ Agriculture; ▪ Tourism; ▪ Sand mining; ▪ LED partnership (private and social)	▪ Impact of global economic climate; ▪ Impact of climate change on the agricultural sector; ▪ Land ownership; ▪ Business Chamber; ▪ Unreliable water supply; ▪ Poverty (nutrition, quality education, quality health); ▪ Lack of proper road infrastructure

5.1.4.1 KEY ECONOMIC DRIVERS

5.1.4.1.1 AGRICULTURE

Mkhambathini Local Municipality is primarily an agricultural community with agriculture, manufacturing and tourism contributing to the employment opportunities of the Municipality. The primary agricultural operations undertaken in the municipal area relate to crop cultivation, poultry faming, sugar cane farming and dairy production. In addition to these, a few agro-processing plants also exist e.g. Illovo Sugar (Eston).

5.4.1.1.2 SMME's

The existence of a strong and dynamic small, micro and medium enterprises (SMMEs) sector indicates a relatively good health of the local economy. Mkhambathini municipality has a fairly strong mix of the SMME sector, which in many instances is positioned to take full advantage of the locality – between the port of Durban and the Capital City of Pietermaritzburg. These range between:

Catering & accommodation, retail trade and allied services, construction, manufacturing, restaurants & taverns, dairy farms, general dealers, supermarkets, butcheries, professional & financial services, bricks/ blocks manufacture, burial services, liquor retailers, consumer sales & other services, motor repairs, beauty salon, cleaning services, electrical appliance, hardware retail, laundry services, radio & TV repairs, clothing and textile, and security services.

Through the local area economic development service, the municipality has assisted an Informal sector through the Informal economy policy, which spells out where trading should and should not take place, the type of trading that can be promoted, suitable operation hours and the obligations and responsibilities of the stakeholders. The municipality has a role of providing proper land and infrastructure e.g market stalls as a way of supporting the informal traders and creating an enabling environment for them to operate formally and continue contributing to the economy.

5.1.4.1.3 TOURISM

The municipality has a number of cultural, historical and natural assets, which have begun to form the basis of an emergent tourism industry. The main features of the existing tourism sector are:

- Eco-tourism: Private game ranches offering up-market accommodation and wildlife trails for visitors include the following:
- Tala Valley Game Ranch,
- Killarney Game Ranch
- Mgwahumbe Game Lodge
- Table Mountain

- White Lodge,
- INsingizi Lodge,
- Emoyeni Guest Lodge
- Sugar Fields Bird and Breakfast
- Lion Park, and Zoo
- African Bird of Sanctuary

Agro-tourism: the Sakabula Circuit comprises several auto routes that meander through the municipality, linking it to adjacent area (Thornville, Baynesfield, Richmond, and Byrne Valley) and offers scenic views as well as country attractions, such as fresh produce, clothing and farm stalls as well as accommodation.

Adventure Tourism: The area is host to a number of adventure and sporting activities including off-road motorcycle and car races, canoeing events on Nagle dam, mountain bike races (cycling), micro lighting, skydiving, water-skiing and hiking trails.

Tourism attractions are generally located close to the main roads traversing the municipality. Ownership of the tourism industry tends to be highly concentrated with little involvement by rural communities. Participants at community workshops called for the exploitation of undeveloped tourism potential in the municipality, their involvement in tourism development and related income-generating opportunities, as well as the need for education about the benefits and obligations of tourism.

5.1.4.1..4 MINING

The mining activities within Mkhambathini municipality are limited to a small but booming business of sand dune mining along the major rivers. While this has been known to make a small contribution to some job creation opportunities, concerns have generally been expressed, especially in relation to environmental impact of these mining activities.

5.1.4.1.5 THREATS/CONSTRAINTS FACING LOCAL FIRMS/INDUSTRIES AND BUSINESS

Challenges facing Local Firms/ Industries and businesses:

- Tax Burden
- CAPEX requirements
- New Competition
- Skills shortages in the sector
- Lack of space
- High crime rate
- Poor roads conditions
- Lack of water and electricity supply
- Planning and Zoning regulations
- Difficulty in accessing business licensing and operational permits

5.1.4.1.6 KEY ECONOMIC PARTNERS

The economy of Mkhambathini is dependent on the investors, NGO;s/Community Organisations and Government Departments. These stakeholders have contributed to the growth and developme of the municipal economy in different levels. Below is the list of key economic partners that are active in Mkhambathini.

No	KEY PARTNER	STATUS
1	KZN Economic Development Tourism & Environment Affairs	Existing and Strong Partner
2	KZN Corporative Governance & Traditional Affairs	Existing and Strong Partner
3	Agriculture Development Agency	Existing and Strong Partner
4	Department of Transport	Existing and Strong Partner
5	UMDM Municipality	Existing and Strong Partner
6	Department of Rural Development and Land Reform	Existing and Strong Partner
7	Mkhambathini Business Forum	Need to be resuscitated
8	Mkhambathini Farmers Association	Need to be resuscitated

9	Mkhambathini Cooperatives	Existing and Strong Partner

5.1.5 STARTEGIC PROGRAMMES RESPONSIVE TO THE UNIQUE CONDITIONS OF THE MUNICIPALITY

The programmes suggested in the strategy are responsive to the unique conditions of the municipality and are intended to enhance the economy of Mkhambathini. These programmes are expected to stimulate the key economic drivers identified in the situation analysis in each potential economic sector. In addition the projects amongst others are:

1. Seeking to transform local tourism sector;
2. Targeting emerging farmers to assist in unleashing agriculture potential in the municipality;
3. Targeting to improve competitiveness of SMM's/Cooperatives in the key sector in the locality;
4. Targeting informal economy;
5. Targeting Vulnerable Groups (Women, Youth, and the disabled)

5.1.5.1 PROGRAMME SEEKING TO TRANSFORM LOCAL TOURISM PLAYER

The Municipality through the LED section has established a database of tourism players within the Municipal boundaries. A brochure which will be distributed through the District wide tourism sector is being developed. A tourism forum has been established with tourism players within the municipality.

5.1.5.2 PROGRAMME TARGETING EMERGING FARMERS

There is no programme in place targeting emerging farmers however a database for cooperatives interested in agriculture have been developed. There is an ongoing interaction between these cooperatives and department of agriculture which assist in ensuring that there are functioning as intended. The municipality has implemented a programme for women in agriculture which focuses on providing assistance to those agricultural cooperatives constituted by women and youth.

5.1.5.3 PROGRAMME TARGETING TO IMPROVE COMPETITIVENESS OF SMME'S /COOPERATIVES

The municipality essentially has three forms of forms of support for projects which are as follows:

1. Training and capacity building e.g Project packaging and bookkeeping;
2. Business facilitation;
3. Downstream and upstream facilitation (e.g access to inputs &/ or markets);
4. Assistance with business license applications;
5. Assistance with sourcing of funding for start-up and growth;
6. Direct project support; and
7. Leasing of capital plant and equipment

5.1.5.4 PROGRAMM TARGETING INFORMAL ECONOMY

The informal Economy makes an important contribution to the economic and social life of most South African Citizens, including most residents in Mkhambathini. It developed rapidly in the 1990's due to deregulation of the economy and the transition to a democratic political system,

The Informal economy in Mkhambathini municipal area is heterogenic, ranging from child carers and domestic workers. The sector is often characterised by its flexibility, creativity, resilience to absorb shocks, and its ability to adapt to changing external environments. However, by its description it falls outside the regulatory environment in which all formal businesses and their workers operate, increasing the risks faced by informal economy workers and enterprises, and reducing the support and protection of these workers and enterprise can receive from government.

Informal traders in Mkhambathini, as represented in the following figure, provide a variety of merchandises to their clients that cut across many economic activities. Some of them include beading work, live chicken, dressmakers, hairdressers, spaza shops with variety of goods.

5.1.5.5 SPECIFIC PROGRAMME TARGETING VULNERABLE GROUPS (WOMEN, YOUTH AND DISABLED)

The following projects were identified during the public consultative meetings in March 2016.

WOMEN	YOUTH	DISABLED
Beadwork	Swimming	Centre for Physio
Sewing	Tissue Making	Shoe Making
Bakery		Tissue Making
Gardening		Bead Work
Poultry		
Block making		

5.1.6 SECTORS GENERATING JOBS

The available figures relating to the performance of different economic sectors over time underline the reality that Mkhambathini Municipality mirrors the structural and economic performance of the province of KwaZulu-Natal and South Africa generally. The shares of contribution to formal employment by sectors which are traditionally labour intensive such as agriculture and manufacturing have been declining over the last few decades. This has been the general trend throughout South Africa and therefore the emerging reality within Mkhambathini is not particularly unique.

Table 1: Agricultural sector's share of contribution towards formal employment

Mkhambathini	Agriculture
2008	1 638
2009	1 533
2010	1 472
2011	1 408

Table 2: Manufacturing

Mkhambathini	Manufacturing
2008	934
2009	974
2010	905
2011	922

Table 3: Finance

Mkhambathini	Financial Services
2008	643
2009	667
2010	635
2011	666

Table 4: Community services

Mkhambathini	Community Services
2008	1 858
2009	1 909
2010	1 995
2011	2 125

While the declining performance of primary and secondary sectors in terms of overall contribution towards employment has contributed to the country's industrial base losing share of the overall share of the market in terms of export opportunities, etc. the performance of tertiary sectors such as financial and community services has been generally positive. However the growth in terms of employment and overall GVA of the tertiary services has generally been from a relatively low base compared to the size of the primary and secondary sectors. While the decline in the share of employment contribution by primary and secondary sectors can be attributed to factors such as globalisation and restructuring of international trade requirements, there are also a number of domestic factors (both at national and local levels) which may be contributing to this state of affairs. These may include the following:

- Land claims process;
- Lack of skills;
- Limited contribution of subsistence based agriculture; and
- Rising cost of capital and related input costs.

5.1.6.1 SMME'S

The existence of a strong and dynamic Small, Micro and Medium Enterprises (SMMEs) sector indicates the relatively good health of the local economy. Based on general personal observations and experience with the local business environment within Mkhambathini Municipality, there is a fairly strong mix of the SMME sector, which in many instances is positioned to take full advantage of the locality – between the port of Durban and the Capital City of Pietermaritzburg. These range between informal traders, which are largely concentrated along the Camperdown CBD, small scale poultry production projects, furniture manufacturing operations, Bed and Breakfast establishments and relatively large scale feed operations and sugar mills. Spatially, subsistence and informal operations with limited economic and business infrastructure are located within the largely traditional authority areas, which are located at the extreme ends of the Mkhambathini Municipality. Medium and relatively large scale business operations (both commercial and industrial in nature) are usually found within the central and generally flatter areas of Mkhambathini Municipality. These areas are well served with economic, communication, institutional and transportation infrastructure.

A number of strategies have been put in place at national level to provide a framework and an enabling environment within which strong and dynamic SMME sector can be developed and supported to grow. It is the government's view that the SMME sectors including co-operatives have an inherent potential to promote a competitive entrepreneurship sector that is crucial in the sustainable creation of employment. Mkhambathini Municipality is currently reviewing its 2007-approved LED strategy and it may consider developing a suite of other strategies including informal sector, SMME and Industrial Policy strategies to ensure that there is a framework which creates an enabling environment for the creation, maintenance and growth of various business enterprises within the municipality's area of jurisdiction.

5.1.6.2 AGRICULTURE

The agricultural sector has been a cornerstone of the Camperdown region, the larger parts of which were incorporated into the current administrative boundaries of Mkhambathini Municipality, for a very long time. It is one of the matured economic sectors characteristic of the municipality's economic and industrial bases. The sector is promoted by a long-established network of organized business structures which form part of the broader KwaNalu organization. The sector is characterized by business interests ranging from sugar cane, forestry and related products and one of the greatest concentration of poultry networks

in the world. There is a big network of agri-industries creating synergy and increasing the overall comparative advantage of the sector. The importance of the agricultural sector within Mkhambathini Municipality is underlined by the sector's overall contribution to formal employment as well as GVA. Latest figures show that the agricultural sector is the second biggest, after community services. This is crucial in the sense that while there has been a clear pattern which indicates the decline in terms of the current economic sectors' ability to absorb internal labour and the increase in the reliance towards government support – grants, etc; the capacity of the agricultural sector creates a strong balance. It is also crucial to note that a large section of the agricultural sector the performance of the subsistence agricultural sector – has never been included in formal policy and strategic documents. As a result, this crucial sector remains invisible when it comes to strategic decision making processes that can contribute to further growth and development of the sector. Measures are urgently needed for Mkhambathini Municipality to incorporate the developments that are taking place within the subsistence agricultural sector as it supports the majority of people within the Ingonyama Trust land.

5.1.6.3TOURISM

Tourism is identified as one of the strategic economic sectors in South Africa. It has the inherent potential to positively impact other sectors of the economy including retail and financial services sectors. Tourism also has high capacity to create jobs for both urban and rural areas, and earn the country valuable foreign exchange. Mkhambathini Municipality has a comparative advantage in tourism, which can also be attributed to its locational advantage relative to Durban and Pietermaritzburg. However, it also has its own unique natural, landscape-based and cultural attributes making it an important contributor in its own right. Attractions range from natural based resources such game reserves, Bed and Breakfast establishments, venture based activities such as the Duzi and Comrades Marathon and a host of others. Although Mkhambathini has an extensive network of operators which provide an institutional base within which tourism as a sector can be promoted and developed, there is no properly recognised tourism body such Msunduzi Tourism, KZN tourism and so on found in other areas. There is a Tourism Plan in place for the Mkhambathini Municipality. This plan highlights a number of advantages which both existing and new entrants in the sector could take full advantage of.

5.1.6.4 MANUFACTURING

The manufacturing sector is the fourth largest sector within the Mkhambathini Municipality in terms of its contribution to employment and economic growth and development objectives. However, its overall share of contribution has been declining during the last few decades. As a secondary sector, it plays particularly important development objectives in terms of job creation and supporting other industries within the local economy. Mkhambathini Municipality has become particularly attractive to industrial investors due to its relatively cheap electricity compared to eThekwini and Msunduzi Municipalities. Relatively cheap land has also been cited as an additional reason which contributes to the increasing number of industrialists choosing to locate within or near the Mkhambathini Municipality. The third factor that has also been highlighted relates to the location of the Mkhambathini Municipality relative to the N3, the Durban and therefore the overall proximity to export markets. There is an urgent need for the Mkhambathini Municipality to look at compiling and developing its industrial development strategy that will translate these comparative advantages into competitive ones that will seek to achieve the following:

- Enhance the potential of the agricultural sector;
- Unlock further industrial development opportunities; and
- Enhance the potential for logistics and transportation sectors.

5.1.6.5 MINING

While the Mining sector is one of the strategic economic sectors in South Africa, it is one of the smallest within Mkhambathini Municipality – in terms of its contribution to employment and also in terms of its contribution to economic development generally. The mining activities within Mkhambathini Municipality are limited to a small but booming business of sand dune mining along the major rivers. While this has been known to make a small contribution to some job creation opportunities, concerns have generally been expressed especially in relation to environmental impact of these mining activities.

5.1.6.6 IMPLICATIONS

While the Mkhambathini Municipality's economy is considerably smaller than those of Durban and Pietermaritzburg, it is nevertheless intractably linked. It draws a lot of its comparative advantages from the characteristics displayed by these larger economies. The structure of the Mkhambathini Municipality has changed over time. Those economic activities in the primary and secondary sectors which were traditionally used to create and

maintain jobs have been shading employment. The role of job creation is now being played by sectors including the following:

- Informal sector; and
- Tertiary economic activities.

However, the contribution of the primary (agriculture) and secondary (manufacturing) remain crucial. A number of factors may be limiting the contribution of these factors including globalisation, lack of skills and government policies or lack thereof. There is an important need to develop strategies and programmes to enhance the comparative advantage of the Mkhambathini Municipality including the following:

- Develop LED Strategy; Develop SMME strategy;
- Develop informal sector strategy;
- Review Tourism strategy; and
- Develop industrial development framework/ strategy.

5.1.6.7 CATALYTIC PROJECTS

The following catalytic projects have been identified and funding is being sourced to ensure that they become a success:

- Camperdown-Cato Ridge Inland Port/Hub/Terminal dry logistics port- (Mkhambathini –interboundary with Cato Ridge)
- Mkhambathini Civic Centre
- Multi-purpose Centre at Ngoloshini

Although these projects are still relevant for the municipality, there is no designated land for the Mkhambathini civic centre. In terms of municipal wide planning is concerned the catalytic project for the urban area is the proposed new waste treatment works. The absence of water borne sewage is a serious impediment to growth in this area because of the cost of transporting sewage to the PMB works (conservancy tanks) or the lower densities imposed because of the land area required for septic tank/soak away systems. This is a UMDM responsibility and needs to be prioritized.

5.1.6.8 TEMPORARY JOBS

Since 2005 to date, 8 people per ward have been employed by the municipality on a rotational and renewable contract basis, cleaning the school yards, halls, crèches and sport fields.

The Expanded Public Works Programme (EPWP) is one element within a broader government strategy to reduce poverty through the alleviation and reduction of unemployment. The Expanded Public Works Programme involves creating work opportunities for unemployed persons, and so allowing them to participate economically and contribute to the development of their communities and the country as a whole.

Mkhambathini Local Municipality implements three grant funded projects. The targeted project participants are women and the youth. The main focus of the projects is to alleviate poverty and to give young people the necessary work exposure to improve their ability to obtain future sustainable work outside the programme.

5.1.6.7 STRATEGY TO ENSURE JOB SUSTAINABILITY

The Municipality is in a process of engaging with the surrounding employment sectors i.e farmers to find way of ensuring that the community of Mkhambathini is also benefiting in terms of employment. The proposed metro will also assist in the increase number of sustainable jobs.

5.1.7 GREEN JOB INITIATIVES

The Municipality is engaging with WESSA and uMngeni Water to facilitate the creation of Green Job initiatives. Due to limited budget, a business plan for funding has been developed.

5.1.8 ROLE OF THE MUNICIPALITY: POLICY/REGULATORY ENVIRONMENT.

5.1.81 INFORMAL ECONOMY POLICY

Mkhambathini municipality has an Informal Economy policy in place which was adopted by Council in 2014. The main aim of the policy is to regulate the Informal economy, to ensure that the informal traders are taken seriously as business people who also contribute the

economy and to also ensure that they are included in the municipal budget. A database on informal traders within Mkhambathini has been developed and the Informal Chamber has also been established and launched. The municipality still has to develop an Informal Economy By-law which is a rule or law established by the municipality to regulate the functioning of the informal traders in line with the policy. Street vendors form part of the informal traders and are therefore covered by the Informal Economy Policy.

5.1.8.2 INVESTMENT/RETENTION POLICY

The investment/retention policy is being developed and will be adopted by Council in December 2016.

5.1.8.3 DATABASE FOR MUNICIPAL LAND

The Municipality has a list of all land owned by the Municipality. This is also supported by the Municipality valuation roll.

5.1.8.4 POLICY REGULATING STREET VENDORS

Camperdown is the smallest town within uMgundundlovu District Municipality therefore we do not have street vendors.

5.1.8.5 DATABASE FOR SMME'S AND COOPERATIVES

The Municipality has a list of up-to-date SMME's and Cooperatives database which is maintained by LED section. These list are consolidated through the Ward Committees and Ward Councillors, and are updated on an ongoing basis.

5.1.8.6 PRIVATE SECTOR RESOURCES

The Municipality does not have resources that has been received from private sector.

5.1.8.7 RESEARCH AND DEVELOPMENT

The Municipality does not have research and development unit in-house, however where a need arise the programme is outsourced or conducted in house depending on a nature of the research and or development to be undertaken.

5.1.9. CAPACITY OF THE MUNICIPALITY

5.1.9.1 LED UNIT

The LED unit falls under the Community Services section of the municipality and is implemented and facilitated by the LED Officer who reports directly to the Manager of Community Services.

5.1.9.2 CAPACITY CONSTRAINTS AND CHALLENGES

The challenges that have been experienced in this unit is that the LED Officer position was vacant for almost 2 years and when the LED Officer was finally appointed in May 2015, there was no baseline and the unit basically started operating from scratch.

Due to the size of the Municipality the internship programme will be used to ensure the smooth running of the unit.

5.1.9.3 CAPACITY NEEDS

There is a need for human resources training and development within the municipality. Training plan has been developed and is being rolled out to both public and municipal staff.

5.1.9.4 INSTITUTIONAL ARRANGEMENTS

There are not institutional arrangements in place at the moment within the municipality.

9.1.4.5 BUDGET: LED PLAN

A budget has been set aside for the implementation of LED activities for 2016/17. A plan is already in place, in line with the set budget. The plan includes, among other things, the development of the LED Strategy, the development of the Tourism Strategy, training and capacity building for cooperatives, informal traders and SMMEs, LED project support and the coordination of an LED summit.

Following Mkhambathini Municipality IDP consultative meetings with communities in all wards, the following initiatives or projects which could also be undertaken were identified:

- Cooperative initiatives (piggeries, poultry farming (livestock)
- Community gardening vegetable and crop production)
- Beadwork
- Sewing
- Bakery
- Shoe making
- Tissue making
- Catering
- Block making

5.1.9.6 MONITORING AND EVALUATION PLAN

The municipality is in a process to finalise its LED Strategy and this will be used as a Monitoring and Evaluation tool of implementing the projects and programmes that will be suggested.

5.1.10 PRIVATE SECTOR FUNDING TO IMPLEMENT LED PROJECTS OR CATALYTIC PROJECTS

The municipality currently does not receive any private sector funding or resources. However a plan has been established which will ensure the implementation of catalytic projects

5.2 SOCIAL DEVELOPMENT

5.2.1 PRIORITIES PER WARD

WARD	PROJECT NAME
Ward 1	Access Roads to be rehabilitated. Electricity Mast Lights
Ward 2	Housing Electricity In-fills Creches
Ward 3	Electricity In-Fills

	▪ Access Roads to be Rehabilitated
Ward 4	▪ Electricity ▪ Sanitation ▪ Housing ▪ Mast Lights
Ward 5	▪ Access Road to be Rehabilitated ▪ Community Halls ▪ Mast Lights
Ward 6	▪ Electricity (In-Fills) ▪ Sanitation ▪ Housing
Ward 7	▪ Creches ▪ Electricity In-Fills ▪ Housing

5.2.2 HEALTH AND EDUCATION SECTORS SITUATIONAL ANALYSIS

5.2.2.1 EDUCATION SECTOR ANALYSIS

Education level have a major bearing on the quality of life. The ability of an individual to perform certain basic functions due to illiteracy is also part of elements that define human poverty. Low educational levels are likely to push individuals to unemployment and to low paying jobs. Low educational levels also limit the ability of an individual to learn new skills and be trained.

Generally, majority of the population in the municipal area have no high educational level.

This is a major challenge, which is likely to lead to low households income levels that further limit the ability of families to invest into the education of youthful members. Such low futures also limit the ability to absorbing new skills and effectively compete for high paying jobs.

The effects or consequences of the problem are:

1. Low Information and Technology Skills base
2. Migration of youth to urban areas;
3. High unemployment rate
4. High dependency rate
5. Employment of low paying jobs

6. Increase in indigent dependency

The geographic location of the municipality makes it impossible to create an environment conducive for its community to receive services. The Municipality is engaging with service provides to create computer hubs within each ward. This will assist learners to participate in information and technology world. This project will be rolled out in terms of private partnership programme.

5.2.2.2 HEALTH SECTOR ANALYSIS

The population of the Municipality is faced with a challenge of HIV/AIDS related diseases, even though this is not a municipality problem only the whole country is faced with the same challenge. Lot has been done to promote awareness of the problem through the office of the Mayor. A number of awareness programmes have been rolled out to the community and around Mkhambathini schools.

The municipality has developed an HIV/AIDS strategy, which will be rolled out from July 2016 – July 2021. This strategy looks at broad programmes of dealing with pandemic in the greater municipal area in the next five years. The fight against HIV/AIDS is handled in a coordinated manner by government departments and NGO's. Community involvement in AIDS awareness campaigns is crucial where strategies like abstinence, education and other relevant methods are embraced with active participation from councillors, traditional leaders, church leaders, school stakeholders, and sports stakeholders.

5.2.3 SAFETY AND SECURITY

The Municipality has a number of police station within its jurisdiction The current state is that the communities in other areas indicates that the station are not properly servicing them, as there is a level of resources for the police to perform their jobs.

During the public participation process the following issue were to be taken into account to improve this service:

- Tightening up of relationship with SAPS and CPF's
- Crime awareness campaigns
- Publication of crime statistics in the municipal website as part of intergovernmental relations.

5.2.4 MUNICIPAL SAFETY PLAN

The municipality is in a process of developing a municipal safety plan in consultation with Disaster Management Unit of UMDM and Community Safety and Liaison Department. In the meantime the municipality is working closely with the South African Police Services (SAPS) to address the issue of the safety and security within the municipal area. .

5.2.5 COMMUITY DEVELOPMENT (Vulnerable Groups)

The municipality has continuously focused in addressing the needs of special groups such as youth, orphans, disabled, children and people living with HIV/AIDS.

5.2.6 SOCIAL DEVELOPMENT SWOT ANALYSIS

STRENGHT	THREATS
Healthy inter-departmental co-operation; Good Communication, internally and externally of the department; Good team spirit and dedication to serving the community;	High rate of poverty; High unemployment rate; High illiteracy rate; High dependency to the municipality by communities; Safety of the community
OPPORTUNITIES	**WEAKNESSESS**
Ability to source funding from government; Vastness of Mkhambathini Area Construction of Weigh bridge and vehicle testing centre;	Insufficient budget to execute mandate of the department; Not all policies and by laws are in place Low revenue base; Occupational Health and Safety (across the board)

6 FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS

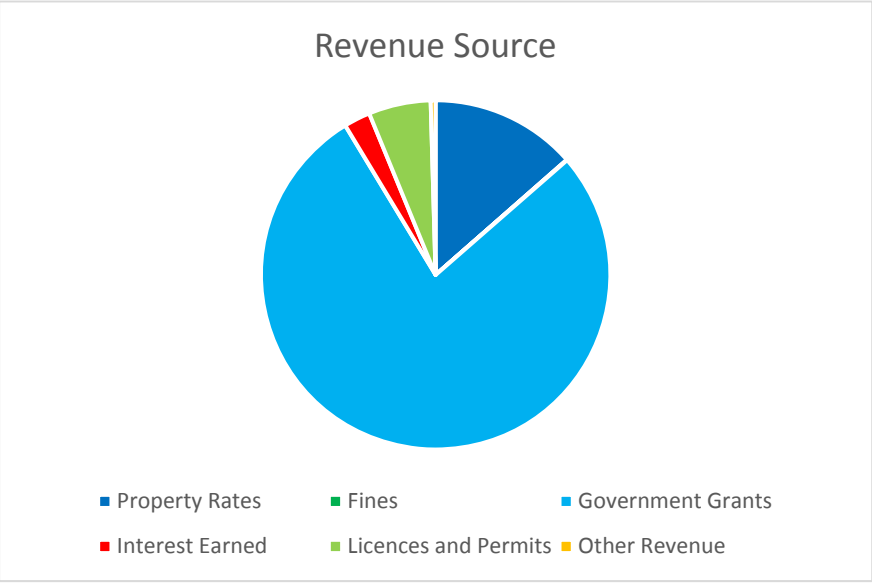
6.1. CAPABILITY OF THE MUNICIPALITY TO EXECUTE CAPITAL PROJECTS

The Municipality has enough capacity to execute all its capital projects, and is currently looking for other revenue streams that might fund additional capital project.

6.1.2 REVENUE BASE

The revenue base of Mkhambathini Municipality has increased from R68 177 000 in 2014 to R84 697 000 in 2015. This represents a 24% growth, or a Rand figure of R 16 520 000.00. If we further examine the various sources of Revenue during the applicable period, the following scenario emerges:

Revenue Source	2016/2017
Property rates	R11 454 000.00
Fines	R41 000.00
Licenses and permits	R4 873 000.00
Government grants & subsidies	R 65 873 000.00
Other income	R 384 000.00
Interest received	R 2 072 000.00
Total Revenue	**R 84 697 000**



6.1.1.2 EXPENDITURE

The total expenditure during the 2014/15 period is given as per the AFS as R44 406 000.00. This is a large increase from the expenditure of the previous 2013 period which was R 48 211 477.00. Given that inflation for the period is listed as 4.50% in April 2015, the year on year expenditure increase of R 10 929 357.00 or 37% is considerable. The breakdown in expenditure by category is summarized in the table below. From the table, it can be concluded that the biggest expenditure of the Mkhambathini Municipality during the period in question (38%) is employee related (excluding council remuneration which pushes this figure to 47%), equalling alone the percentage paid in grants and subsidies (21%) and general expenses (17%) combined. Given that the National Treasury prescribes a 33% threshold for employee related expenses, this is a figure which is potentially in need of review.

Expenditure	2015	% Contribution
Employee Related Cost	**R -25 752 000.00**	**30.97%**
Remuneration of Councillors	**R -5 800 000.00**	**9%**
Debt Impairment	**R -80 000.00**	**1.57%**
Depreciation & Asset Impairment	**R -4 700 000.00**	**9%**
Contracted Services	**R -200 000.00**	**0.588%**
Other Expenditure	**R -46 760 000.00**	**32%**
Total Expenditure	**R-83 267 000.00**	**100%**

6.1.2 IMPLICATIONS: FISCAL CAPACITY TO IMPLEMENT CAPITAL PROJECTS

Despite heavy reliance on government grants, limited generation of own revenue and huge expenditure on salaries, the municipality managed to have a surplus of R 17 921 000.00. This is an indication that the municipality has the ability to accommodate additional expenditure for some of the capital projects that the IDP has prioritized.

6.2 INDIGENT SUPPORT AS OF 31 JANUARY 2016

The municipalities have developed an indigent policy in terms of their own Credit Control, Debt Collection Policies. The policy will be adopted as part of the budget related policies in June 2016. This policy is intended to provide free basic services to poor households. By legislative classification, the households with a monthly household income of R 1,100 (or less) but limited to R3,000 for old aged pensioners are considered to be qualifying for free basic services and should be registered as indigents. The onus lies with the applicants to come forward and register for indigent support in line with the Council approved indigent policy, however the municipality in consultation with ward committees will encourage the community to register with the municipality as indigent.

6.2.1 ANNUAL REVIEW OF THE INDIGENT REGISTER

The indigent register will be reviewed on an annual basis starting from the year 2017/2018 due to the fact that the indigent policy was only adopted in April 2016. A formalised indigent support will be rolled out from 1 July 2016.

6.2.2 BUDGET PROVISION FOR FREE BASI SERVICES

The Free Basic Services is funded through the equitable share which is received from National Government. There are currently 300 households who are registered as indigents in 2015 but that database is revised as it has become outdated and needed for ensuring that the Municipality cover all affected families.

6.2.3 COST OF FREE BASIC SERVICES IN THE LAST THREE YEARS

2013/2014	2014/2015	2015/2016	2016/2017
145442,73	R147039,26	R181441.97	R250 000.oo

6.2.4 INDIGENT LEVEL GROWTH

2013/2014	2014/2015	2015/2016	2016/2017
NIL	NIL	NIL	NIL

6.3 REVENUE ENHANCEMENT AND PROTECTION STRATEGIES

6.3.1 REVENUE ENHANCEMENT MECHANISMS

Mkhambathini Municipality has resolved to implement the Municipal Property Rates Act, 6 of 2004 (Act No. 6 of 2004) [the MPRA] on 1 July 2009. This is one of the mechanisms that the municipality hope that it will be useful in terms of enhancing revenue base. Section 3 of the MPRA requires the Municipality to adopt a policy consistent with the MPRA on the levying of rates on rateable property in the Municipality. This Rates Policy for Mkhambathini Municipality determines how properties are rated and must be read in conjunction with the MPRA and ancillary legislation. This policy takes effect from 1 July 2009. This is the effective date of the first valuation roll prepared by the municipality in terms of the MPRA and must accompany the municipality's budget for the financial year. The Rates Policy will be reviewed annually, and if necessary amended by the Municipality such amendments to be effected in conjunction with the Municipality's annual budget in terms of Sections 22 and 23 of the Municipal Financial Management Act.

6.4 MUNICIPAL CONSUMER DEBT POSITION

During the 2014 period, consumer debtors represent a figure of R 3 455 667.00, or 33% of current assets. This is a decrease from 21% during the 2013 financial year. The percentage

of consumer debtors which are categorized as long-term receivable amounts, however, has increased sharply.

The same data is presented in tabular format below:

Gross balance		
Rates	1 220 2247	6 087 747
Less: Allowance for impairment		
Rates	(4 890 255)	(2 632 080)
Net balance		
Rates	7311992	3455667

Rates		
Current (0-30 days)	1808369	336845
30 days	675674	348643
60 days	711906	307868
90 day	587341	287384
120 days	649506	88859
150 days	438338	375053
180 days	7331113	4 442609
Debtors Discounting	(2315238)	(1102294)
Provision for Bad Debt	(2575017)	(1629300)
		7311992	**3455667**

There is a huge increase in 180-day debt, to an amount greater than all other debtors period combined and this is a worrying trend in the 2014 period. As per notes to the Annual Financial Statements, other debtor have decreased from R465 550.00 to R396 108.00. This

is largely due to a sharp drop in the number of payments made in advance during the 2014 year.

6.5 GRANT AND SUBSIDIES

The grant with most allocation is the Equitable Share which has approximately R 51 341 000.00 for 2015/2016 financial year. It is followed by Municipal Infrastructure Grant with an allocation of R 13 125 000.00. The Finance Management Grant has allocation of R 1 800 000.00 while the Municipal Systems Improvement Grant is allocated R 930 0000.00 and Library Grant is allocated R 744 000.00.

6.6 MUNICIPAL INFRASTRUCTURE ASSETS AND MAINTENANCE (Q&M)

As per the provided AFS, the standing of assets for Mkhambathini Municipality during the 2014 year is broken down as per the following table. An investigation of the various constituents of the standing of assets will be presented thereafter. If we investigate these figures as proportionalities, the following picture emerges:

Assets	2015
Current Assets	**R25 348 106.00**
Other Debtors	
Operating Lease	**R 61 366.00**
Receivable from Exchange Transaction	**R 1 306 234.00**
Receivable from non-exchange transaction	**R 11 673.00**
VAT Receivable	**R 2 043 251.00**
Consumable Debtors	**R 7 311 992.00**
Cash and cash equivalents	**R14 613 590.00**
Non-Current Assets	
Property, plant and equipment	**R 94 487 845.00**
Intangible Assets	**R 48 088.00**
Total Non-Current Assets	**R 99 787 533.00**
Total Assets	**R 125 135 639.00**

Ratio of Current to Non-Current Assets for the 2015 year

In 2015, as highlighted above, 79.74% of all assets of Mkhambathini Municipality are non-current, with all non-current assets falling in the property, plant and equipment category. 20.26% of total assets are current, and almost 57.65% of current assets consist of cash or cash equivalents.

When compared to the 2014 year, we see the following comparison:

Figures in rand	2015	2014
Assets		
Current Assets		
Operating Lease Assets	**61366**	**44670**
Receivables from exchange transactions	1306234	467265
Receivables from non-exchange transactions	11 673	93138
VAT receivable	2043251	3455667
Consumer debtors	7 311 992	5 571 191
Cash and cash equivalents	14 613 590	
	25 348 106	**10 481 851**
Non-Current Assets		
Investment property	5251600	1 431 000
Property, plant and equipment	94487845	79604055
Intangible assets	48088	72132
	99787533	**81107187**
Total Assets	**125135639**	**91589038**

No significant disposals or acquisitions of land or buildings occurred during the period, although work is in progress to the tune of R22.2m. R4.6 million depreciation on assets was calculated during the period, as per the standard depreciation timings listed in the notes to the financial statement. Accumulated depreciation and impairment totalled R6.7 million during the period, representing just over 10%, with community assets contributing approximately one-third of that amount to the total.

Aligned to the priority being given to preserving and maintaining the Municipality'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 the Municipality. In terms of the Municipal Budget and Reporting

Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance

6.7 MUNICIPAL BORROWINGS

The Municipality is not intending to borrow or planning to borrow in the next 5 years

6.8 EMPLOYEE RELATED COSTS (INCLUDING COUNCILLOR ALLOWANCES)

The budgeted allocation for employee related costs for the 2016/17 financial year totals R27.915 million, which equals 34 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 6.11 per cent for the 2016/17 financial year. An annual increase of 6 % is applied to the 2016/17 year and 5.8 per cent has

been included in the two outer years of the MTREF to be conservative and implement cost cutting measures. Circular 79 revised this targets to 6.6% 2016/2017 and 6.2% and 5.9% respectively for the outer years. The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

6.8.1 VACANT POSITIONS

The Municipality is striving to fill all vacant position within the Municipality. However the Job Evaluation Process is at its final stage and all vacant positions will be filled in the 2017/2018 financial year. Measures are put in place to ensure that critical processes are not compromised in terms of operation and segregation of duties.

6.8.2 CONTRACTED SERVICES

CONTRACTED SERVICES	COST 2015/2016
Ambius Plants	R 1 238.37
Aarot Solutions	R675 760.00
Payday	R31 43256

Umnwembi	R1 899.43
Bidvest Steiner	R81 168.43
Camelsa Consulting	R252 000.00
Ian Gordon	R168 421.05
ION Access	R19 821.00
G4S Solutions SA	R34 595.88

Each service provider contracted by the municipality is obliged to transfer skills where necessary. A plan is going to be put in place to ensure that all training provided is signed off by respective employee.

6.9 GENERAL'S OPINION IN THE RECENT YEARS.

Year	Opinion
2010/2011	Unqualified
2011/2012	Unqualified
2012/2013	Unqualified
2013/2014	Unqualified
2014/2015	Unqualified

Over the years, the municipality has received a positive outcome from the audits that are undertaken by the Office of the Auditor-General per annum. This is evidenced from the unqualified audit opinions that were received for four consecutive years.

6.10 FINANCIAL VIABILITY AND MANAGEMENT: SWOT ANALYSIS

STRENGTH	WEAKNESS
Revenue base is increasing. Opinion from the Ag about the state of the finance at the municipality is good. The municipality operates with a positive balance.	The municipality is largely dependent on grants and subsidies. High expenditure on salaries. No support system for indigents. The culture of non-payments affects municipal revenue. Unspent grants. Process to identify and manage unwarranted, unauthorised, irregular or wasteful expenditure are not robust. Revenue collection activities are also not being carried out adequately.
OPPORTUNITIES	**THREATS**
Revenue enhancement is being initiated through extending the rates collection coverage.	If the grants and subsidies received by the municipality are reduced by National Government, then the municipality will hardly cope.

7. GOOD GOVERNANCE

7.1 NATIONAL AND PROVINCIAL PROGRAMMES ROLLED-OUT AT MUNICIPAL LEVEL

Mkhambathini Municipality has successfully rolled out operation “Sukuma Sakhe” within its area of jurisdiction. The municipality started in Ward 7 which was very successful and the programme was then rolled out in all wards. Each ward has a war room. Operation “Sukuma Sakhe” is an attempt to declare war against poverty and social challenges facing the community. Operation Sukuma Sakhe Programme (formerly known as the Flagship Programme) seeks to institute food security, fight disease, in particular HIV, AIDS and TB, and poverty, to empower women and youth, and tostill behavioural change amongst the citizens of the province. The formulation of this 3rd Generation IDP has adopted the principles of Operation Sukuma Sakhe Program thereby establishing partnerships with the local community and getting involved into War Rooms. Operation Sukuma Sakhe has a ‘whole of Government approach’ as its philosophical basis.

It spells out every initiative and how it links to initiatives being implemented by the different sector departments and the spheres of government, and how delivery of services is required through partnership with community, stakeholders and government. Operation Sukuma Sakhe is a continuous interaction between Government and the community to come together to achieve the 12 National Outcomes. The program encourages the social mobilization where communities have a role, as well as delivery of government services in a more intergrated way. The Government has structures programs which need to drill down to the level of the people they are serving. This is a ward level, translating to all 7 wards and all households within the Mkhambathini area of jurisdiction. The KwaZulu-Natal provincial government humbly accept that it cannot achieve this alone, and needs community’s hands in building this nation together.

7.1.1 EXPANDED PUBLIC WORKS PROGRAMME

The Expanded Public Works Programme (EPWP) is one element within a broader government strategy to reduce poverty through the alleviation and reduction of unemployment. The Expanded Public Works Programme involves creating work

opportunities for unemployed persons, and so allowing them to participate economically and contribute to the development of their communities and the country as a whole.

EPWP aims to significantly expand the creation of temporary work opportunities that provide income to the poor and unemployed; and increase the duration of work opportunities for maximum impact.

Mkhambathini municipality had received the R1 13200.00 grant from the National Department of Public Works for the facilitation, coordination and implementation of this programme. The programme has two projects namely: Town Beautification focusing at (Maqongqo and Camperdown). This project has a grant funding of R 422 000. It commenced in August 2014 with 31 beneficiaries (working 10 days a month). This project produced a clean and tidy CBD and landscaped park areas. Clean drains and pipe culverts.

Izandla Zethu which is in Ward 2, 3, 5, 6 and 7, it focuses on the Development and Maintenance of Roads and Buildings. (Grant funding R500 000). The project commenced in August 2014 with 50 beneficiaries (working 10 days a month). This project attended to road maintenance and the rehabilitation of Municipal Buildings.

Under the EPWP programme the municipality employed a total number of 81 beneficiaries 64 youth, 17 adult.

There is another project called My job My future which is an internship project. It commenced in December 2014 and the targeted project participants were the unemployed graduates. Its ultimate goal is giving them work exposure and experience. 10 participants were part of the project and they were all contracted until May 2015. The budget was R210 000.00 from the Integrated grant 2014/15.

ACHIEVEMENTS: Phase 3 targets for 2014/15 financial year for WOs (104) were exceeded (219) and 77 FTEs were achieved by the Mkhambathini Local Municipality against the target of 34 FTEs. A total of 17806 work days was achieved during the 4 quarters. Project durations varied between 6 and 12 months.

7.2 INTERGOVERNMENT RELATIONS (IGR)

Sector departments participate in the IDP processes as a strategic planning document that is intended to guide their capital budget. Information on planned projects by sector departments should inform the multi-year plans, and municipalities must not receive unexpected grants since this cripples planning in advance and can lead to ad-hoc project implementation. It should be compulsory for all sector departments to align their budgets with municipal budgets and allocate resources using the prioritisation list available from municipalities after thorough consultations with communities. The structures such as the IDP Steering Committees and Representative Forum are in place. This platform is intended to create an environment that is conducive for intergovernmental relations. Mkhambathini Municipality is part of the uMgungundlovu District.

- Mayors Forum;
- Municipal Managers Forum; and
- Planning and Economic Cluster.

7.3 MUNICPAL WARD COMMITTEE

The Municipality is a developmental local government structure that is committed to working with citizens and organised interest groups to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives. This assertion complements the right of communities to participate in the decisions that affect development in their respective areas, and a corresponding duty on the municipality to encourage community participation in matters of local governance. The Municipality achieves this goal mainly through Ward Committee structures and a variety of other measures designed to foster open, transparent and consultative municipal governance.

The ward committee structures are functioning very well and those that are legging behind are reported to the office of the Speaker who is responsible for monitoring of the functionality and effectiveness of the ward committees.

7.4 TRADITIONAL LEADERSHIP PARTICIPATING IN MUNICIPAL COUNCIL

Section 81 (1) of the Municipal Structures Act, 117 of 1998 provides for the participation of traditional leaders in municipal councils. Traditional Leader's are an important component of

Municipal stakeholders and their representative are always inviting in the council sittings to participate in the municipal strategies and policy decisions.

7.5 MUNICIPAL STRUCTURES

Mkhambathini has all the statutory structures in place for the processes involed in the development of the IDP. These can be outlined as follows:

- **Ward Committees** – represents the interest for the community on the ground. The ward committees participate on the IDP representative forum and they also have their own scheduled ward meetings.
- **IDP Steering Committee** – this structure comprises of the sector departments, municipal management, parastatals and other service delivery agencies.
- **IDP Rep Forum** – this is a much wider IDP participatory platform which includes the members of the IDP steering committee, municipal councillors, ward committees and general members of the community.
- **Portfolio Committees** – Mkhambathini has seven portfolio committees which are the internal structures that discusses issues and make recommendations to Executive Council Committee.
- **EXCO** – this structure comprises of four members of council (including the Mayor). It is responsible for making recommendations on items before they reach Council.
- **Council** – the full council of Mkhambathini has a complement of 14 members who take final decisions for the municipality.

7.6 COMMUNICATION PLAN

The Municipality has a communication Strategy and a Communication Plan in place.

7.7 AUDIT COMMITTEE

Mkhambathini Municipality has an established Audit Committee. This consists of a Chairperson and two Audit Committee members. All the Audit Committee members are skilled on issues pertinent to the running of local government. These members are duly qualified in areas of local government finance and municipal administration. The Audit Committee is functional and it meets at least 4 times a year.

7.8 PERFORMANCE AUDIT COMMITTEE

The municipality does not have a separate performance audit committee, however the Audit Committee plays both roles. It should be noted that the municipality is using the Audit Committee to deal with issues of Performance management. Separate meetings are held which deals with Performance Management issues only. The Municipality is planning to establish a stand-alone Performance Management Committee in the 2017/2018 financial year once the contract of the existing members has expired.

7.9 STATUS OF MUNICIPAL POLICIES

Mkhambathini Municipality has developed a number of policies to date. These can be listed as follows:

POLICY	STATUS	COMMENTS ON PROGRESS
HR Policy	Adopted	Exist pending renewal- SALGA-view & relevant
Workplace Skills Plan	Adopted	Exist Workplace Skills Plan, 2015/16 WSP has been submitted to LGSETA
Recruitment and Selection	Adopted	Policy approved and being implemented
Employment Equity Policy	Adopted	The Employment Equity Policy approved and is being implemented
Leave policy	Adopted	Approved and being implemented
Employment Benefits and Conditions Policy	Adopted	Using Basic Conditions of Employment Act
Substance Abuse Policy	Adopted	Reviewed, approved and aligned to the collective agreements as per resolution by SAWU, IMATU & SALGA
Industrial Relations Policy	Adopted	Reviewed, approved and aligned to the collective agreements as per resolution
Communication Strategy	Adopted	Approved and being implemented
Confidentiality Policy	Adopted	Reviewed, approved and aligned to the collective agreements as per resolution by SAWU, IMATU & SALGA

Conflict of Interest Policy	Adopted	Reviewed, approved and aligned to the collective agreements as per resolution by SAWU, IMATU & SALGA
Use of Municipality Assets & Resources Policy	Adopted	Reviewed, approved and aligned to the collective agreements as per resolution by SAWU, IMATU & SALGA
Entertainment Policy	Adopted	Reviewed, approved and aligned to the collective agreements as per resolution by SAWU, IMATU & SALGA
Gifts to Municipality Employees Policy	Adopted	Reviewed, approved and aligned to the collective agreements as per resolution by SAWU, IMATU & SALGA
Housing guarantees Policy	Adopted	Reviewed, approved and aligned to the collective agreements as per resolution by SAWU, IMATU & SALGA
Medical Aid Policy	Adopted	Reviewed, approved and aligned to the collective agreements as per resolution by SAWU, IMATU & SALGA

POLICY	STATUS	COMMENTS ON PROGRESS
Membership to professional societies Policy	Adopted	Reviewed, approved and aligned to the collective agreements as per resolution by SAWU, IMATU & SALGA
Performance Management Policy	Adopted	Reviewed, approved and aligned to the collective agreements as per resolution by SAWU, IMATU & SALGA
Training and Development	Adopted	Reviewed, approved and aligned to the collective agreements as per resolution by SAWU, IMATU & SALGA
HIV/AIDS Policy	Adopted	Approved and being implemented
Sexual Harassment Policy	Adopted	Reviewed, approved and aligned to the collective agreements as per resolution by SAWU, IMATU & SALGA
Smoking Policy	Adopted	Reviewed, approved and aligned to the collective agreements as per resolution by SAWU, IMATU & SALGA
Provident Fund Policy	Adopted	Approved and implemented
Travel & Subsistence Expenditure Policy	Adopted	Approved and implemented
Unemployment Insurance Fund (UIF) Policy	Adopted	Reviewed, approved and aligned to the collective agreements as per resolution by SAWU, IMATU & SALGA
Use of Internet & e-Mail Policy	Adopted	Approved and being implemented
Working Hours Policy	Adopted	To be reviewed during the 2011/2012 financial year
Appointment in an acting capacity Policy	Adopted	To be reviewed during the 2011/2012 financial year

Policy for Individual/Group Problem Solving	Adopted	Reviewed, approved and aligned to the collective agreements as per resolution by SAWU, IMATU & SALGA
Vehicle Policy	Adopted	The policy is being implemented
Safety Records Management Policy	Adopted	The policy is being implemented
Debt Management	Adopted	The policy is being implemented
Payroll Policy	Adopted	The policy is being implemented
Performance Management Policy Framework	Adopted	To be reviewed during the 2017/2018 financial year
SCM Policy	Adopted	Reviewed during the 2016/2017 financial year and aligned as per National Treasury Guidelines, is being implemented

POLICY	STATUS	COMMENTS ON PROGRESS
Revenue Policy	Adopted	Approved and implemented accordingly
Investment & Cash Management Policy	Adopted	Approved and implemented accordingly
Budget Policy	Adopted	Approved and implemented accordingly
Creditors Control & Debt Policy	Adopted	Approved and implemented accordingly
Risk Management Policy	Adopted	Reviewed, approved and implemented accordingly
Tariffs Policy	Adopted	To be reviewed annually

7.10 MUNICIPAL BID COMMITTEES

The municipality's Bid Committees are in place and are functional. All tender/bids are facilities through the bid committees.

The Bid Committees are made of the following members. It should be noted that these committee are being revised and will be reconstituted in the 2016/2017 financial year:

Bid Specification Committee Members

Senzo Chonco (Chairperson)
Nhlanhla Mbatha
Siyabonga Shandu
Mbongwa Dlamini
Pretty Ngcobo
Nomfundo Madlala

Bid Evaluation Committee

Gugu Bhengu (Chairperson)
Mbongwa Dlamini
Nhlanhla Mbatha
Elain Donaldson
Zodwa Ngongoma

Bid Adjudication Committee

Mahendra Chandulal (Chairperson)
Senzo Chonco
Phumzile Mthiyane
Nkanyiso Zondo
Nompumelelo Nzimande

7.11 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The Municipal Public Accounts committee is functional and oversees the implementation of budget and municipal projects. The committee from time to time attends the Audit and Performance Audit Committee with a common interest on issues discussed the Audit and Performance Audit Committee. This assist the Chairperson of the Municipal Public Accounts Committee in understanding all elements of municipal processes.

7.12 MUNICIPAL PORTFOLIO COMMITTEES

The Municipality has a properly constituted and functional portfolio committees. Reports are presented to each portfolio as per its competency. The Committee are proportionally represented and the Mayor who is a female Chairperson the Executive Committee Meeting. There has not been any committee that it chair by a women hopefully in the near future this will be addressed.

7.13 MUNICIPAL RISK MANAGEMENT AND RISK MANAGEMENT COMMITTEE

Mkhambathini Municipality has developed and adopted a Risk Management Strategy/Framework and Policy. The policy is intended to address key elements of the risk management framework to be implemented and maintained by the Municipality, which will allow for the management of risks within defined risks/return parameters, risk appetite and tolerances as well as risk management standards. As such, it provides a framework for the effective identification, evaluation, management, measurement and reporting of the Municipality's risks. The policy assigns the Internal Audit Activity , Audit Committee, CFO and Municipal Manager with the identification and management of risks.

It starts with the Municipal Manager who will coordinate an annual review of the effectiveness of this policy as well as all organisational risks, uninsured and uninsurable risks together with the key managers in the Municipality. This annual review will take place immediately prior to the development of the annual business and integrated development plans so that it can have due regards to the current as well as the emerging risk profile of the business. Internal Audit will monitor key controls identified in the risk management system as part of the annual audit plan developed in conjunction with the Accounting Officer and approved by the Audit Committee. The Municipality will review the risk profile in developing

their recommendations to the Council regarding the Municipality's risk financing (insurance) policy and strategy.

The Management Committee have been appointed by Council to play a role of the Risk Management Committee and Internal Audit is a standing invitee in the Risk Management Committee Meetings.

7.14 MUNICIPAL BYLAWS

Mkhambathini has a total of seventeen (15) bylaws which have been approved and gazetted. These are as follows:

1.	Outdoor Advertising	**9.**	Public Amenities
2.	Animal Pound	**10.**	Public Meeting & gatherings
3.	Cemetery & Crematoria	**11.**	Public Roads
4.	Fire Prevention	**12.**	Standing Rules & Order of the Council and its Committees
5.	Property Encroachment	**13.**	Storm Water Management
6.	Nuisance	**14.**	Street Trading
7.	Parking Ground	**15.**	Public Transport.
8	Park & Open Public Spaces		
	Pollution Control		

7.16 GOOD GOVERNANCE & PUBLIC PARTICIPATION ANALYSIS

Section 16 (1) of the Municipality Systems Act requires municipalities to develop a culture of municipal governance that compliments formal representative government with a system of participatory local government. As such, Mkhambathini Municipality has adopted a ward committee system and established such structures in all 7 municipal wards. The ward committees represent diverse interests and serve as the means for public participation in the IDP and municipal affairs generally.

GOOD GOVERNANCE AND PUBLIC PARTICIPATION: SWOT ANALYSIS

STRENGTHS	WEAKNESSES
• Mkhambathini is participating in the IGR structure at a district level. • Public participation and municipal structures are in place which embraces good governance. • Audit Committee is in place and the Internal Audit Unit is functional. • Functional Risk Management Process; • Risk Management Policy and Risk Management Strategy in Place; • Risk Register Updated Quarterly; • Emerging Risk Identified Quarterly; • Most policies and by-laws have been developed, approved and adopted. • Fraud and Corruption Hotline •	• Some of the ward committees still battle to understand the IDP process and planning cycles; • Lack of Capacity; • Lack of conducive office space; • Risk Management Processes not understood by all employees. •
OPPORTUNITIES	**THREATS**
• Training of ward committees on municipal IDP and budgeting • Cascading Down OPMS; • Support from CoGTA	• If the system of good governance are not implemented, especially public participation and transparency, this could lead to limited mistrust and community uproar. • Geographic Location and Vastness of the Municipality.

	• Inability to retain and attract skilled personnel.

8 COMBINED SWOT ANALYSIS

STRENGTHS	WEAKNESSESS
▪ Mkhambathini is strategically located in terms of its position between provincial nodes (Pietermaritzburg and Durban) as well as the national corridor (N3). ▪ The town of Camperdown is growing into a strong service centre for the municipality and it is appropriately positioned at the central part of Municipality and N3. ▪ Good climatic condition. ▪ Mkhambathini is participating in the IGR structure at a district level. ▪ Public participation and municipal structures are in place, which embraces good governance. Audit Committee is in place and the Internal Audit Unit is functional. ▪ Most policies and by-laws have been developed, approved and adopted. ▪ Risk Management policy is in place. District Disaster Management Plan is in place and has a sound coverage for Mkhambathini. Most of the resources in terms of human capital are allocated at a district level to handle disaster situations that may take place in Mkhambathini. ▪ Mkhambathini is not prone to dreadful natural disasters such as tornadoes, earth quakes or hurricanes. ▪ Electricity supply has been reasonable	▪ Some of the ward committees still battle to understand the IDP process and planning cycles. ▪ It is a very small predominantly rural municipality with limited private development taking place within it. ▪ The legacy of past apartheid policies is still visible in the sense of communities that were marginalised from economic opportunities, are still largely suffering. Badly structures routes at a regional level limits regional integration within the municipality. ▪ Most of the land is privately owned, which may limit the pace at which the state can deliver the public facilities since the land acquisition process may sometimes be time consuming. Steep terrain limits development within some parts of the municipality, especially CBD expansion towards the north as well as agricultural development in Wards 1, 2 and 3. ▪ Limited human capital allocation at a local municipal level. ▪ The volunteer programme is neither legislated nor guaranteed success. ▪ Lack of a local disaster management plan. ▪ The spatial configuration and

extended to the rural areas i.e. tribal council areas. - The location of the municipality in close proximity to Oribi Airport in Pietermaritzburg, King Shaka International Airport and Dube Trade Port is an advantage for investment and trading opportunities within the area.	isolation for some of the areas may threaten the turnaround time to arrive during emergencies. - Lack of bulk water infrastructure to support development within some parts of the municipality. - Most of the roads (69%) within the municipality are gravel, which limits the development prospects in some areas. There is no stormwater masterplan resulting in adhoc project implementation. - There is general lack of public transport facilities in the Mkhambathini Municipality
OPPORTUNITIES	**THREATS**
- The portfolio committee system is in place and the council decision processes complies with MSA. - Communication strategies and culture of public participation is being practised through Izimbizo, IDP Rep Forums and suggestion boxes. - Human Resource Policies have been developed. - Revenue base is increasing. - Opinion from the AG about the state of the finances at the municipality is good. - The municipality operates with a positive balance. - Mkhambathini is participating in the IGR structure at a district level. - Public participation and municipal structures are in place, which embraces good governance. - Audit Committee is in place and the Internal	- Decline in the agricultural sector has caused jobs losses. - Impact of land reform processes has affected the agricultural sector. - Lack of social facilities in most areas of the municipality. - Disabled people are often left in the care of people who have not received training in this regard. - Lack of sufficient capacity (vacancies) is causing the municipality to battle with executing some of the functions. Vacancies at Section 57 level may hamper the efficiency of the municipal units affected. - The municipality is largely dependent on grants and subsidies. - High expenditure on salaries. - No support system for indigents. - The culture of non-payment of municipal

Audit Unit is functional. - Most policies and by-laws have been developed, approved and adopted. - Risk management policy is in place.	accounts by consumers affects municipal revenue. - Unspent grants. - Processes to identify and manage unwarranted, unauthorised, irregular or wasteful expenditure are not robust. - Revenue collection activities are also not being carried out adequately. - Some of the ward committees still battle to understand the IDP process and planning cycles.
- It is located within the busiest corridor within the province, which open a lot of trading and storage opportunities. - Potential exists to develop and intensify the role of Eston and Ophokweni as secondary nodes. - Mkhambathini is endowed with relatively good agricultural land and opportunities exist to develop this sector even further. - The land claims (restitution) have progressed very well and this provides opportunities for agrarian reform. Training of ward committees on Municipal IDP and budgeting. - The opportunity still exists to develop a local disaster management plan using the district plan as a framework. - The structures used during IDP processes can be utilized to identify and mobilize volunteers. - Plans to construct a new Waste Water Treatment Works with a 2Ml capacity within Camperdown will unlock development opportunities. - The national government massive investment in rail infrastructure may result	- Growing pressure to protect sensitive vegetation such as Ngongoni and Bushveld Valley. - Mounting burden to protect the rivers and wetlands with limited resources available at the municipality. - If the systems of good governance are not implemented, especially public participation and transparency, this could lead to limited mistrust and community uproar. - Inability to respond to emergencies within prescribed response time would undermine the role of the municipality in terms of meeting constitutional obligation. - Lack of sufficient budgeting would imply that the plan would not be implemented effectively. - Failure to implement the National Environmental Management Waste Act No. 59 of 2008 (extending waste management to tribal council areas) due to unaffordability of this service. - Failure to deliver community facilities (health and libraries) that are needed

on the revamp of the railway line between Durban-Pietermaritzburg-Witwatersrand. This will be of great benefit to Mkhambathini. - Municipality is reviewing its LED Plan, which will assist with governing economic development. - In terms of demographic, Mkhambathini has a high number of women and youth, this encourages the government to pilot programmes that target these groups. - Opportunity exists to fill the vacant posts in order to beef up municipal capacity. - Revenue enhancement is being initiated through extending the rates collection coverage. - Training of Ward Committees on Municipal IDP and budgeting.	due to disqualification by planning standards resulting in community uproar. - Impact of global economic climate i.e. recession. - Impact of climate change and how it may affect the agricultural sector. - If early childhood development does not receive sufficient investment, this may have negative repercussions about the future generation of the area. - Lack of budget to fill vacant posts may result in the situation whereby these posts remain frozen. This could hamper the municipality from delivering on some of its functions. - If the grans and subsidies received by municipality are reduced by National Government, then the municipality will struggle to cope. -

9. KEY CHALLENGES

One of the distinguishing features of integrated development planning is its focus on strategic areas of intervention and concern with interventions with a high impact using the limited resources available to the municipality. This focus is intended to achieve faster and appropriate delivery of services and create an enabling framework for social and economic development. It is however important to acknowledge that integrated development planning is not and cannot be a panacea for all problems facing the municipality and its people. Integrated development planning is predicated on the availability of sufficient information and is strategic in nature. A compilation of the municipal data and an analysis of the current development situation within Mkhambathini Municipality indicate a high level and wide spread of need. Certainly Mkhambathini Municipality cannot address these issues alone and do not have the capacity, both human and financial, to launch a comprehensive attack on these issues. To this end, it requires support of the district municipality, provincial and national government, as well as various other service providers working within the municipality area. The key development issues are briefly outlined below.

9.1 HIGH RATE OF POVERTY

Poverty manifests itself in different dimensions with income poverty and human poverty being the most common. Income poverty refers to the lack of sufficient income to satisfy basic food needs and essential non-food needs such as clothing, energy and shelter. It arises from a high rate of unemployment, poor access to productive resources, lack of marketable skills and general lack of job opportunities. Human poverty broadly refers to the lack basic human capabilities and it arises from high representation of the members who cannot read, write and numerate, food security, malnutrition, declining life expectancy, increase of sickness and deaths related to preventable diseases and poor access to basic services. Overcrowding also contributes to this situation.

9.2 INADEQUATE ATTENTION PAID TO THE NEEDS OF THE TARGETED GROUP

Huge backlogs in the delivery of public services have been identified as one of the key issues facing Mkhambathini Municipality. It manifests itself in the following forms:

- Poor condition of schools, which does not contribute to building a culture of learning and teaching. Poor access to institutions for early childhood education. This field has been identified by the national government as a priority area of intervention.
- Poor access to health services which affects delivery of primary health care. The latter is a strategy used by the national government to deliver health services.
- Lack of visible policing.
- Poor access to library services which also affects the development of a culture of learning and teaching.
- Poor access to welfare services, including pension pay points, magistrate services, etc. Poor access to cemeteries.

9.3 BACKLOG IN THE DELIVERY OF BASIC INFRASTRUCTURE

Although substantial progress has been made to deliver services such as electricity, water and telecommunication infrastructure the level/extent of need is such that provision of these services remains one of the key development challenges facing Mkhambathini Local Municipality. A large number of settlements are still without reliable sources of energy and depend on candles, paraffin and firewood for light and power. Access to firewood is becoming a serious problem while costs for candles and paraffin may not be affordable to some households. Water is delivered below RDP standards with certain areas showing a high rate of dependence on boreholes and natural sources. In some instances, plans have been developed for the delivery of bulk water, but it is important to note that some of the existing bulk water schemes within the district are operating at a loss and put strains on the financial situation of the municipality.

9.4 POOR ACCESS TO SHELTER

Mkhambathini Municipality is predominantly rural in character and the majority of people reside within traditional authority areas, which are characterised by a high level of poverty. People in these areas cannot afford to build and maintain proper houses, due to high levels of unemployment. Moreover, traditional authority areas were previously excluded from housing subsidy scheme. Housing needs for farm workers should also be addressed.

9.5 RISING UNEMPLOYMENT AND SLOW ECONOMIC GROWTH

The local economy is predominantly community service and agriculturally based, but the area has a high potential for tourism development. The N3, which carries trade and tourist

traffic, also runs through Mkhambathini and provides an opportunity for local economic development. Other important economic issues, which the IDP should address, include:

- High rate of unemployment and scarcity of employment opportunities.
- Slow economic growth.
- Exclusion of the poor and largely black people from ownership and access to the means of production.

9.6 POOR ENVIRONMENTAL QUALITY

Poor environmental management manifests itself in the form of overgrazing and environmental degradation, which characterizes the traditional authority areas, and occurs in a few privately owned farms. This issue arises from lack of information about environmental management, poor access to land resources and poor management of natural resources. Water and air quality is also declining as a result of pollution from industries in Pietermaritzburg.

9.7 INEFFICIENT SPATIAL STRUCTURE

The spatial structure of Mkhambathini Municipality is grossly inefficient with the majority of poor and low income people being resident in remote, distant and badly located areas in the northern and southern tips of the area. The middle part where the N3 runs and Camperdown is located, is dominated by commercial farms. This makes Camperdown, which is the main economic centre, inaccessible to the majority of the population it should serve.

9.8 NEED TO EXPLOIT STRATEGIC LOCATION

Mkhambathini Local Municipality forms part of Umgungundlovu District and serves an important link between Ethekwini Unicity and the District. It is sandwiched between Pietermaritzburg and Durban, which are both urban nodes of provincial and national significance. It adjoins Cato Ridge, which has potential to develop as an industrial node and is a possible relocation site for the Virginia Airport. The N3, which is identified in the Spatial Growth and Development Strategy as a Provincial Corridor, runs east west through the central part of the municipal area. It is a major link between the national industrial hubs, that is, Johannesburg and Durban.

A significant portion of Mkhambathini Municipality falls within the Valley of a Thousand Hills with Table Mountain being a major landmark. This area has been identified as a high potential area for eco-tourism. A large portion of Mkhambathini Municipality falls within the Midlands Mist belt, which is well known for its high agricultural potential and well-established agricultural economy.

SECTION D:

VISION, GOALS, OBJECTIVES AND STRATEGIES

10.1 MUNICIPAL VISION, GOALS AND OBJECTIVES

The development strategy of the MLM is designed to fit-in and give effect to the intention of both the national and provincial development strategies. This includes, within the national development plan, Vision 2030 and various government programs. MLM IDP also fits within the provincial development framework as set out in the PGDS. The MLM strategy covers the following:

- *Strategic fit (alignment with national and provincial development strategies).*
- *MLM long-term strategic direction and organizational culture.*
- *MLM short to medium term strategies and action plans.*

In addition, the IDP also considers the emerging national and provincial long term strategic plans as encapsulated in the Draft National Development Plan and the Draft Provincial Growth and Development Strategy. Given its strategic location in the northern part of KwaZulu-Natal, Mkhambathini Municipality will make a significant contribution towards the implementation and attainment of the strategic objectives of each of these strategic plans.

The strategic approach is meant to highlight the impact that the municipality seeks to create in the short to long term period. As indicated on Figure 29 above, in addition to outcome 9, the MLM will contribute to the attainment of outcomes 2, 4, 5, 6, 8, 9, 10 and 12 with the 5 KPAs as the strategic areas for intervention. As such, the development strategy for the MLM is designed to address issues that are specific to the MLM while also contributing to the attainment of the national priorities.

VISION''

'By the year 2020 Mkhambathini will be a sustainable and developed municipality characterized by an improved quality of life for its entire people in the areas of environment, basic services, social, economy and development'

MISSION STATEMENT

Mkhambathini Municipality commits itself to the following:

- *Upholding our leadership vision;*
- *Working with integrity in an accountable manner towards the upliftment of the community;*
- *Protecting and enhancing the interest of our clients at all times;*
- *Consistently performing our function with transparency honesty and dedication in dealing with clients;*
- *Responding promptly to the needs of our clients;*
- *Subscribing to the Batho Pele principles*

The mission statement acknowledges the objects of Local Government as outlined in various local government legislation and given effect through the IDP and the associated sector plans. It also seeks to align the municipal strategic activities, structure and resource allocation with

the powers and functions as prescribed in the Constitution of the Republic of South Africa.

10.2 DEVELOPMENT GOALS

The following are goals that the municipality aligned with it set Key Performance Area.

KPA	GOAL
KPA: 1 Municipal Transformation and Institutional Development	Capacitate Municipal Workforce through training.
KPA 2: Basic Service Delivery	Identify backlogs in order to improve access to services and ensure proper operations and maintenance.
KPA 3: Local Economic Development and Social Development	Create and Promote an environment that promotes the development of the local economy and facilitate job creation through sustainable projects.
KPA 4: Municipal Financial Viability and Management	Review the revenue enhancement strategy and implement financial management policies, procedures and systems
KPA 5: Good Governance and Public Participation	Promote and encourage the culture of participation, and ensure that principles of good governance are respected.
KPA 6: Cross Cutting	Development of schemes and unlocking of land.

The following long-term development goals have been identified based on the above key performance areas:

- To build an efficient and sustainable local government structure.
- To promote an equitable access to infrastructure and basic services.
- To create a condition conducive to economic development.
- To promote sustainable social and economic development.
- To create a spatial framework that facilitates an equitable distribution of development.
- To promote sustainable and integrated land use pattern.

10.3 GOALS

A goal is a desired result that a person or a system envisions, plans and commits to achieve: a personal or organizational desired end-point in some sort of assumed development.

10.4 DEFINITION OF OBJECTIVES

An objective can be defined as a specific point a person or an organisation aims to achieve within a set time frame. Objectives are easier to follow as one can be able to draw a plan for each objective, this will assist in ensuring that an objective is easily achievable.

10.5 DEFFERENCES BETWEEN GOALS AND OBJECTIVES

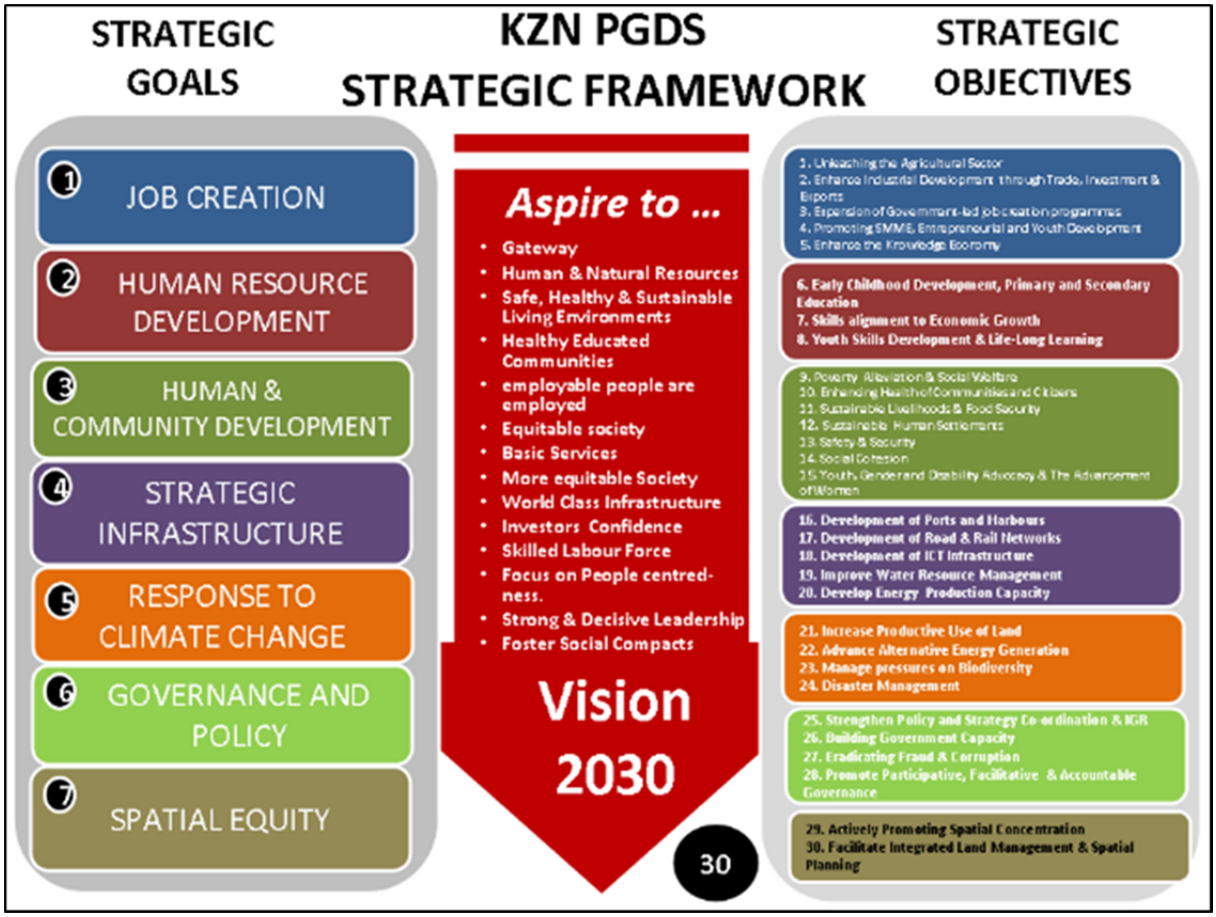
The words goal and objective are often confused with each other. They both describe things that a person or an organisation want to achieve or attain but in relative terms may mean different things. Both are desired outcomes of work done by a person but what sets them apart is the time frame, attributes they're set for and the effect they inflict.

10.6 STRATEGY

Strategy is a high level plan to achieve one or more goals under conditions of uncertainty. Strategy is important because the resources available to achieve these goals are usually limited. Strategy generally involves setting goals, determining actions to achieve the goals, and mobilizing resources to execute the actions. A strategy describes how the ends (goals) will be achieved by the means (resources). Strategy can be intended or can emerge as a pattern of activity as the organization adapts to its environment or competes. It involves activities such as strategic planning and strategic thinking.

5. ALIGNMENT OF THE KZN PGDS GOALS WITH THE MUNICIPAL GOALS, OBJECTIVS AND STRATEGIES

The Municipality in its engagement and planning for the reviewal of the IDP, KZN PGDS were considered together with the National goals and strategies. When engaging the public in the preparation of the IDP the project identified will assist in promoting the i) human and natural resources, ii) basic services iii) poverty alleviation iv) education v) and safety and security through the network of good infrastructure. The following table indicate the linkage of the Municipality goals, objectives with that of the KZN PGSS.



6. GOALS, OBJECTIVES AND STRATEGIES ASSOCIATED AND STRUCTURED INTO 6 KZN KPA'S

GOALS	STRATEGIC OBJECTIVE	STRATEGIES/PROJECTS
KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTINAL DEELOPMENT		
Capacitate Municipal Workforce and community through training.	Improve municipal efficiency and outputs by July 2017	↓ Develop training plan for both the community and staff ↓ Fill crucial vacant position ↓ Identify shortages in working tools ↓ Implement wellness programme
KPA 2: BASIC SERVICE DELIVERY		
Identify backlogs in order to improve access to services and ensure proper operations and maintenance.	Ensure that municipal assets promotes safe and security to its citizens.	↓ Review Maintenance Plan ↓ Prioritise Re-gravelling of Road infrastructure
KPA3: LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT		
Create and Promote an environment that promotes the development of the local economy and facilitate job creation through sustainable projects	Create a climate that will allow for economic development	↓ Facilitate the implementation of LED projects ↓ Develop LED Strategy; ↓ Identify Land for development
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT		
Review the revenue enhancement strategy and implement financial management policies, procedures and systems	Improve financial management of the municipality	↓ Review Revenue enhancement Strategy ↓ Hand over long overdue accounts.

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION		
Promote and encourage the culture of participation, and ensure that principles of good governance are respected.	Promote and encourage culture of participation	✚ Monitor and Implement the AG and IA audit action plans; ✚ Review Compliance Register.
KPA 6: CROSS CUTTING ISSUES		
Development of schemes and unlocking of land.	Develop a system that will ensure orderly development.	✚ Develop Land use management Scheme

SECTION E:

STRATEGIC MAPPING

SECTION D: STRATEGIC MAPPING

4.1.1 ENVIRONMENT SENSITIVE AREAS (Agricultural Potential Areas & Disaster Risk Profile)

The areas of high, moderate and low potential agricultural land have been embodied in the mapwork included in the Spatial Development Framework plan (SDF) which seeks to limit development in areas which need to be protected for food security. Provincial data differs from the National record base and it was decided to utilize Provincial data as it has to some extent been ground-truthed. Formally conserved areas and Environment Management Areas have likewise been identified on the SDF plan based on data sourced from Ezemvelo KZN Wildlife and the UMDM SEA

The SDF includes maps sowing critical biodiversity overlay, agricultural land use and agricultural potential

4.1.2 DESIRED SPATIAL OUTCOMES

The direction of growth is detailed in the map work attaching to the SDF which further includes tables of preferred and non-preferred land uses in these designated zones

4.1.3 DESIRED SPATIAL FORM AND LAND USE

This is clearly indicated on the SDF plan with designated broad land use zones. The urban Scheme further entrenches the spatial form and land use in a legally binding document with a plan which has a defined urban edge, and includes zoned areas for future growth over a 5-year period.

4.1.4 SPATIAL RECONSTRUCTION OF THE MUNICIPALITY

This is embodied in the SDF, Urban Scheme and Rural Land Use Management Policy which were adopted at the end of 2014, and is in place for a 5 period. Areas for development and, direction of growth, are reflected spatially in each document for decision making purposes.

4.15 STRATEGIC GUIDANDE IN RESPECT OF THE LOCATION AND NATURE OF DEVELOPMENT IWTHIN THE MUNICIPALITY

This is provided in plans attaching to the SDF and Urban Scheme which are both legally binding documents. The Rural Land Use Management Policy which covers the rural farming and traditional authority areas is a guideline document with no legal status.

4.1.6 INDICATION ON WHERE PUBLIC AND PRIVATE LAN DEVELOPMENT AND INFRASTRUCTURE INVESTMENT SHOULD TAKE PLACE

Clearly demarcated on the Urban Scheme map. The SDF gives direction in this regard but is not site specific.

A capital investment framework will need to be incorporated into the SDF and IDP once the District Municipality has completed the exercise during the 2016/17 financial year.

4.1..7 AREAS WHERE STRATEGIC INTERVENTION IS REQUIRED

- The Mkhambathini Sewage works (UMDM project) which delay is negatively impacting on growth in the urban nodes of Camperdown and Umlaas Road.
- Upgrading of roads in urban areas servicing industrial and commercial enterprises
- Slums clearance projects which are delayed by lack of funding for expropriation procedures, and the need for extension of bulk services (UMDM).
- Precinct planning around the emerging Umlaas Road node with particular reference to its role in the larger SIP2 corridor initiative.
- An urban regeneration plan
- Infrastructure investigation and audit

Mapwork highlighting unemployment distribution, areas of social need, income levels per ward, access to sanitation, water & electricity, health services, education facilities and community policing have been demarcated spatially in the SDF.

4.1.9 AREAS WHERE PRIORITY SPENDING IS REQUIRED

- Water-borne sewerage;
- Urban road upgrades;
- Land purchase for RDP housing; and
- Maintenance of municipal gravel roads

SECTION E:

IMPLEMENTATION

PLAN

MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT														
Key Challenge	Obj. Ref	Objective	Strategies/Projects	Performance Indicator	Baseline	5 Year Target					Target & Yr (if outsidde	Budget (R) 000	Source of Funding	Responsibility (in the Municipality)
						16/17	17/18	18/19	19/20	20/21				
	MTMTID001		Review of Council Support Plan	Adopted Council Support Plan	N/A	✔		✔		✔			MLM	Manager Corp Servivces
	MTID002		Conduct ICT awareness workshops	ICT awareness workshops schedule	N/A								MLM	Manager Corp Services
	MTID003		Develop the ICT steering committee terms of reference	Completed ICT steering committee terms of reference	N/A	✔							MLM	Manager Corp Services
	MTID004		Review of the user access	Completed user access security	N/A	✔	✔	✔	✔	✔			MLM	Manager Corp Services

			security										
	MTID005		Review of MSP	Final MSP Report	N/A		✔					MLM	Manager Corp Services
	MTID006		Review of ITC Plan	Final ITC Plan Report	N/A		✔					MLM	Manager Corp Services
	MTID007		Branding of municipal offices	Completed New Municipal Offices	N/A		✔					MLM	
	MTID008		Review of Customer Care Plans	Customer Care Plans / Report	N/A							MLM	Manager Corp Services
	MTID009		Maintenance and repairs of fleet	Maintenance and repairs of fleet Report	N/A	✔	✔	✔	✔	✔		MLM	Manager Corp Services
	MTID010		Review of Fleet Management Policy	Reviewed Fleet Policy	N/A							MLM	Manager Corp Services
	MTID011		Development of Registry Plan	Development of Registry Plan	N/A		✔						Manager Corp Services
	MTID012	To ensure	Filling of Vacant and budget posts in the approved organogram		N/A		✔						Manager Corp Services
	MTID013		Development of the WSP		N/A								Manager Corp Services
	MTID014		Review Human Resources Policies (s		N/A								Manager Corp Services

	MTID015		Review PMS Framework		N/A									Manager Corp Services

SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT														
Key Challenge	Obj. Ref	Objective	Strategies/Projects	Performance Indicator		5 Year Target								
					Baseline	16/17	17/18	18/19	19/20	20/21	Target & Yr (if outsite 5yr Period)	Budget (R) 000	Source of Funding	Responsibility (in the Municipality)
	BSD001	To Source Funding to enhance service delivery	Development of Business Plan	Number of Business Plan Developed		✔	✔	✔	✔	✔			MLM	Manager Technical Services
	BSD002	To provide sustainable infrastructure by 2017 and beyond	Maintenance of Willow Pool Road	No of KM's Maintained			✔						MLM	Manager Technical Services
	BSD003		Maintenance of Stingini Access Road (Ward 1)	No of Km's Maintained				✔					MIG	Manager Technical Services
	BSD004		Gcina Access Road (Tar) (Ward 1)	No of Km's Constructed					✔				MIG	Manager Technical Services
	BSD005		Ezinembeni Access Road (Ward 1)	No of Km's Constructed						✔			MIG	Manager Technical Services
	BSD006		Gumede Access Road (Ezibhananeni Ward1)	No of Km's Constructed					✔				MIG	Manager Technical Services
	BSD007		Mboyi Pedestrian Bridge (Ward 1)	No of Km's Constructed						✔			MIG	Manager Technical Services

	BSD008	To provide sustainable infrastructure by 2017 and beyond	Banqobile Road upgrade (Ward 2)	No of Km's Constructed							✔		MIG	Manager Technical Services
	BSD009		Potsho Access Road upgrade (Ward 3)	No of Km's Constructed							✔		MIG	Manager Technical Services
	BSD010		Pedestrian Bridge Egxeni (Ward 3)								✔		MIG	Manager Technical Services
	BSD011		Upgrading of queen Elizabeth Road (Camperdown Ward 4)	No of Km's Constructed							✔		MIG	Manager Technical Services
	BSD012		Stingini Sports Field								✔		MIG	Manager Technical Services
	BSD013		Ezibhananeni hall								✔		MIG	
	BSD014		Esibhananeni Creche								✔		MIG	Manager Technical Services
	BSD015		Ezibhananeni Sports Field (Ward 1)								✔		MIG	Manager Technical Services
	BSD016		Nonzila Hall (Ward 1)								✔		MIG	Manager Technical Services
	BSD017		Nonzila Sports Field (Ward 1)								✔		MIG	Manager Technical Services
	BSD018		Nonzila Creche (Ward 1)								✔		MIG	Manager Technical Services

	BSD019	To provide sustainable infrastructure by 2017 and beyond	Mboyi Hall (ward 1)	Completion of Municipal Hall							✔		MIG	Manager Technical Services
	BSD020		Mboyi Sports Field (Ward 1)	Completion of Municipal Sports Field							✔		MIG	Manager Technical Services
	BSD021		Ngangezwe Hall (Ward 2)	Completion of Municipal Hall							✔		MIG	Manager Technical Services
	BSD022		Manzamnyama Hall (Ward 2)	Completion of Municipal Hall							✔		MIG	Manager Technical Services
	BSD023		Ediphini Creche (Ward 2)	Completion of Municipal Creche							✔		MIG	Manager Technical Services
	BSD024		Indoor Sports Centre (Ward 2)	Completion of Municipal Sports Field							✔		MIG	Manager Technical Services
	BSD025		Indoor Sports Centre Ezinembeni (Ward 3)	Completion of Municipal Sports Centre							✔		MIG	Manager Technical Services
	BSD026		KwaNjobokazi Creche (Ward 4)	Completion of Municipal Creche							✔		MIG	Manager Technical Services
	BSD027		Multipurpose Centre (Estone Ward 4)	Completion of Multipurpose Centre							✔		MIG	Manager Technical Services

	BSD028		Eston Rank	Completion of Municipal Taxi Rank							✔		MIG	Manager Technical Services
	BSD029	To provide sustainable infrastructure by 2017 and beyond	Nhlazuka Hall (Ward 6)	Completion of Municipal Hall							✔		MIG	Manager Technical Services
	BSD030		Ngoloshini Community Hall (Ward 7)	Completion of Municipal Hall							✔		MIG	Manager Technical Services
	BSD031		Ngoloshini Sports Field (Ward 7)	**Completion of Municipal Sports Field**							A		MIG	Manager Technical Services
	BSD032		Ngoloshini Creche (Ward 7)	Completion of Municipal Creche							A		MIG	Manager Technical Services
	BSD033		Gulube Creche (Ward 7)	Completion of Municipal Creche							A		MIG	Manager Technical Services
	BSD034		Gulube Sports Field (ward 7)	Completion of Municipal Sports Field							A		MIG	Manager Technical Services
	BSD035		Mgwenya Community Hall (Ward 7)	Completion of Municipal Hall							A		MIG	Manager Technical Services
	BSD036		Mngwenya Sports Field (Ward 7)	Completion of Municipal Sports							A		MIG	Manager Technical Services

				Field										
	BSD037		L651 (Ward 7)								A		MIG	Manager Technical Services

a

LOCAL ECONOMIC DEVELOPMENT														
Key Challenge	**Obj. Ref**	**Objective**	**Strategies/Projects**	**Performance Indicator**		**5 Year Target**								
					Baseline	**16/17**	**17/18**	**18/19**	**19/20**	**20/21**	**Target & Yr (if outside 5yr Period)**	**Budget (R) 000**	**Source of Funding**	**Responsibility (in the Municipality)**
	LED001		Coordinate Business Forum Meetings	Number of meetings coordinated		✔	✔	✔	✔	✔			MLM	Manager Community Services
	LED002		Update the SMME's and Co-orps Database in-consultation with SMME"s and Co-orps			✔	✔	✔	✔	✔			MLM	Manager Community Services
	LED003		Develop Informal Traders Policy	Adopted Policy	N/A	✔	✔	✔	✔	✔			MLM	Manager Community Services
	LED004		Implementation of the LED Strategy	No of LED Projects Implemented		✔	✔	✔	✔	✔			MLM	Manager Community Services
	LED005		Review the LED Strategy	Date LED Strategy Reviewed		✔		✔		✔			MLM	Manager Community Services

	LED006		Mentoring of Co-orps	Number of Co-orps Mentored	N/A	✔	✔	✔	✔	✔			MLM	Manager Community Services
	LED007		Develop Tourism Strategy	Adopted Strategy	N/a	✔	✔	✔	✔	✔			MLM	Manager Community Services
	LED008		Undertake Arts and Culture Search	No of events coordinated		✔	✔	✔	✔	✔			MLM	Manager Community Services
	LED009		Coordinate Crafters Exhibition	No of crafters exhibitions coordinated	N/A	✔	✔	✔	✔	✔			MLM	Manager Community Services
	LED010		Coordinate Disaster Management Awareness Campaigns	Number of Campaigns Coordinated		✔	✔	✔	✔	✔			MLM	Manager Community Services
	LED011		Develop Sports Strategy	Date Adopted	N/A	✔	✔	✔	✔	✔			MLM	Manager Community Services
	LED012		Coordinate Sports Sports Events	Number of sporting codes participated during SALGA games		✔	✔	✔	✔	✔			MLM	Manager Community Services
	LED013		Develop Poverty Alleviation Strategy	Date Adopted		✔							MLM	Manager Community Services
	LED014		Implement Poverty Alleviation Strategy	Adoption of the PAS			✔	✔	✔	✔			MLM	Manager Community

													Services

SECTION F:

FINANCIAL PLAN

SECTION F : FINANCIAL PLAN

The IDP laid a foundation that formed the 2015/2016 budget process including the engagement with the Local stakeholders as the operations of the budget steering committee to ensure integration and alignment of the service delivery priorities and budget availability and allocation in accordance with Section 53 (i) (a) of the MFMA which states that Mayor of the Municipality must provide political guidance over the budget process and the priorities that must guide the preparation of the budget. Budgeting is primary about prioritising objective to be achieved due to limited funding available.

The Plan is prepared in Terms of Section 26 (h) of the Local Government Municipal Systems Act, as amended, which stipulates that a financial plan must be prepared as part of the Integrated Development Plan.

The five year financial plan includes an Operating Budget and Capital Budget informed by the IDP Priorities. It takes into account the key performance areas of the IDP. All programmes contained in the budget are reflected in the IDP. The review of the Municipal IDP has a ripple effect on the budget.

In addition to being informed by the IDP, the municipal fiscal environment is influenced by a variety of macro-economic control measures. National Treasury determines the ceiling of year-on-year increases in the total Operating Budget, whilst the National Electricity Regulates electricity tariff increases. Various government departments also effect municipal service delivery through level of grants and subsidies.

13.1 BUDGET ASSESSMENT

13.1.1 CREDIBILITY

The Municipal budget is funded in accordance with section 18 of the Municipal Finance Management Act (MFMA). The Municipality embraces budget processes and procedures and this involves amongst others engagement with political oversight and public through public participation.

The Municipality is currently in the process of allocating budget to all IDP program and projects, whereby, the proposed budget will then go through the municipal council approval and adoption.

Through its processes the municipality dedicates/commits funding for the Review of the IDP and its entire associated budget. The budget if reflected in both the Municipal SDBIP 2016/2917 and the IDP Implementation Plan.

13.2 BUDGET ASSUMPTIONS

The Multi- year budget is underpinned by the following assumptions.

- The equitable share grant and MIG will escalate at the assumed rate of inflation (6%) for the 2016/2017 financial year (i.e the outer years that do not form part of the Division of Revenue Bill MTERF);
- The budget is built into sensitivity switches to allow for the variation of the various assumptions to demonstrate the effect of different scenarios on the municipality's financial position and results;
- The Municipality will remain largely a grant funded municipality with grant funding expected to make up 83% of total municipal revenue during the 2016/2017 financial year;
- The contribution to total revenue from rate will remain minimal (4%) and is expected to be at 7% for the 2016/2017 financial year.

13.3 RELEVANCE

The Municipal budget is aligned to the revised IDP. All projects that have been budgeted for are project that were identified during the public participation process and are within the 6th KwaZulu Natal KPA. Due to limited resources, the municipality ensured that projects and programs were screened to ensure that only projects that are aligned to the national and provincial priorities are considered for budgeting.

Operating Budget

Description R Thousands	Adjusted Budget	Budget Year 2016/2017	% Increase	Budget Year + 1 2017/2018	% Increase	Budget Year + 2 2018/2019
Property Rates	11,454	12,663	6%	13,397	6%	14,200.82
Investment Revenue	731	1,650	6%	1,746	6%	1,851
Transfers recognised – Operational	60,106	64,525	6%	64,317	6%	
Other Own Revenue	5,273	5,972	6%	6,318	6%	6,697

Consolidated Overview of the 2016/17 MTREF

Item	Budget 2015/2016	Budget Year +1 2016/2017	Budget Year +2 2017/2018	Budget Year +3 2018/2019
Total Operating Revenue	73,358,347	85,309,282	86,306,770	88,979,177
Total Operating Expenditure	74,230,513	81,504,470	83,603,853	85,557,072
Capital Expenditure	19,301,000	19,426,000	18,143,000	18,847,000
Surplus / Deficit	4,127,834	3,804,812	2,702,917	3,422,104

Operating Transfer and Capital Grants

Description	2014/15 Adjusted Budget	Budget 2015/2016	Budget Year +1 2016/2017	Budget Year +2 2017/2018
National Government				
Equitable Share	39 424	51 341	52 669	52 170
Finance Management	1 815	1 800	1 825	1 900
Municipal systems Improvement	943	930	957	1033
Intergrated Electrification Programme	6 748	10 000	10 000	8 000
EPWP Incentive	1 132	1 058	-	-
Provincial Government				
Sports and Recreation	681	744	744	744
Library Grant	681	744	744	744

13.4 REPAIRS AND MAINTENANCE

Aligned to the priority given to preserving the maintaining the Municipality's current infrastructure, the 2016/2017 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 the Municipality. In terms of the Municipal Budget and Reporting Regulation, operating repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchase of materials and contracted services. Considering these cost drivers, the following table is a consolidated of

all the expenditures associated with repairs and maintenance. In order to meet the standard of achieving the 8% repairs and maintenance target of operating expenditure, the municipality is committed to increase this percentage progressively over the MTREF to reach this target.

Operational Repairs and Maintenance

Description	Adjusted Budget	Budget Year 2016/2017	Budget Year 2017/2018	Budget Year +2 2018/2019
Roads, Pavements and Bridges	2,000	2,600	2,751	2,910
Community Halls	1.500	1,400	1,481	1,567
General Vehicles	600	600	635	672
Plant and Equipment	200	300	317	336
Civic Land and Building	800	700	741	784
Other	500	600	635	672
Total Repairs and Maintenance	**5,750**	**6,350**	**6,718**	**7,108**

SECTION G :

ANNUAL OPERATIONAL PLAN

14.1 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The strategic direction that the Municipality will undertake has been set forth in the Integrated Development Plan. The plan has been reviewed and adopted, and is supported by a credible Budget, as required by the Municipal Finance Management Act (MFMA) and its supporting reforms.

The Service Delivery and Budget Implementation Plan (SDBIP) will gives effect to the IDP and Budget. This document is the expression of the strategic priorities, in quantifiable outcomes that will be implemented by the administration over the next twelve months. Therefore the SDBIP serves as a "contract" between the administration, council and community, and provides a basis for measuring performance in service delivery targets and budget implementation.

Apart from providing the vital link between the mayor, council and administration, the SDBIP will facilitate the process of accountability, ensuring that appropriate information is circulated internally and externally.

The content of this document is high-level and strategic and is intended for the general public and councillors. The SDBIP is a layered plan, with the top layer dealing with the consolidated service delivery targets and linking such targets to top management (MFMA circular 13). Therefore only the tip of the information pyramid is published as the SDBIP, and this correlates with the requirements of the National Treasury.

14.2 LEGISLATIVE IMPERATIVE

In terms of Section 53(1)(c)(ii) of the MFMA, the SDBIP is defined as a detailed plan approved by the

Mayor of the Municipality for implementing the municipality‟s delivery of municipal services and its annual budget, and which must indicate the following:

a) Projections for each month of –

i. Revenue to be collected, by source; and

ii. Operational and capital expenditure, by vote.

b) Service delivery targets and performance indicators for each quarter; and

c) Other matters prescribed.

According to Section 53 of the MFMA, the Mayor is expected to approve the SDBIP within 28 days after the approval of the budget. In addition, the Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the SDBIP are made public within 14 days after its approval.

14.3 LINK THE IDP TO THE BUDGET

The Municipality identified six strategic areas based on the community consultation, namely:

1. Municipal Transformation and Institutional Development;
2. Social and Local Economic Development;
3. Basic Service Delivery and Infrastructure Development;
4. Good Governance and Public Participation;
5. Municipal Finance Viability and Management; and
6. Spatial and Environmental Analysis.

The diagram below indicates the strategic process that the Municipality will be following in terms of addressing the above strategic areas.

14.4 REPORTING ON THE SDBIP

Reporting on the SDBIP is an important way of linking this document to the oversight and monitoring operation of the Municipality's administration.

A serious of reporting requirements are outlined in the MFMA. Both the mayor and the accounting officer (Municipal Manager) have clear roles as defined in the MFMA, in preparing and presenting reports. These reports then allow the Councillors of the Municipality to monitor the implementation of the service delivery programs and initiatives.

14.5 MONTHLY REPORTING

Section 71 of the MFMA requires the municipality to report on actual revenue collected and actual expenditure incurred against the approved budget. This report must be prepared by the accounting officer on a monthly basis, 10 days after each month end.

The report must include the following, namely:

i. Actual revenue, per source;

ii. Actual borrowings;

iii. Actual expenditure, per vote;

iv. Actual capital expenditure, per vote; and

v. The amount of any allocations received.

In addition, the following explanations must be included:

i. Any material variances from the projected budget targets;

ii. Any material variances from the SDBIP; and

iii. Any remedial or corrective action taken or to be taken.

14.6 QUARTERLY REPORTING

Section 52(d) of the MFMA requires the Mayor to submit a report to council, detailing the implementation of the budget and financial state of affairs of the municipality within 30 days after each quarter. The quarterly performance targets indicative within the SDBIP is the basis of this report.

14.7 MID-YEAR REPORTING

Section 72(1)(a) of the MFMA outlines the mid-year reporting requirements. The accounting officer is required by the 25th January of each year to assess the performance of the Municipality, and must take into account the following:

i. The monthly Section 71 reports;

ii. The service delivery performance against the targets and indicators set forth in the SDBIP; and

iii. The previous year's annual report and progress made to resolve any issues identified in this report.

Based on this performance assessment report the municipality may decide to table an adjustments budget in terms of Section 28 of the MFMA. The SDBIP is a living document and may be modified in conjunction with the adjustment budget process, based on the outcome of the mid-year performance review.

14.8 REVENUE AND EXPENDITURE PROJECTIONS

This section contains the financial information as required by the SDBIP.

- The monthly projection of revenue by source; and
- The monthly projection of both operating and capital expenditure and revenue by vote

COMPONENT 1 - MONTHLY PROJECTIONS OF REVENUE BY SOURCE

	Budget July 2016	Budget August 2016	Budget September 2016	Budget October 2016	Budget November 2016	Budget December 2016	Budget January 2016	Budget February 2016	Budget March 2016	Budget April 2016	Budget May 2016	Budget June 2016	Budget Full Year 2016/2017
Monthly Projections of Revenue by Source													
Property rates	1,055,244	1,055,244	1,055,244	1,055,244	1,055,244	1,055,244	1,055,244	1,055,244	1,055,244	1,055,244	1,055,244	1,055,244	12,662,927
Service Charges Electricity													
Service Charges – Water													
Service Charges Sanitation													
Service Charges -Refuse	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	500,000
Service Charges- Other													
Rental Facilities and Equipment													
Interest earned - external investment	137,500	137,500	137,500	137,500	137,500	137,500	137,500	137,500	137,500	137,500	137,500	137,500	1,650,000
Interest earned Outstanding Debtors	98,003	98,003	98,003	98,003	98,003	98,003	98,003	98,003	98,003	98,003	98,003	98,003	1,176,039
Government grants- Operational	5,377,083	5,377,083	5,377,083	5,377,083	5,377,083	5,377,083	5,377,083	5,377,083	5,377,083	5,377,083	5,377,083	5,377,083	64,525,000
Licences and permits	326,913	326,913	326,913	326,913	326,913	326,913	326,913	326,913	326,913	326,913	326,913	326,913	3,922,956
Other Income	66,949	66,949	66,949	66,949	66,949	66,949	66,949	66,949	66,949	66,949	66,949	66,949	803,393
Fines	5,838	5,838	5,838	5,838	5,838	5,838	5,838	5,838	5,838	5,838	5,838	5,838	70,051
Total Revenue by Source	7,109,197	7,109,197	7,109,197	7,109,197	7,109,197	7,109,197	7,109,197	7,109,197	7,109,197	7,109,197	7,109,197	7,109,197	85,310,366

COMPONENT 2 - MONTHLY PROJECTIONS OF OPERATING EXPENDITURE BY VOTE													
	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Year Total 2016/2017
OPERATING EXPENDITURE BY VOTE													
DEPARTMENT: MUNICIPAL MANAGER													
Vote: Governance and Administration													
Function: Executive & Council													
Sub-function: Council	499,539	499,539	499,539	499,539	499,539	499,539	499,539	499,539	499,539	499,539	499,539	499,539	5,994,469
Sub-function: Municipal Manager	150,634	150,634	150,634	150,634	150,634	150,634	150,634	150,634	150,634	150,634	150,634	150,634	1,807,606
DEPARTMENT: CORPORATE SERVICES													
Vote: Governance and Administration													
Function: Corporate Services	962,447	962,447	962,447	962,447	962,447	962,447	962,447	962,447	962,447	962,447	962,447	962,447	11,549,367
DEPARTMENT: BUDGET & TREASURY													
Vote: Governance and Administration													
Function: Budget & Treasury	1,564,634	1,564,634	1,564,634	1,564,634	1,564,634	1,564,634	1,564,634	1,564,634	1,564,634	1,564,634	1,564,634	1,564,634	18,775,605
DEPARTMENT: COMMUNITY SERVICES													
Vote: Community and Public Safety													
Function: Community & Social Services	1,289,082	1,289,082	1,289,082	1,289,082	1,289,082	1,289,082	1,289,082	1,289,082	1,289,082	1,289,082	1,289,082	1,289,082	15,468,984
Sub-function: Public Library	197,871	197,871	197,871	197,871	197,871	197,871	197,871	197,871	197,871	197,871	197,871	197,871	2,374,449
Sub Function : VR & Testing	372,338	372,338	372,338	372,338	372,338	372,338	372,338	372,338	372,338	372,338	372,338	372,338	4,468,059
Sub Function : Solid Waste													
DEPARTMENT: TECHNICAL	1,755,494	1,755,494	1,755,494	1,755,494	1,755,494	1,755,494	1,755,494	1,755,494	1,755,494	1,755,494	1,755,494	1,755,494	21,065,931
TOTAL BY VOTE	**6,792,039**	**6,792,039**	**6,792,039**	**6,792,039**	**6,792,039**	**6,792,039**	**6,792,039**	**6,792,039**	**6,792,039**	**6,792,039**	**6,792,039**	**6,792,039**	**81,504,470**

COMPONENT 2 - MONTHLY PROJECTIONS OF CAPITAL EXPENDITURE BY VOTE

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Year Total 2016/2017
CAPITAL EXPENDITURE BY VOTE													
DEPARTMENT: MUNICIPAL MANAGER													
Vote: Governance and Administration													
Function: Executive & Council	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,200,000
Sub-function: Municipal Manager	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667	140,000
DEPARTMENT: CORPORATE SERVICES													
Vote: Governance and Administration													
Function: Corporate Services	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667	140,000
Sub-function: Corporate Services													
DEPARTMENT: BUDGET & TREASURY													
Vote: Governance and Administration													
Function: Budget & Treasury	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667	140,000
Sub-function: Budget & Treasury													
DEPARTMENT: PLANNING													
Vote:Economic and Environmental Services													
Function: Development & Planning													
Sub-function: Planning & Development													
DEPARTMENT: COMMUNITY SERVICES													
Vote: Community and Public Safety													
Function: Community & Social Services	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667	140,000
Sub-function: Other Community	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	100,000
Function: Library													
Sub-function: Police & Other													
DEPARTMENT: TECHNICAL													
Sub-function: Technical	1,463,833	1,463,833	1,463,833	1,463,833	1,463,833	1,463,833	1,463,833	1,463,833	1,463,833	1,463,833	1,463,833	1,463,833	17,566,000
DEPARTMENT: LICENSING													
Function: Corporate Services													
TOTAL BY VOTE	1,618,833	1,618,833	1,618,833	1,618,833	1,618,833	1,618,833	1,618,833	1,618,833	1,618,833	1,618,833	1,618,833	1,618,833	19,426,000

SECTION H :

ORGANISATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

15.1 HOW THE OPMS IS APPLIED IN THE MUNICIPALITY

Mkhambathini Municipality Adopted the Key Performance Area Model (Model) at its preferred model. The Planning and Performance Management Regulations stipulates that a municipal organisational performance management system (OPMS) must entail a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted organised and managed, including determining the roles of the different role players.

In the model the performance indicators are grouped together per KPA, for example the key performance indicator dealing with good governance will be group together and those dealing with infrastructure and service delivery will be grouped together.

The municipality is in the process of cascading down the PMS to the level below section 57 for the year 2017/2018 and this will assist the municipality in ensuring that all levels are accountable in the running of the municipality. This will be done in consultation with the organised labour.

In line with the said legal requirement the municipality has developed an OPMS Framework; this framework is seen as a policy document that will set out:

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

The following diagram illustrate the OPMS application process:

The revised OPMS for 2016/2017 has been developed and it attached as an annexure in the IDP.

15.2 ANNUAL PERFORMANCE REPORT OF THE PREVIOUS YEAR

Annual Performance Report of the Previous Financial Year is attached as Annexure

15.3 ORGANISATIONAL KEY PERFORMANCE INDICATORS LINKED TO THE DEPARTMENTAL INDICATORS

The following section of this IDP contains the following:

- Organisational Key Performance Indicators linked to the departmental indicators;
- Departmental indicators linked to outputs in the Performance Agreements;
- Outputs in the Performance Agreements linked to activities in the Operational Plans and Indicators.

The IDP ensure that the OPMS are seamlessly aligned with the Municipal Goals, the associated Objectives and the Municipal Budget.

SECTION I :

ANNEXURES

Special Development Framework	Adopted 2014
Departmental Scorecards	Adopted in May 2016
Organogram	Adopted in May 2016
MSP (ICT Plan)	Adopted in 2012 being reviewed and will be finalised in September 2016
Annual Performance Report	Adopted in February 2016