



2019/2020 FINAL INTEGRATED DEVELOPMENT PLAN



10 Connor Street
Port Shepstone
4240

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ACRONYMS

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

DAEA	Department of Agriculture and Environmental Affairs	GRAP	Generally Recognised Accounting Practice
DCS	Department of Corporate Services	HCDA	Hibiscus Coast Development Agency
DCOMMS	Department of Community Services		
DSPG	Department of Strategic Planning and Governance		
DDPS	Department Development Planning Services		
DTS	Department of Technical Services		
DTS	Department of Technical Services		
HCM	Hibiscus Coast Municipality	KPA	Key Performance Area
HDI	Historically Disadvantaged Individual	KPI	Key Performance Indicator
HEAC	Housing Evaluation Assessment Committee	KZN	KwaZulu-Natal
HIV	Human Immunodeficiency Virus	LA	Local Authority
HOD	Head of Department	LAC	Local AIDS Council
ICC	International Convention Centre	LGSETA	Local Government Sector Education Authority
ICT	Information Communication Technology	LED	Local Economic Development
IDC	Industrial Development Corporation	LLF	Local Labour Forum
IDMSA	Institute of Disaster Management of South	LM	Local Municipality

	Africa	LUMS	Land Usage Management System
IDP	Integrated Development Plan	MAMC	Margate Airport Management Company
IEC	Independent Electoral Commission	MCPF	Municipal Councillors' Pension Fund
IFP	Inkatha Freedom Party	MDB	Municipal Demarcation Board
IGR	Inter-Governmental Relations	MDG	Millennium Development Goals
ILGM	Institute for Local Government Management of South Africa	MEC	Member of Executive Committee
IMATU	Independent Municipal and Allied Trade Union	MFMA	Municipal Finance Management Act, 2003 (Act N° 56 of 2003)
IMESA	Institute of Municipal Engineers of South Africa	MIG	Municipal Infrastructure Grant
IMFO	Institute for Municipal Financial Officers	M&E	Monitoring and Evaluation
ISRDP	Integrated Sustainable Rural Development Programme	MIIU	Municipal Infrastructure Investment Unit
IT	Information Technology	MINMEC	(Meeting between the) Minister (of DPLG) and Members of the Executive Council responsible for local government
MIR	Municipal International Relations	RNM	Ray Nkonyeni Municipality
		SAMWU	South African Municipal Workers Union
MLB	Motor Licensing Bureau	SAP	South African Police
MM	Municipal Manager	SANRAL	South African National Roads Agency Ltd
MPCC	Multi-Purpose Community Centre (Thusongs)	SCM	Supply Chain Management
MPRA	Municipal Property Rates Act, 2004 (Act N°6 of 2004)	SDBIP	Service Delivery and Budget Implementation Plan
MSA	Municipal Structures Act, 1998 (Act N° 117 of 1998)	SDF	Spatial Development Framework

MSA	Municipal Systems Act, 2000 (Act N° 32 of 2000)	SEA	Strategic Environmental Assessment
MSIG	Municipal Systems Improvement Grant	SEDA	Small Enterprise Development Agency
MSP	Municipal Service Partnerships	SMME	Small, Medium and Micro Enterprise
MTAS	Municipal Turnaround Strategy	STATSSA	Statistics South Africa
MTEF	Medium Term Expenditure Framework	STI	Sexually Transmitted Infection
MTREF	Medium Term Revenue and Expenditure Framework		
NDP	National Development Plan	TB	Tuberculosis
NERSA	National Energy Regulator of South Africa	UGU	Ugu District Municipality
NGO	Non-Governmental Organization	WSP	Workplace Skills Plan
NHBRC	National Home Builders Registration Council	WSSD	Workplace Skills Plan
NSRI	National Sea rescue	SOPA	State of the Province Address
OHS	Occupational Health and Safety	SONA	State of the Nation Address
OPMS	Organizational Performance Management System	SWOT	Strength, Weaknesses, Organizational, Threats
PGDS	Provincial Growth and Development Strategy		
PMS	Performance Management System		
SALGA	South African Local Government		
SCDA	South Coast Development Agency		

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BRIEF OVERVIEW OF RAY NKONYENI MUNICIPALITY

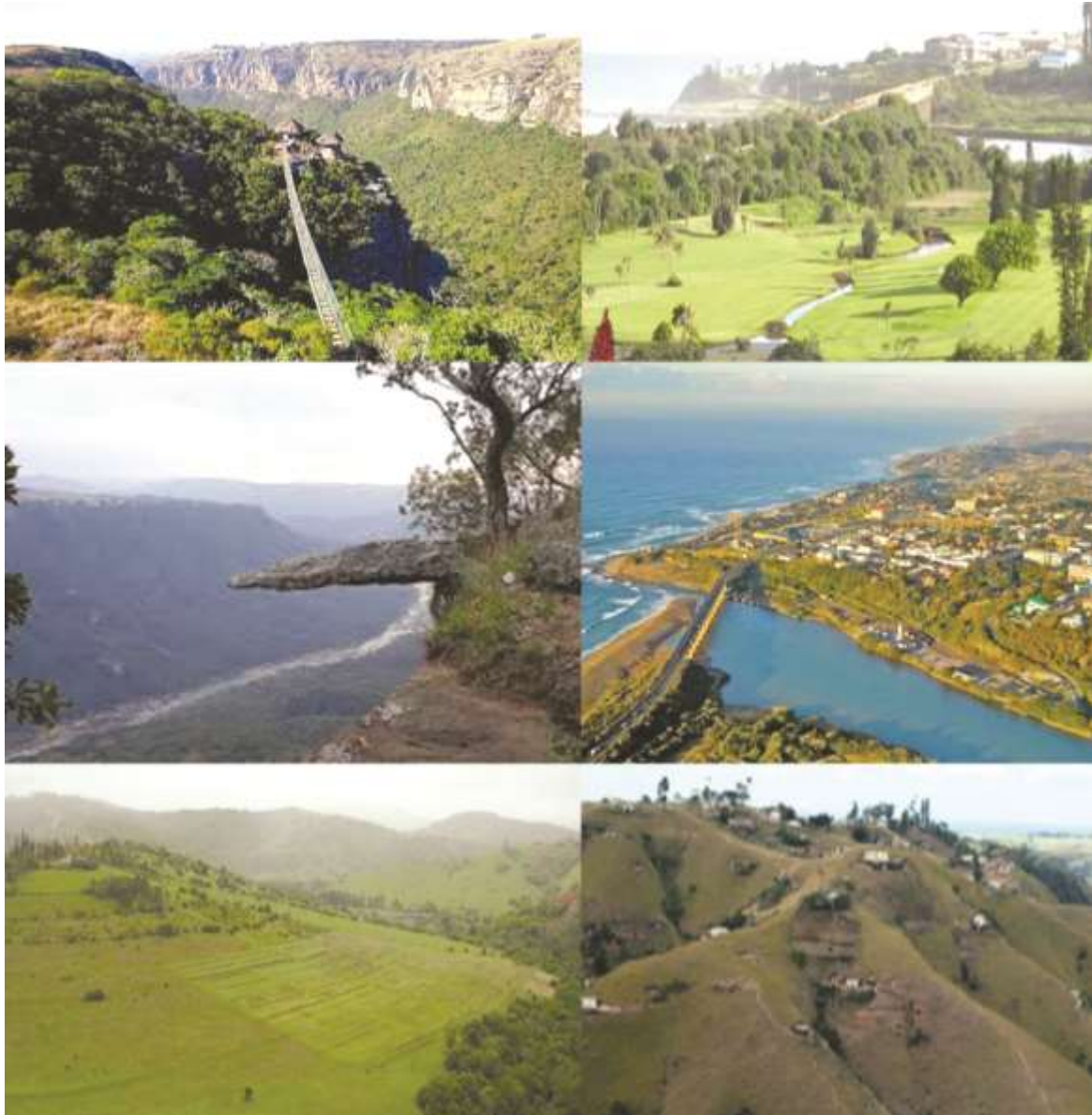
Ray Nkonyeni Municipality is a newly established local municipality. Former Hibiscus Coast Local Municipality and former Ezingoleni Local Municipality were disestablished to form the new municipality. The municipality is one of the four local municipalities under Ugu District Municipality. Ray Nkonyeni Municipality is ranked number five out of the forty three local municipalities in terms of population in the province of KwaZulu Natal (KZN). Amongst all the newly merged municipalities in the province, Ray Nkonyeni Municipality is the only municipality that received a clean audit for the current financial year. The municipality consists of a diverse population. There are thirty six wards in total, seventy one councillors and seven departments. Ray Nkonyeni Municipality is headed by Her Worship, the mayor Cllr. NCP Mqwebu while the administration side is headed by Mr SM Mbili.

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

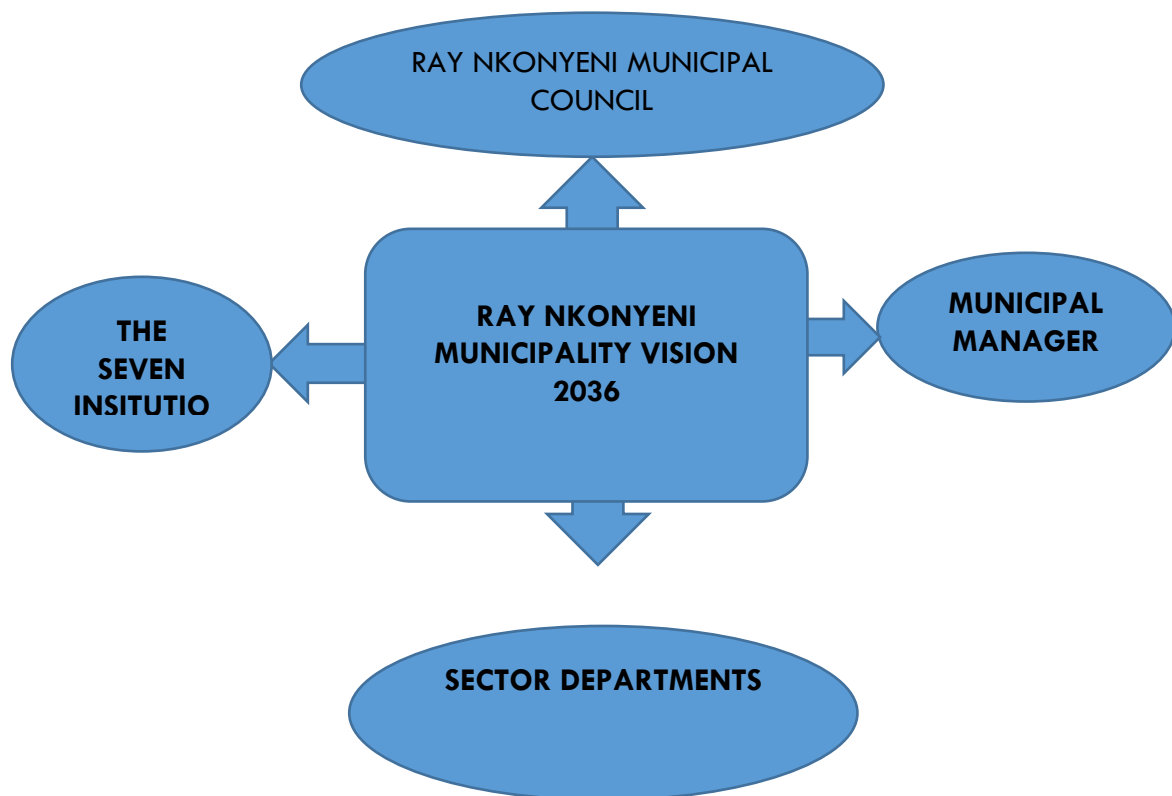
The municipality boasts of breath taking gorges and valleys, beautiful country slopes covered in rich soils. The Indian Ocean borders the Eastern side of the municipality and covers approximately 72 km of the coastal belt. It is a marvel to watch the meandering many lazy rivers within the municipality as they slowly flow towards the mighty Indian Ocean. Up the valleys are natural ponds and dams that are homes to many different fish species and are huge tourist attractions. The municipality's environmental sensitive protected areas is home to a number of endangered species and indigenous forests, hence they are highly protected. There are many small towns dotted along the coastal belt, while the hinterland has nine traditional authoritative lands.

Ray Nkonyeni Municipality further boasts of a very active air infrastructure with flights flying to a number of destinations within the country.

Landscape Character of the Municipality



HOW RAY NKONYENI SEEKS TO ACHIEVE ITS 2036 VISION





Message from

THE MAYOR

Our process of consultation in the formulation of the IDP document has meant that we have a larger audience of stakeholders to engage. It is a process which has been both challenging and enriching as it unfolded. We are humbled that so many of our people are true ambassadors of citizen activism, as reflected in the many platforms in the lead up to the adoption of this document.

We are confident that our Integrated Development Plan is credible and reliable as required by the law.

Our success as Ray Nkonyeni Municipality does not only lie in the success of our public participation process. Whilst it is a crucial pillar, it cannot be sustained without a strong financial backing.

As we move forward towards another year, we remain resolute that we will do everything within our means to achieve Vision 2036 we have set ourselves; to be a prime tourist-friendly; economically diversified and smart municipality with equitable access to opportunities and services in a safe and healthy environment.

Cllr NCP Mqwebu
Mayor



Message from

THE MUNICIPAL MANAGER

I would like to take this opportunity to sincerely thank our leadership for steering the municipality in the right direction which has resulted in a very positive eventful 2018/19 which saw the municipality being receiving a number of Province as well as National awards. To the team of officials who showed immense dedication in their work, I also pass my heartfelt gratitude. This is proven by the fact that the municipality has had no service delivery protests in the said year, and we promise to carry the baton into 2019/2020.

2018/19 marked an eventful year where by the municipality made a mark in the entire Province as well as National by being awarded the best performing municipality as well as best performing municipal manager. Adding to its long list of achievement, the municipality further collected several awards including the Govan Mbeki Award for the best human settlement projects in the entire Province and an award for the best credible IDP in the Province and best Municipal Transformation and Organizational KPA.

It is once more that time of the year to reflect on our road towards development travelled so far and to rethink our strategic approach and areas of emphasis in terms of service delivery as stipulated by Chapter 4 of the Municipal Systems Act (Act No.32) of 2000. As we all know, IDPs are reviewed continuously on a year to year basis, taking into account the changing circumstances and needs of communities, changing economic conditions, improved National/Province policy and progress with service delivery and governance. Being a master strategic plan of the municipality and coordinates all development initiatives and supersedes all other plans, its continuous review ensures flexibility and responsiveness to changes, without losing sight of the long-term vision and strategic objectives of the municipality. As a result of this annual review, resources available are reprioritized and directed at the delivery of projects as well as programmes that meet the development priorities. In conducting this review process, the municipality is determined to ensure that it complies with all prescribed legal requirements as per both National and Provincial governments. Accordingly, we had to respect and implement the participatory approach that we are mandated to follow. In line with that, a number of public engagements were held including Mayoral Izimbizo, public notices in the local media and IDP Representative Forum. The participatory approach always proves useful for the municipality ensuring that there is transparency and accountability to its communities at large. It therefore becomes an important platform where the municipality has an open engagement with its communities and stakeholders at a grass root level.

In terms of executive management involvement and driving the process, Corporate Management uses cluster approach based on the IDP Review focus areas, splitting municipality's HoDs and line managers according to areas of specialization to interrogate content and make their inputs to shape this municipality's business plan as specialist. The IDP team coordinates process and synergises all inputs into a coherent shared strategic direction of the municipality.

MR SIHLE MAXWELL MBILI
MUNICIPAL MANAGER



The Game changer of South Coast development



Ray Nkonyeni Municipality's administration Building (Port Shepstone)

Vision

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

Mission

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

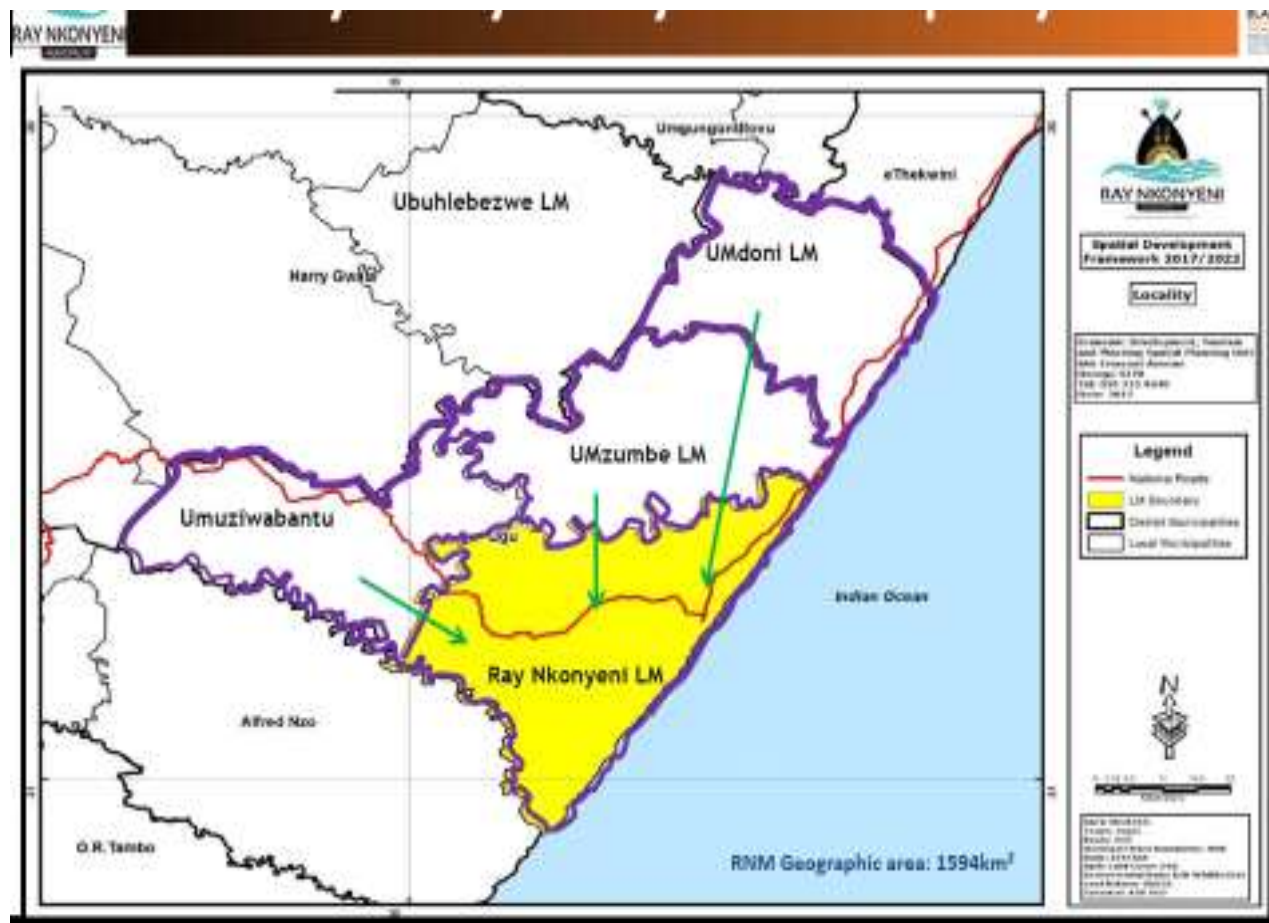
SECTION A: EXECUTIVE SUMMARY

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

The municipal area covers approximately 1594km² in geographic area. Privately owned land constitutes approximately 26 500 hectares. The spatial location of the municipality is an advantage as the National Road (N2) runs through it providing accessibility and linkage with both Ethekwini metropolitan area and beyond as well as the Eastern Cape. The distance from the City of Durban (Ethekwini Municipality head office) to Port Shepstone (RNM head office) is 120km. It must be noted that Durban is the main commercial center of KZN and one of the seven metropolitan cities of the Republic of South Africa. Our municipality's close proximity to this sole metropolitan city of the province is a locational advantage.

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

Map 1: Locality Map



Source:RNM GIS 2018

1.1 Settlements

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

Table 1: Town Centres

Town Centers	Total Population
Hibberdene	4464
Port Shepstone	36662
Shelly Beach	2577
Uvongo	4288

Margate	26785
Ramsgate	1080
South Broom	1615
Port Edward	4409
Ezinqoleni	TBC

1.1.1 Wards within the Municipality

There are thirty six (36) in total and nine (9) Traditional Authoritative areas within Ray Nkonyeni Municipality. Wards are clustered into seven. The municipality boasts of both urban as well as traditional authoritative wards. Some wards are predominantly urban, while some are predominantly rural and some have a portion that cover both urban and, ie ward 1. This ward stretches from the coastal belt, which is urban into the hinterland, which is predominantly rural. Below are wards within the municipality.

1.1.1 (i) Traditional wards

Table 2: Traditional wards

Traditional Settlements	Wards within the Traditional area
KwaXolo	<ul style="list-style-type: none"> • Portion of ward 7 • Ward 8 • Portion of ward 9 & • Ward 32
KwaNzimakwe	<ul style="list-style-type: none"> • Portion of ward 1 • Ward 10 • Portion of ward 11
KwaNdwalane	<ul style="list-style-type: none"> • Portion of ward 20 • Ward 21 • Ward 22 • Ward 23 • Ward 24
KwaMadlala	<ul style="list-style-type: none"> • Ward 13 • Portion of ward 14 • Ward 15
KwaMavundla	<ul style="list-style-type: none"> • Ward 05 • Ward 25 • Ward 26 • Ward 27 • Ward 28

Oshabeni	<ul style="list-style-type: none"> • Ward 4 • Portion of ward 14
Kwa Nyuswa	<ul style="list-style-type: none"> • Ward 34 •
KwaMthimude	<ul style="list-style-type: none"> • Ward 35 • Portion of 36
KwaVukuzithathe	<ul style="list-style-type: none"> • Ward 30 • Ward 31 • Ward 33 • Portion of 36

1.1.1 (ii) Urban wards

- Portion of ward 1
- Ward 2
- Ward 6
- Portion of ward 7
- Portion of ward
- Portion of ward 14
- Ward 16
- Ward 17
- Ward 18
- Ward 19
- Ward Portion of ward 20

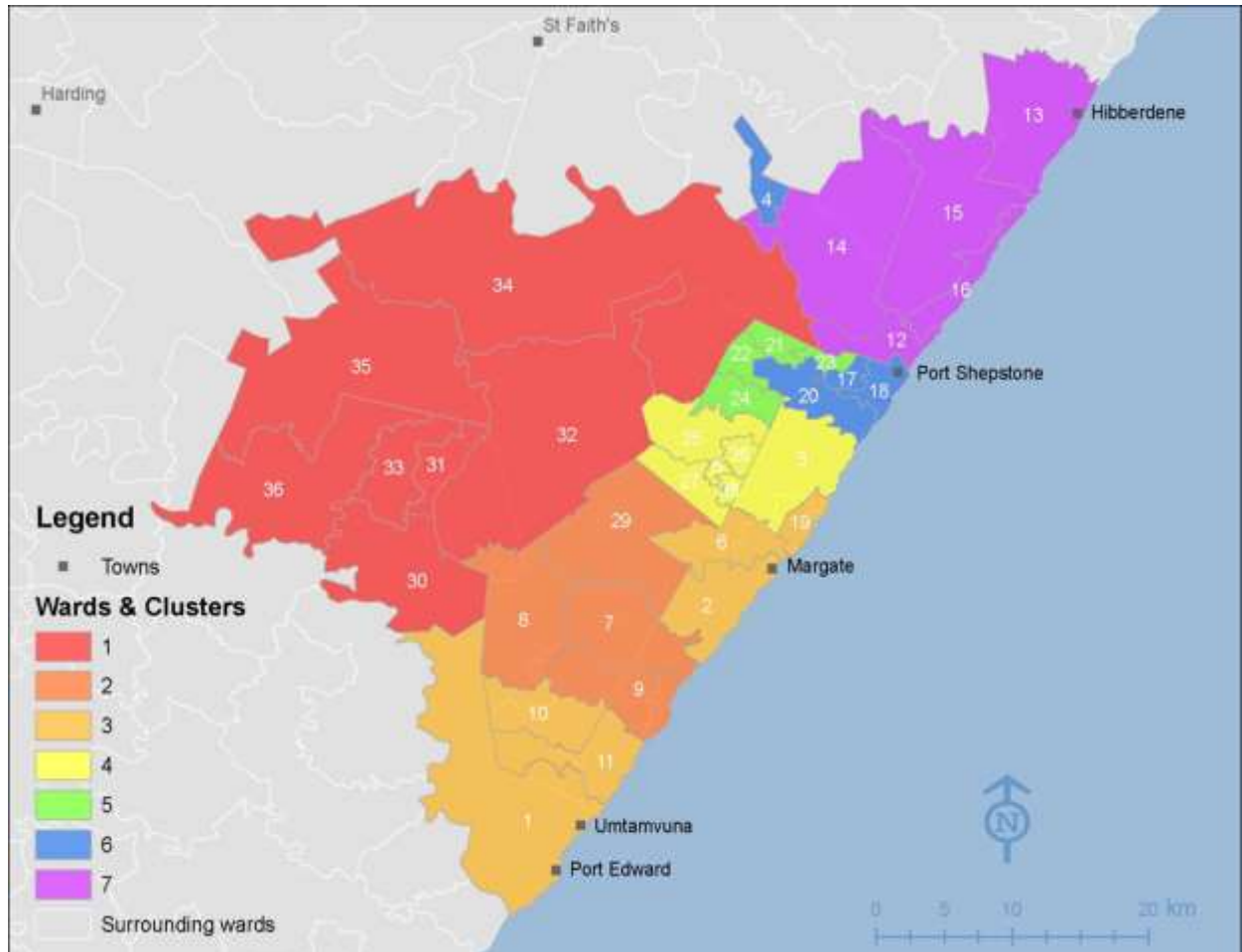
On the following page is a map indicating all the municipal ward boundaries. It should be noted the wards vary in population size. For an example, rural wards near urban areas have dense population as compared to those in furthest hinterland. This is due to the proximity of towns where people are either employed or seek job opportunities on daily basis. Those wards around Port Shepstone have very high population densities due to the Industrial activities around that area.

The table below show the wards in their clusters.

Table:

CLUSTER	WARDS
1	30,31,32,33,34,35 & 36
2	7,8,9 & 29
3	1,2,6,10,11&19
4	3,5,25,26,27& 28
5	21,22,23 &24
6	4,17,18,20
7	12,13,14,15,16

Map 2: Traditional Authority



Source: Community Survey 2016

1.2. Settlement Typology

Ugu District as a whole has an urban development bias. Its local municipalities whose boundaries stretch from the coastal belt into the hinterlands, development occurs along the coast and very little in the hinterland.

Ray Nkonyeni Municipality land area is characterized by developed urban coastal strip. Naturally, most of the dense human settlement typologies is along the coastal belt as this is where main economic activities take place and land competition has intensified in these areas which is contrary to urban formal settlement. Settlement typology in the hinterland varies per ward. Those wards that are not very far from commercial activities have dense populations while those furthest have sparse settlement typologies which in most instances is due to steep topography. Settlements in rural areas are not yet controlled through land use management scheme (LUMS) and as a result there is a large disorderly settlement pattern.

1.3 Population

Ray Nkonyeni Municipality has a population of approximately 348 553. Below are percentages per age group:

- Population 15 to 64 : 61.0%
- Population under 15 : 34.4%
- Population over 65 : 4.7%

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

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

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

1.3.1 Migration

In-migration and internal migration are the highest types of migration within RNM and therefore, when planning takes place, this must also be taken into consideration. Trends and patterns of migration have changed over the years and it is therefore imperative to discuss the different types of migration the municipality has experienced over the years.

- In-Migrants (The number of people entering a geographical area)

- Out-Migrants (The number of people leaving a geographical area)
- Internal Migration (Country to City/town)
- International Migration (Voluntary Migration, and involuntary migration)
- Mobility (Temporary migrants as they do not have permanent residence).

Due to the economic activities within the municipality, more in-migration as well as more internal migration has been experienced as compared to the other Ugu sister municipalities.

In migrants come from neighbouring municipalities and the neighbouring Province, which is the Eastern Cape. In this regard, it is imperative that in the planning of the municipality, the influx of people must be considered. Internal migration is common as well. These are the people originally from within the municipality, who reside in rural areas and move to urban areas in search of job opportunities. The municipality has also experienced international migrants as well as mobility migration. In the case of international migrants within the municipality, it is basically those migrants who provide different types of services and everyone benefits. The municipality is in possession of all the different types of migrations within its jurisdiction, obtained from StatsSA.

1.4 Economic Development

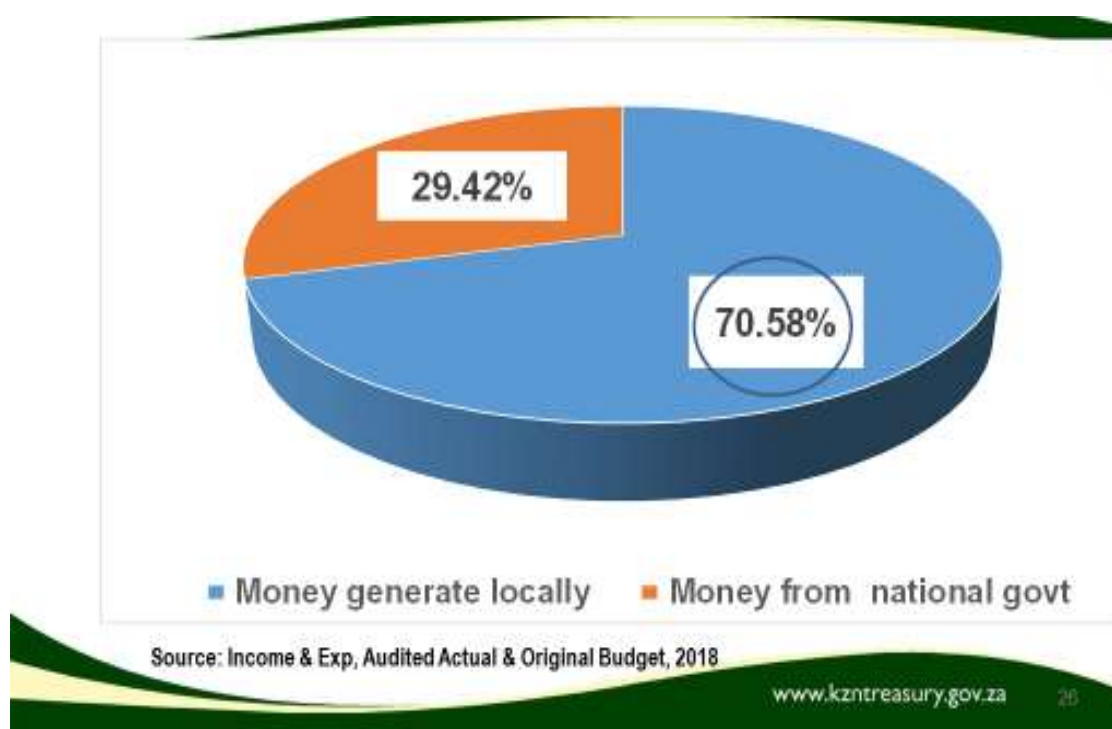
Ray Nkonyeni is the ultimate economy booster of the entire district due to its location. Commercial agriculture and other numerous companies successfully export products to some of the exclusive areas around the country. The improvement of its infrastructure, education, health and recreational facilities contribute immensely to its appeal. Ray Nkonyeni is the most developed municipality as compared to the other three local municipalities within the District and thus functioning as a regional center. It is also the most densely populated municipality. The Provincial Growth and Development Strategy and the National Spatial Development Frameworks show that one of the primary development corridors has extended from Durban into Ugu District, RNM specifically. The corridor recognizes existing economic activities and aims to enhance them. Further, it should be noted that most business activities take place along the coastal belt.

The main features of the local economy are:

- Tourism
- Services
- Mining
- Agriculture and
- Some limited manufacturing.

The municipality generates 70.58% from its various economic streams while National Government gives out 29%. This is a good indication that Ray Nkonyeni Municipality is performing very well with regards to economic development. Refer to the graph below for this information.

Graph 1: Ray Nkonyeni's revenue from July 2016-June 2018



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

1.5 Opportunities and Development Strengths

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

Ray Nkonyeni Municipality's success lies in its currents table economic activities. Further economic opportunities and development can be explored through for example, economic development corridors, Izotsha economic corridor is one such example. There is potential for eco- tourism in both rural and urban areas due to the natural assets and beautiful scenery. For instance , there

is the Red Dessert in Port Edward, Petrified Forest in Trafalgar, the ancient rock art at KwaXolo area which is an indication that this area was once inhabited by the Khoi-Sans, Impenjathi Resort, as well the rocks at Shelly Beach which are said to be from the volcanic eruption, brought to the beach from Antarctica. The Oribi Gorge on the North Eastern part of the municipality is another tourist attraction and serves as an eco-tourism corridor. Tourism is expanding on a large scale in the lower Oribi Flats area, specifically from D251 and this is here the only 5 star hotel in the region is located.

On mainstream economy, there is a growing potential for the growth of the economy judging by recent performance of Margate Airport which was reopened in November 2013. According to the airline operator, over the last years almost 5000 passengers have used the airline flying between OR Tambo International Airport in Johannesburg and Margate. While this was initiated as a one return flight scheduled for selected dates per week, this has grown tremendously. It started as one flight about three times a week to now having at least a flight daily. The redevelopment of the airport and related infrastructure therefore will give the area breath of fresh air.

1.5.1 Tourism

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

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

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

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

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

1.5.2 Agriculture

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

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

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

1.5.3 Manufacturing and retail

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

The secondary sector is fairly stable in both employment and investment terms. Contribution to the municipal economy per sector is as follows:

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

1.5.4 Mining

Mining and quarrying is the lowest industry. There is the Margate Quarry Industry which is located close to the NPC Quarry near Margate town. There is also the National Portland and

Idwala Carbonates (KULU) which is located on the Eastern side of the N2 as you pass Marburg up North.

1.6 Urbanization, Development and Upgrades

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

The municipality is a business licensing authority and policies have been developed to encourage more businesses into the municipality, more especially the private sector. The CBD in Port Shepstone is quickly reviving its appearance as more establishments are being developed. According to the 2018 State of the Nation Address, the president emphasized the need to partner with private companies to create job opportunities. Ray Nkonyeni Municipality is in line with this as a number of agreements have been made between the private sector and the municipality.

1.7 Investment Opportunities (Catalytic Projects)

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

These are projects seen as having potential irrespective of powers and functions and affordability of Council and only use need and desirability/impact as the criteria. Furthermore, these projects are defined by their ability of to have high impact in the economy in terms of the Gross Domestic Product (GDP) of the municipality and will have ability to create permanent and sustainable jobs. Listed below are projects that are regarded as catalytic projects, being and are in different stages of implementation.

**Table 3: Catalytic Projects**

NAME OF PROJECT	INITIATOR	PROJECT LOCATION AND TYPE	STATUS
Justice Park in Port Shepstone	RNM	Port Shepstone. It is an essentially a development of a high court and more magistrate courts and office block to accommodate the Department of Justice needs.	RNM made land available for the project and the Department of Public Works is currently packaging the entire project which is to complete in due course. Total project value is estimated at R360m. The project is at its final stages of completion
Intermodal Public Transport Facility	RNM/KZN DoT	Port Shepstone. To be developed at the current Port Shepstone taxi rank. This project will be a public transport ranking, facility with high order commercial mix. The facility in essence will be a bus and taxi rank and a mall	<ul style="list-style-type: none"> -Development Etitlement Agreement has been signed -Notorial Lease has been signed -Addendum to notorial lease has been signed -Leasing 82% commitment -Funding pre board approval- 29 June 2018
Small Craft Harbour	RNM/DAC	Hibberden	Conceptualization stage
Margate Beach front redevelopment	RNM	Margate Beach.	It is underway and funded by Cogta to give a new look to the beach. First southern phase development of promenade has been completed. Plans are underway for main beach area and Northern portion. The approved budget was R30M
Tourism and Ecotourism development	SCDA	Ugu District	Tourism Development Strategy for Ugu South Coast Tourism Region completed recently introduces a sector specific vision and the associated long-term goals. The projected budget value is R158.5m per annum.
Marine Drive corridor and craft market:		Port Shepstone to Margate. Village tourism should not be developed as a separate route, but an integral part of the products available to the tourist visiting the area	Currently active. The municipality has identified as a set of activities such as arts and craft market taking place in some areas and have package them into a unique product that appeals to the tourists, particularly international tourists.



			These are showcased in arts and crafts markets as well as flea markets. Marine Drive corridor is where this potential growth is taking place. A range of businesses are found along this drive, starting at Port Shepstone to Ramsgate. it is a stretch that is approximately 20km.
Parking block in Dick King's Parking	RNM	Port Shepstone. The Port Shepstone CBD does not have enough parking and no parking block open for public ever built. Businesses are negatively affected in terms of getting more clients and optimal profit. Port Shepstone is experiencing massive development as a result of Justice Park; Department of Education Offices; extension of Port Shepstone Library and building of Maritime Museum. While these developments are adding value to the town, it will put more strain on businesses as the demand for the parking will be increasing exponentially. The idea is to then avail a municipal property strategically located for this purpose to a private developer and developed property without losing ownership.	Conceptualizing Phase
Municipal Office Precinct	RNM	Port Shepstone	A Council Resolution has been obtained and currently finalizing the Municipal Financial Management Act/Supply Chain Management issues
Rural Tourism	RNM/SCDA/ CoGTA RNM/TSC	Kwaxolo Nyandezulu	Phase one has been completed and the SCDA has taken over



			the project Conceptualizing stage (Spatial Planning)
LOT 19 & 20 Light Industrial Development	RNM	Marburg	Lay out has been completed as well as the zoning, however, layout and marketing still needs to be done and infrastructure funding application has been lodged with DTI
Marburg Industrial Park	RNM/SCDA	Marburg. This project has been delegated to the South Coast Development Agency.	Platform and design have been built and completed.
Formalization of Ezingoleni Town	KZN Cogta	Ezingoleni	Permission has to be sought from Amakhosi to undertake public consultations. Cogta is starting with subdivision and initiating controls.
Light house sub-precinct (New pier Restaurants and picnics facilities Upgrade the feeder road to the sub precinct Upgrade the lighthouse Outdoor gym)	RNM/Transnet/Private Sector	Port Shepstone.	Conceptualizing stage
Port Shepstone Beach redevelopment. (Proposed hotel Active edge Improved access to the beach Periodic markets Water world facility)	RNM/Public Works/Private Sector	Port Shepstone	Conceptualizing stage
UNISA	RNM	1260 Uvongo. Ray Nkonyeni Municipality initiated the development of the university within its jurisdiction.	An MOU has been signed between the municipality and UNISA. RNM made land available for the project and the sod turning will take place on 2 May 2019 whereby soon thereafter the project will commence.



Margate Airport



1.8 Infrastructure

i. Roads and rail infrastructure

Ray Nkonyeni Municipality only maintains the existing road networks in terms of potholes, black top and re-gravelling. It is not the mandate of the municipality to build roads from scratch, hence there is no Road Maintenance Plan. It must be noted that the road work maintenance covered by the municipality is based on complaints received from communities, and depend on the availability of budget. Other than complaints received from communities, the municipality does have a road work plan/ operational and maintenance plan as shown in the SDBIP.

The municipality is not responsible for the local integrated transport plan, but the Department of Transport is. The Department is responsible for building new roads and maintain both the National and Provincial roads, hence the municipality does not have the LITP.

The municipality is fairly covered with sound tarred and physical infrastructure and as areas utmost services are easily accessible to all residents albeit at varying scales with rural residents struggling to some extent. The point is that, compared to other rural areas in the region and the other sister municipalities of Ugu, accessibility of RNM rural population fairs well. However, the maintenance of such infrastructure is what poses most challenges. There is also a serious problem of aging infrastructure especially on roads manifests itself in too much potholes. However, effective programmes to ensure all roads are in safe driving conditions are underway. The railway infrastructure linking RNM to Umdoni is non-functional. Also the Banana express rail linking the southern part along the coastal belt to Ezingqoleni town is dysfunctional considering that this used to be a big tourist attraction more especially over the festive season, but proved very expensive to maintain.

ii. Telecommunications infrastructure

• MEC Comments raised in the 2018/19 IDP	• Municipality's response
• The municipality was encourage dto reflect on progress of the IT implementation in the next reviewed IDP	• Currently the municipality does not have funds to implement the project

•

- There is quite good telecommunication network coverage although more still needs to be done to reach world standards. However, it must be noted that in the furthest rural northern part of the municipality, telecommunication network coverage is poor. In formal urban settlements majority of the people have access to Telkom services. In rural areas the



majority of people rely on cellular phones. Some key issues faced by the Municipality access to telecommunication service, infrastructure information and a lack of co-ordinated planning to meet the district's needs.

I. Provision for IEC needs

- There are community facilities readily available for usage. These include Community halls and MPCCs. It must be noted that each ward within the municipality boasts of its community hall, these structures will also be used for the IEC needs.

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iii. Bulk water infrastructure

The southern coastal strip is serviced by water extracted from a number of rivers and dams which is then treated at several of treatment plants owned by Ugu before being distributed. Ugu District Water Services Development Plan (WSDP) indicated that the rivers within the District Municipality have sufficient surplus flow to cater for the water demands for the foreseeable future. However some of the infrastructure needs to be upgraded to cater for the demand. The aging infrastructure and rising demands have resulted in Ugu District Municipality embarking on the Non-Revenue Water management programme to reduce water losses and new water project to meet the demand. The Umzimkhulu augmentation and South Coast bulk pipeline are now at implementation stage with other programmes provided for in the next year's indigents.

- iv. Bulk sewer infrastructure
- The provision of sanitation services is also the responsibility of Ugu District. This includes the delivery of bulk sanitation infrastructure such as the waste water treatment plants. Most of the treatment plant facilities are owned and managed by the Ugu District Municipality other treatment plants are privately owned and managed. There are several pump stations in the reticulated areas whilst waste water treatment plants are generally located inland of the coastal strip.

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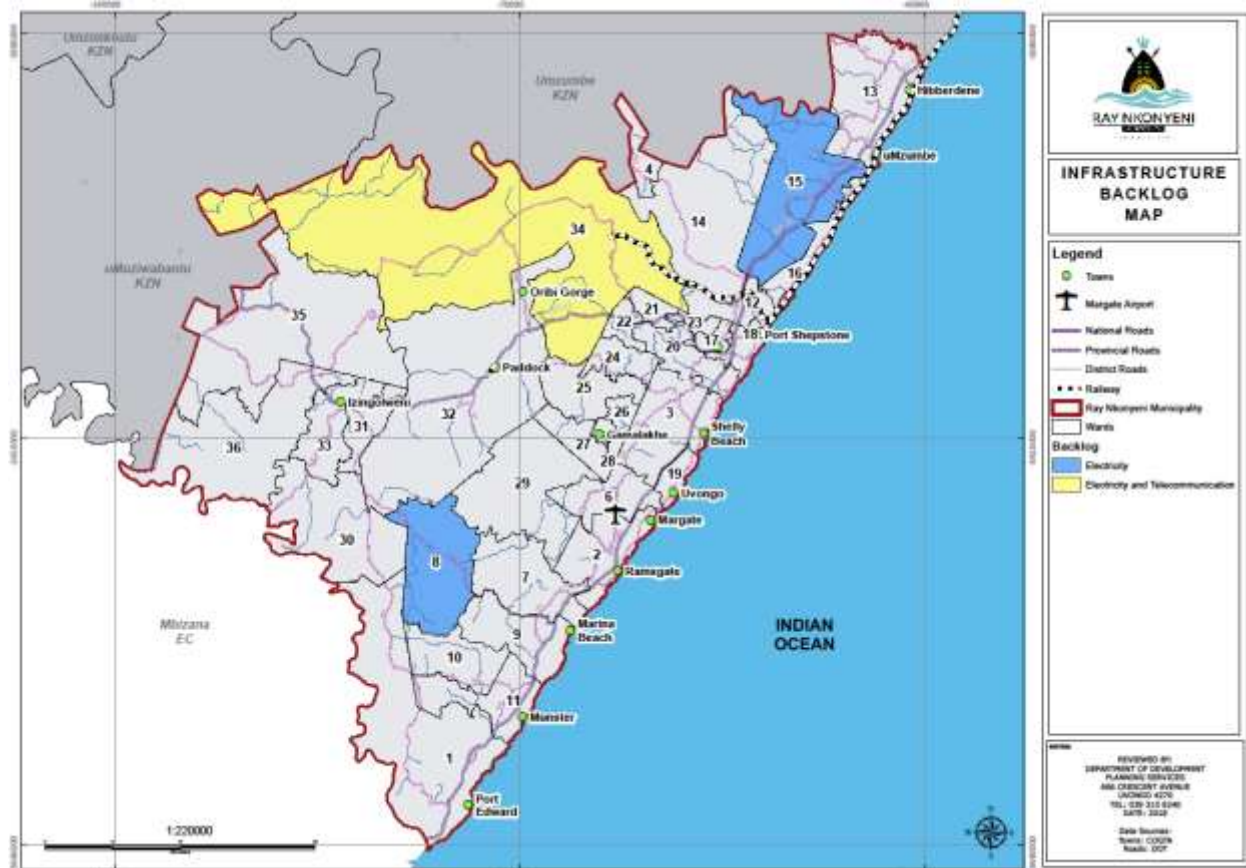
v. Bulk Electricity Infrastructure

It is no surprise that the bulk electricity infrastructure is concentrated in areas that have the highest population densities which is mainly along the coastal strip as well as Murchison, Ezingolweni and Oribi George. There are also a number of HV and MV cables that originate from these substations which distribute electricity within different parts of the municipal area. This is further supported by the MV stations. The electricity network is constrained, with future load requirements in Port Shepstone and the surrounding areas increasing rapidly as a result of new office and commercial developments that are taking place in the area

On the following page is a map showing areas with infrastructure backlog.



map 3: Infrastructure backlog



Source: RNM GIS 2018



1.9 Municipal Governance

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

Executive Committee (EXCO) members)



Cllr Selvan Chetty PR (Chief Whip)



Cllr NCP Mqwebu (Mayor) - ANC



Cllr Y Nair (Deputy Mayor) - ANC



Cllr DH Njoko (Speaker) - ANC



Cllr ZG Maghumula (Chief Whip) - ANC



Cllr D Rawlins - DA



Cllr AM Mpsa - ANC



Cllr AS Dlamalata - ANC



Cllr H Bayland - ANC



Cllr JBA Ndlovu - IFP



Cllr MT Lubanyana - ANC



Cllr L Ntanz - ANC



Cllr SW Ndlovu - DA



1.10 Municipal Administration

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

Table 4: Administration Governance

Municipal Manager	Key Functions
 <p>SM Mbili</p>	The Municipal Manager is the Accounting Officer of the Municipality and is responsible for ensuring that the administration is run effectively from top down. And as such ensures good governance within the institution through the assistance of the internal audit and risk management units and compliance with all legal requirements through legal services section.
Heads of Departments	Key Functions
 <p>Corporate Services: N. Thabatha</p>	Provides leadership and guidance on human resource management, skills development, labour relations, IT, estates management, employee wellness initiatives, meetings administration and legal advisory services.
 <p>Community Services: SM Ndlovane</p>	Provides leadership and guidance with regards to education and waste minimization, cleansing and waste management, aquatic safety and arts and culture.
 <p>Public Safety: SA Nzimande</p>	Provides leadership and guidance to the Department for the achievement of Organisational goals and IDP objectives which enhance service delivery achievements and better services delivered to community.
 <p>Human Settlements & Infrastructure: R. Dlamini</p>	Provide leadership and strategic direction in regards to housing, roads & storm water, electricity, public works, facilities management, institutional & social development and project management administration. Provide guidance to the council, executive committee and local community with regards to provision of basic infrastructural services. Ensure compliance with all legislative requirements.
 <p>Economic Development, Tourism & Planning: SC Zama</p>	To provide leadership and guidance with regards to Economic Development and Development planning. Provide leadership and guidance on Spatial and environmental management through town planning, building control, environmental management and signage control.
 <p>Strategic Planning & Governance: KJ Zulu</p>	Provide leadership and guidance on mayoralty, communications, brand management, marketing, events, public participation, youth development, vulnerable groups' development and empowerment, occupational health and safety of the workplace environment, integrated development planning and organisational performance management.
 <p>Treasury: MD Gqabi</p>	Provides leadership and guidance in overseeing all Treasury activities, ensuring compliance with all acts and legal prescripts required for accurate reporting to all stakeholders.



1.12.1 Line Managers

Within the seven Departments of the municipality are forty four (44) line managers. Managers report directly to their respective Heads of Department except for the Manager Internal Audit and Manager in the office of the MM who report to the municipal manager. The organogram was approved by Council in 2017

Below is a table of Line one Managers.

Table 5: Line Managers

DEPARTMENT	MANAGER DESIGNATION	TOTAL
i. Office of the Municipal Manager	<ul style="list-style-type: none"> • Manager Internal Audit • Manager in the Office of the Municipal Manager 	2
1. Corporate Services	<ul style="list-style-type: none"> • Manager Human Resources • Manager Legal and Compliance • Manager Estates and Administration • Manager Fleet Management • Manager Administration management • Manager Skills Development • Manager Employee Wellness • Manager Information Technology 	8
2. Development Planning Services	<ul style="list-style-type: none"> • Senior Manager Building Control • Manager Town Planning • Manager Environmental Management and Signage Control • Manager Aviation • Manager Local Economic Development and SMMEs 	5
3. Public Safety	<ul style="list-style-type: none"> • Superintendents Law Enforcements x3 • Manager Fire, Rescue and Disaster • Manager Motor Licensing and Bureau 	5
4. Community Services	<ul style="list-style-type: none"> • Manager Waste Management X3 • Manager Education and Waste 	5



	Minimization <ul style="list-style-type: none"> • Manager Arts and Culture 	
5.Strategic Planning and Governance	<ul style="list-style-type: none"> • Manager Mayoralty and Communications • Manager Performing, Monitoring and Evaluating • Manager Youth Development • Manager Stake Holder Relations and Customer Care • Manager Ethics and Risk Management • Manager Special Programmes • Senior Manager Strategic Planning • Manager Public Partiipation 	8
6.Treasury	<ul style="list-style-type: none"> • Manager Budgeting and Reporting • Manager Supply Chain and Management • Manager Revenue Management • Manager Expenditure • Manager Asset Management 	5
7.Technical Services	<ul style="list-style-type: none"> • Manager Human Settlement • Manager Electrical Engineering • Manager Mechanical Engineering • Manager Project Management • Manager Facilities Manager Unit • Manager Roads and Storm Water • Manager Social Development 	7
TOTAL		44

1.11 Vision and Mission Statement



1.11.1 Vision

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

1.11.2 Mission

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

1.12 Goals and Objectives

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

On the following page are the eight goals the municipality has adopted with their strategic objectives. These are aligned to the National Growth Development Strategy.



Table 6: Goals, Relevant National KPAs and Strategic Objectives

GOAL	RELEVANT KEY PERFORMANCE AREAS	STRATEGIC OBJECTIVES
1.Eradicating Poverty and Hunger	Local Economic Development and Social Development	<ul style="list-style-type: none"> • To accelerate the fight against poverty and prioritise support to vulnerable groups such as children, females and the elderly • To promote sustainable livelihoods by assisting communities through various government led job creation programmes and social programmes • To promote pro-poor economic growth and lessen social and income inequalities
2.Creating a Conducive Environment for Inclusive and Diverse Economic Growth and Development	Local Economic Development and Social Development	<ul style="list-style-type: none"> • To grow the economy of RNM by attracting investments and fostering partnerships with private and public sector • To create a conducive environment for businesses and cooperatives to thrive and ensure the creation of jobs for the local community • To promote township and rural development through nodal developments • To promote RNM as a prime tourism and investment destination • To promote local economic development and the support of



		<p>emerging enterprises and SMMEs</p> <ul style="list-style-type: none"> • To promote • To promote strategic and transformative release of land to foster inclusive economic development
3.Promoting Healthy Lives and Equitable Access To Education and Learning Opportunities	Local Economic Development and Social Development	<ul style="list-style-type: none"> • To create a skilled and capable citizenry, that contributes to the growth of the local economy • To create a learning municipality • To create a healthy citizenry, that is capable of participating in growing local economy • To improve access to social infrastructure
4.Developing a capable, equitable and financially viable institution and ensuring good and sound governance	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	<ul style="list-style-type: none"> • To foster effective and efficient Inter-Governmental Relations (IGR) • To create a skilled and capable municipal workforce, that provides quality services to the citizens of the municipality •
	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	<ul style="list-style-type: none"> • To improve the organisation's performance through enhanced productivity and achievement of service delivery • To enhance organizational development in line with community needs • To promote a culture of participatory planning and participatory democracy



		<ul style="list-style-type: none"> • To have updated organisational policies and modernised information and communication technologies for good governance • To develop an ethical organisation which is fraud, corruption and maladministration free • To promote and uphold principles of transparency, accountability, good governance and legal compliance • To ensure confidence of all stakeholders in municipal financial management •
	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	<ul style="list-style-type: none"> • To ensure sound and effective financial management and compliance with policy and legislative requirements
5.Ensuring Infrastructure Development and Universal Access to Reliable Basic Services	Service Delivery and Infrastructure	<ul style="list-style-type: none"> • To improve debt management, debt collection, ensure value for money and implement cost reduction measures • To grow and diversify revenue streams and implement revenue enhancement projects • To ensure expenditure on long-term capital infrastructure project plans • To ensure effective and efficient management and utilisation of council owned properties and assets.



		<ul style="list-style-type: none"> • To ensure existing infrastructure is maintained and revitalised • To address infrastructure backlogs and extend access to basic services • To ensure the delivery of economic infrastructure as part of creating a conducive environment for economic growth • To improve the delivery of capital projects through investment in infrastructure development • To improve access to adequate shelter in the form of sustainable human settlements
6.Promoting a safe and secure society	Local Economic Development and Social Development	<ul style="list-style-type: none"> • To ensure a safe and crime free municipality by reducing crime through law and by-law enforcement. • To galvanise and mobilise all sectors and role-players to participate in ensuring public safety
7.Combating climate change and ensuring sustainable development and resilient communities	Cross Cutting Issues	<ul style="list-style-type: none"> • To promote the sustainable utilisation of natural resources and compliance with environmental legislation • To promote a healthy and hygienically safe environment and create an environmentally educated society • To promote the green economy



		<ul style="list-style-type: none"> • To implement climate change mitigation and adaptation strategies • To strengthen disaster management and mitigate disaster impacts through resilience planning
8.Facilitating Spatial Integration and Development of Sustainable Human Settlements	Cross Cutting Issues	<ul style="list-style-type: none"> • To support access to land and land tenure upgrading • To promote and enhance development planning, spatial planning and land use management • To provide strategic guidance for the spatial development trajectory and desired spatial picture of the municipality • To ensure the creation of sustainable human settlements



1.13 Core Values

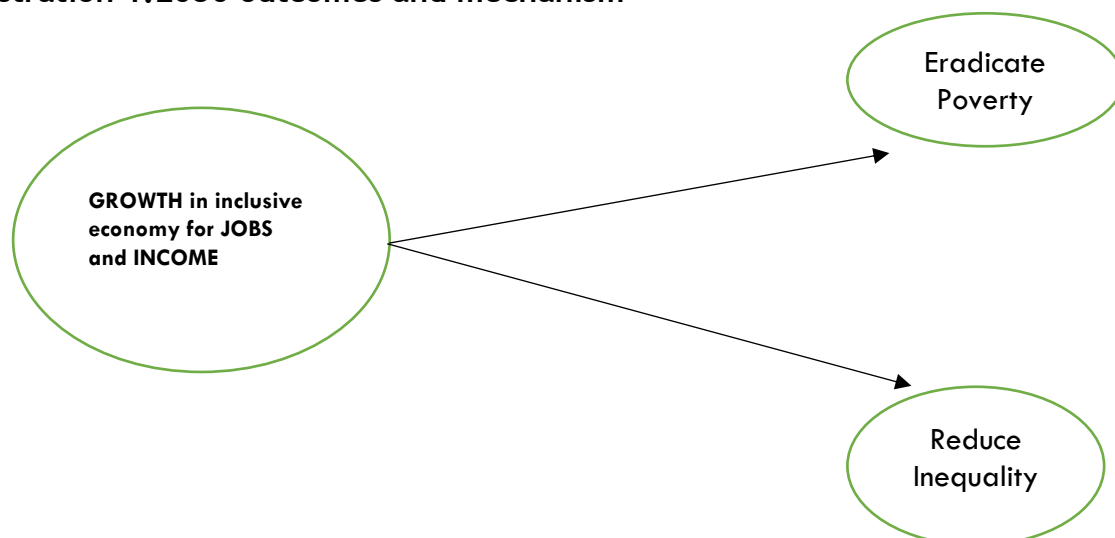
The municipality fully adheres to the eleven principles of Batho Pele and over the years displayed good governance to its citizens and has thrived on the following core values:

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

1.14 Key Challenges

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

Illustration 1:2030 outcomes and mechanism





Some other challenges faced by the municipality are.

- Inequality
- Informal settlements enlarging
- Emerging small commercial farmers with no capital and expertise
- Urban biased development
- Strategic Infrastructure
- Poor Debt payment by residents

These key challenges identified are unpacked in the table below alongside a relevant KPA. The municipality further shows how it intends to unlock each challenge. However, these challenges will be discussed later in detail in the document under each Key Performance Area on the municipality's intervention in Section 4.

Table 7: Challenges and Interventions

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



	7. Emerging small commercial farmers with no capital and expertise	
Good Governance and Public Participation	8. Equal representation between the races and all stakeholders within the municipality 9. Poor participation of a makhosi	Conducted through mediums such as Mayoral Izimbizo, Operation Sukuma Sakhe and public meetings Liaise with KZN COGTA-traditional affairs unit to assist
Municipal Financial Viability And Management	10. Poor debt payment	Effective revenue enhancement strategy
Municipal Transformation And Institutional Development	11. Lack of office space	Budget for office space Increase capacity
Cross Cutting	12. Rural schemes and Environmental unresolved issues 13. Urban biased development	Unlocking of land for development Developing policies Establish agreement with Amakhosi/Ingonyama Trust

1.15 How the IDP was formulated

The following activities have been undertaken to review the current IDP.

- Section 28 of the Municipal Systems Act of 2000 (MSA) stipulates that the Municipal Council must adopt a process to guide the planning, drafting, adoption and review of its IDP. RNM adhered to this Act as its 2019/2020 IDP Process Plan was adopted in August 2018 by Council and submitted to Cogta and this process has informed the current draft IDP



- Invitations via the media for members of the public to register their interest to participate as different interest groups as well as give direction in terms of Institutional Arrangements, Mechanisms and Procedures for Participation and Alignment, IDP Review Action Programme and break down the Roles and Responsibilities were practiced
- The approach adopted in the preparation of the Draft IDP 2019/2020 is strongly guided by the guidelines prepared by KZN COGTA as set out in the IDP guide packs and the IDP simplified format. The IDP is in line with the Department of Co-operative Government and Traditional Affairs Guideline for IDP's 2007 / 2008 and beyond
- The adjustment budget process took place in the month of February 2018 whereby all departments adjusted their individual budgets with the guidance of the Finance Department. The draft IDP and Budget will be submitted to Council for approval at the end of March 2018
- MEC comments raised in the IDP for 2018/2019. The Municipality was ranked number seven (7) in the Province for producing one of the best credible IDPs. The overall scoring is 76.16% and it must be noted that these comments have been fully addressed.

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Below is a list of the MEC comments and how each KPA was scored out of a total of five (5)

KPA	MEC COMMENT	SCORING OUT OF 5
1.Municipal Transformation and Institutional Development	<ul style="list-style-type: none"> ➤ Develop and implement a Human Resource Plan ➤ Reflect the progress on IT in the next IDP 	05
2. Local Economic Development	<ul style="list-style-type: none"> ➤ Pronounce on the total contribution to the Provincial & District targets such as the total number of jobs created on sectors of 	3.5



	<p>economy and early childhood development and skills development aligned to key economic sectors</p> <ul style="list-style-type: none"> ➤ Reflect on the integrated grant spending in line with the provisions stipulated in the incentive grant agreement ➤ Develop the investment/ retention policy ➤ Reflect on the green economy initiative ➤ Budget for the LED programmes within the IDP ➤ Develop the M&E plan to track progress and effectiveness of interventions employed for ➤ Implement a plan to address the AG & Provincial Treasury concerns with regards to LED ➤ Table a budget for research and development 	
3. Basic Service Delivery	<ul style="list-style-type: none"> ➤ Information abstracted from the district's IDP regarding water & sanitation projects ➤ Adopt and reflect the status of the operations and Maintenance Plan for electricity ➤ Develop the Local Transport Plan as required by the National Land Transport Act 5 of 2009 ➤ Housing Forums/think tanks for the monitoring of the implementation of human settlements projects in place 	3



	<ul style="list-style-type: none"> ➤ Provide temporal and permanent infrastructure for the National Government Elections in 2019 ➤ To indicate status of the establishment of the municipal pound 	
4. Financial Viability and Management	<ul style="list-style-type: none"> ➤ Municipality did not consider all the criteria stipulated with respect to relevant details ➤ Indicate the table of projects identified as new/ongoing in order to bring together core financial element of asset management ➤ Partial information was provided on the three year synopsis of funds received ➤ Partial information was given on revenue protection ➤ Partial information was given on three year outstanding debt per category and policy decisions taken when dealing with debt ➤ No information was provided on the alignment of the procurement plan with the SDBIP ➤ Municipality to include the provision for the disabled within the SCM Policy 	4.45
5. Good Governance and Public participation	<ul style="list-style-type: none"> ➤ Ensure participation in the IGR Structures ➤ Batho Pele Policy and the service delivery improvement plan is developed 	4.5
6. Cross Cutting		2.4



	<ul style="list-style-type: none"> ➤ Not achieved Spluma compliance ➤ Resources to be set aside to address and ensure that the SDF is SPLUMA compliant ➤ More attention should be focused on the manner in which environmental related issues are addressed ➤ Implementation of developed environmental plans is required ➤ Alignment of the IDP budget and project management services is necessary ➤ Insufficient environmental information was noted in comparison to the SDF ➤ Sector plans to be aligned to the IDP and SDF ➤ SDF is partially compliant with the provision of Section 21 of SPLUMA ➤ Disaster Management Sector Plan must be annually reviewed for incorporation into the IDP and SDF alignment ➤ Municipality to enhance the quality of disaster risk profile mapping ➤ Reflect the fire and rescue service and disaster management projects with budget in the IDP and SDF ➤ Non compliance with Section 43(3) of the Disaster Management Act 16 of 2015 ➤ Need for a long term spatial development vision statement which indicates a desired spatial 	
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	<p>growth and development patterns for the next 10-20 years</p> <ul style="list-style-type: none"> ➤ SDF must guide the development of the IDP and 5 year spatial Develeopment Plan ➤ Include population growth for the next five years which need to be depicted spatially ➤ Provide estimates for economic activity and employment trends and locations ➤ Identify,quantify an dprovide locational rquirements of engineering infrastructure and services provision for existing and future development needs for the next five years ➤ Indicate the capital expenditure framework guided by the CIF <p>Provide the spatial expression of the coordination, alignment and integration of sectoral policies of all municipal departments</p>	
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- In preparing the IDP, the municipality also took into consideration the Mscoa alignment. The importance of this link is that it:
 - Directly links the inputs per IDP objective to the outcomes and impact on service delivery
 - Would enable performance management and achievement of objectives
 - Will assist in monitoring of progress of projects
 - Will ensure proper management of financial resources
 - Reporting on projects would be easier (dashboard reporting)
 - Promotes the co-ordination between all spheres of government
 - Aids in attracting additional funding (clear prioritization of goals and transparency in funding thereby attracting investors in South Africa)

1.16 Organizational Performance Management Framework

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

1.17 How will Performance Be Measured

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

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

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

The requirements that RNM's OPMS will need to fulfill;

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



1.18 SWOT Analysis

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

1.19 How the IDP was formed

1.19.1 Aspects Informing the 2019/2020 Integrated Development Plan

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

The following aspects informed the 2019/2020 IDP:

- Responding on the Outcome Delivery Agreement (Outcome: 09) and its seven (7) outputs, as signed by the Minister (COGTA);
- Responding to issues raised during the provincial and own assessments (SWOT);
- Responding to the comments and issues raised by the MEC for COGTA (KZN) on the 2017/2022 IDP;
- Responding to issues identified as part of the Back to Basics;
- Formulating the current Vision, Mission, strategic objective, programmes and projects;
- Alignment of IDP, Budget and PMS activities
- Updating baseline information to ensure sound decision-making in addressing service delivery gaps;
- Strengthening focused community and stakeholder participation in the IDP processes; and
- Aligning Sector Departments' strategic plans to the district-wide priorities and service delivery programmes.

1.19.2 Government Policies Imperatives Informing the 2019/2020 Integrated Development Plan

The 2019/2020 IDP document has also been informed and is aligned to the following strategic documents and National and Provincial strategic objectives:

- Sustainable Development Goals
- National Development Plan 2030
- Back to Basics



- State of the Nation Address 2019
- State of the Province Address 2019
- Provincial Growth and Development Strategy
- District Development Growth Strategy
- Strategic Development
- Alignment Matrix
- SPLUMA Principles
- 14 National Delivery Outcome Agreements (**especially outcome nine (9) in relation to Local government**)
- Provincial Growth Development Strategy: AND
- MTSF

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

1.19.3 Sustainable Development Goals

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

Table 8: Sustainable Development Goals and Alignment

GOAL	Sustainable Development Goal	RNM's RESPONSE
1	No poverty	Develop LED strategies to create jobs and incomes Increase access to women and other valuable groups to economics opportunities Increase participation in War Rooms and Sukuma Sakhe to identify poverty ridden households Develop networks of collaboration with NGOs and other stakeholders
2	Less hunger	Develop food security programs One home, one garden project Increase participation with merging farmers



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



Table 9: SWOT ANALYSIS

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



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



	measured in traditional economic terms	
	BEE legislation provides an opportunity of using government procurement spend to uplift SMMEs	



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

2.1 National Development Plan: 2030

Former President Jacob Zuma appointed the National Planning Commission in May 2010 to draft a vision and national development plan. The Commission's Diagnostic Report, released in June 2011, set out South Africa's achievements and shortcomings since 1994. It identified a failure to implement policies and an absence of broad partnerships as the main reasons for slow progress, and set out nine primary challenges:

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

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

2.2 Back to Basics

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



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

The programme recognizes that we need to do things differently if we want different solutions. It argues that we must change our paradigm to focus on serving the people rather than the extractive elites. To be noted is that the programme draws from the National Development Plan.

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

Illustration 2: Back to Basics Pillars



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

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



2.3 State of the Nation Address

The President of South Africa in his 2019 key note address mentioned a number of key challenges faced by the country and how best as a Government is going to address them. RNM is set to adhere to these not just for compliance but to ensure that service delivery reaches all its communities. Each key point raised by the State President will be mentioned under each KPA in the document where it is relevant and it will be addressed by the municipality . To mention but a few of the comments raised by the State President:

- *Have we built a society where the injustices of the past no longer define the lives of the present?*
- *Firstly, we must accelerate inclusive economic growth and create jobs.*
- *Secondly, our history demands that we should improve the education system and develop the skills that we need now and into the future.*
- *Thirdly, we are duty bound to improve the conditions of life for all South Africans, especially the poor*
- *Fourthly, we need to strengthen the capacity of the state to address the needs of the people.*
- *Focus this year on significantly expanding our small business incubation programme.*
- *Our greatest challenge is to create jobs for the unemployed of today, while preparing workers for the jobs of tomorrow.*
- *The potential of agriculture in South Africa for job creation and economic growth still remains largely underdeveloped.*
- *Strategically located land will be released to address human settlements needs in urban and peri-urban areas.*
- *Since the Operation Phakisa on the Oceans Economy in 2014, we have secured investments of nearly R30 billion and created over 7,000 direct jobs*

2.4 State of the Province Address

- *Build an Inclusive Economy that Creates Decent Jobs;*
- *Transform our Rural areas;*
- *Ensure Decent Living Conditions and Sustainable Human Settlements;*
- *Improve and Expand Education and Training;*



- *Ensure Quality Health Care for All;*
- *Expand Comprehensive Social Security;*
- *Fight Crime and Corruption; and*
- *Build a United Nation and Promote Social Cohesion*

2.5 PGDS Nodes and Corridors Hierarchy

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

2.5.1 Recreational Node

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

2.5.2 Tourism Node

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

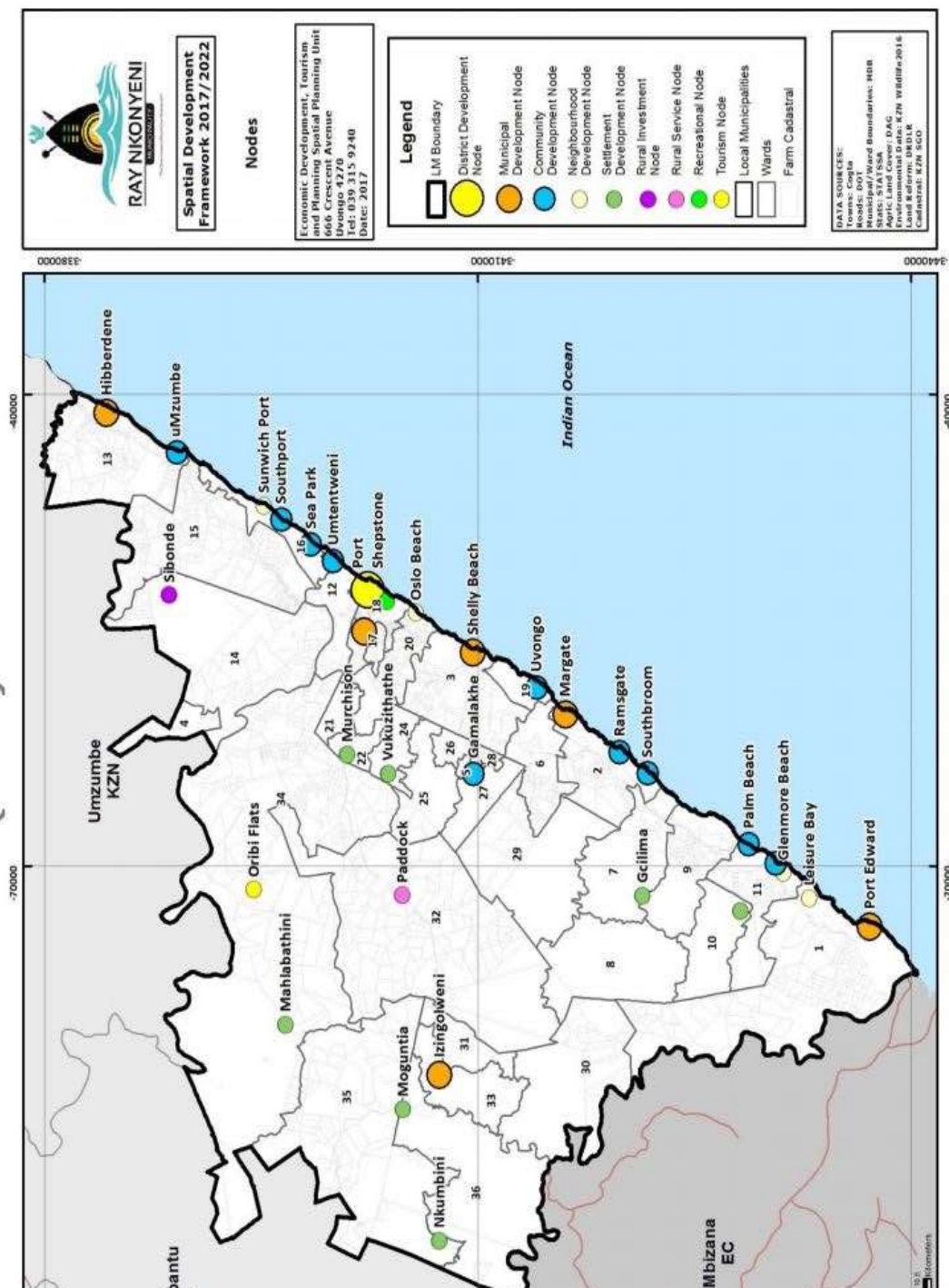


2.2.6.3 PGDP 2035

The KZN Provincial Executive Council tasked the KZN Provincial Planning Commission to prepare a long term vision and provincial growth and development strategy. This was adopted in 2011 whereby it was resolved that the strategy will be reviewed every 5 years. By 2035, the Province should have maximized its position as a gateway to SA and Southern Africa, as well as its human and natural resources so creating a safe, healthy and sustainable living environment. The rationale behind this strategy was to guide resources allocation, driving implementation in a coordinated and integrated manner, where progress can be measured against predetermined targets and where roles and responsibilities have been confirmed within established lines of accountability.

Below is a map showing these corridors and nodes.

Map 4: PGDS Nodes





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

Table 10: PGDS and RNM Alignment

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

2.6 Ugu District Growth and Development Plan

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

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

- Strategic infrastructure investment



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

2.7 Strategic Development Alignment Matrix

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

Table 11: Strategic Development Alignment Matrix

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



2.8 Spluma Principles

2.8.1 Preparation of SDF

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

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

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

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

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

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

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

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

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

i) Address historical spatial imbalances in development;

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

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

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

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

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

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



II. The national government, a provincial government and the municipality must participate in the spatial planning and land use management processes that impact on each other to ensure that the plans and programmes are coordinated, consistent and in harmony with each other.

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

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

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

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

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

The current SDF of the municipality fully adheres to the SPLUMA.The SPLUMA BYLAWS were adopted by Council in 2016

2.9 The 14 National Outcomes

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

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

Output 2: Improving access to basic services.

Output 3: Implementation of the Community Work Programme

Output 4: Actions supportive of the human settlement outcome

Output 5: Deepen democracy through a refined Ward Committee model

Output 6: Administrative and financial capability

Output 7: Single window of coordination

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



2.10 Provincial Growth Development Plan

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

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

Ray Nkonyeni Municipality has fully responded to the listed PGDP goals and will be analysed in the document per KPA. Through its LED, the municipality is striving to ensure that poverty is eliminated and inequality addressed. This is done through the programmes and projects in place. Clean and safe environment is another milestone the municipality has covered and is working towards attaining quality health care. Ray Nkonyeni was awarded a clean audit in the current financial year.

2.11 Medium Strategic Framework 2014-2019

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

2.12 The Municipal Planning Tribunal

The municipality has established a Municipal Planning Tribunal (MPT/JMPT which processes land use application. The Tribunal does meet the requirements as per SPLUMA Guidelines and it sits once a month. Manager Town Planning chairs the Tribunal. The Executive Council is the Appeal Authority.



2.13 STRATEGIC FRAMEWORK/VISION,GOALS AND OBJECTIVES

2.13.1 Strategic Framework

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

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

2.13.2 Organisational Goals, Vision and Mission Statement

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

Table 12: Goals and Strategic Objectives

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



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

- To promote local economic development and the support of emerging enterprises and SMMEs
- To promote strategic and transformative release of land to foster inclusive economic development

4.Developing a capable, equitable and financially viable institution

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

5.Ensuring universal access to reliable basic services

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



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

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

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



2.13.4 Vision

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

2.13.5 Mission

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

2.14 Strategic Objectives

1. Municipal Transformation and Organisational Development

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

2. Basic Service Delivery and Infrastructure

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

3. Local Economic Development

- i. To grow the economy of the municipality through investment attraction and tourism development
- ii. To create an enabling environment to grow businesses, cooperatives and SMMEs
- iii. To drive job creation initiatives
- iv. To promote township and rural development through nodal developments especially for commerce and industries
- v. To promote sustainable livelihoods and enhance the fight against poverty



vi.To facilitate participation of youth and previously disadvantaged individuals in the economy.

4. Good Governance and Public Participation

i.To promote a culture of participatory democracy

ii.To develop and review organisational policies to be in line with current national and provincial agenda

iii.To develop an ethical organisation which is fraud and corruption free

iv.To promote and uphold principles of good governance and legal compliance

v.To ensure a safe and crime free municipality.

vi. To promote human rights and social upliftment of vulnerable groups and address moral regeneration need

vii. To promote and safeguard the municipal brand

5. Municipal Financial Viability and Management

i. To ensure efficient and effective management of council assets and properties.

ii. To improve revenue, cost reduction and management of debt

iii.To ensure expenditure on long-term capital infrastructure project plans

6. Cross Cutting Issues

i.To create sustainable and resilient settlements

ii.To promote and enhance planned development and land administration

iii.To promote green economy

2.15 Long term vision

RNM has a long term vision (**Vision 20136**) being developed and will be adopted by Council in due course. A special Committee made up of officials was established to ensure that all key challenges within the municipality are listed so that the development of the vision is coined from them.



SECTION C: DEMOGRAPHIC ANALYSIS

3.1. Population Profile

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

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

Most of Ugu's Local Municipalities' boundaries were affected after the demarcation, except for Umuziwabantu. After the disestablishment and incorporation of Vulamehlo into Umdoni Municipality, the boundary of the latter changed. Umzumbe municipality's boundary was affected as well since a small portion in its northern part was demarcated to Harry Gwala District. Umuziwabantu's boundary was not affected.

The newly established Ray Nkonyeni Municipality there after boasted the largest local municipality in square kilometers in the entire District. Below are two maps showing boundaries before and after the demarcation of the Ugu District Municipality and its local municipalities.



Map 5: District boundary

District Municipality: Looking back and now....



2011 Geo hierarchy: 789 953 persons
8.5 growth rate

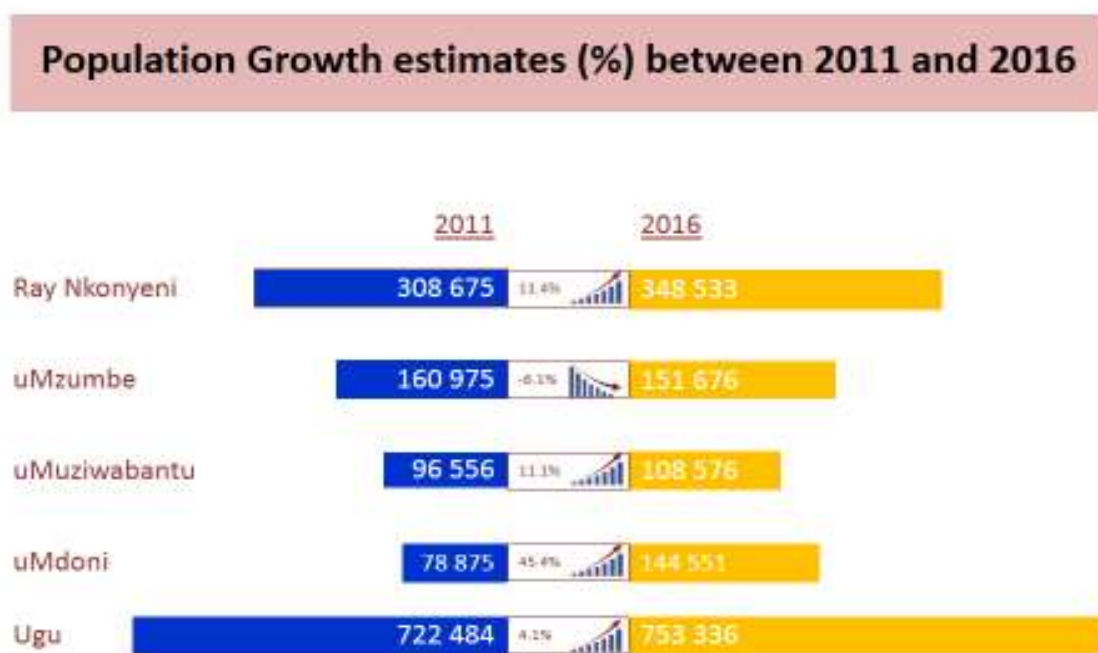
2016 Geo boundaries: 753 336 persons
4.1 growth rate

Source: Statistics South Africa 2016 Community Survey



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

Graph 2: Population Growth estimates %



Source: Statistics South Africa 2016 Community Survey

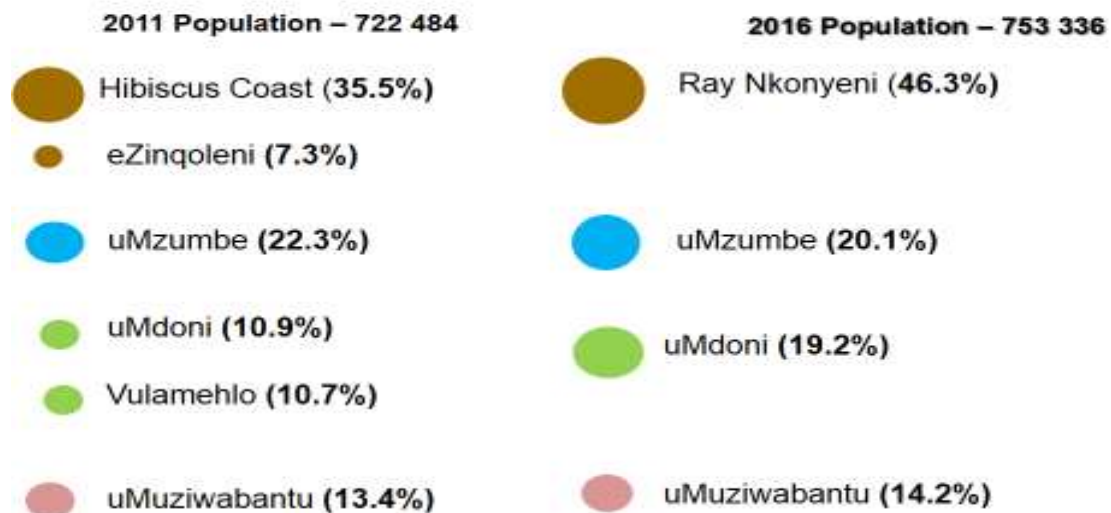
There was a population growth of (11%) 39 881 in 2016 for Ray Nkonyeni Municipality, while Umuziwabantu's population increased by (11.1%) 12 020 and Umdoni experienced the highest increase of (45.4%) 65 676. On the other hand Umzumbe municipality (4.1%) declined by 9 299. According to Provincial standards,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

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



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

Graph 3: Population Percentage per Local Municipality



Source: Statistics South Africa 2016 Community Survey

3.2 RNM population compared to other KZN Local Municipalities' population

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

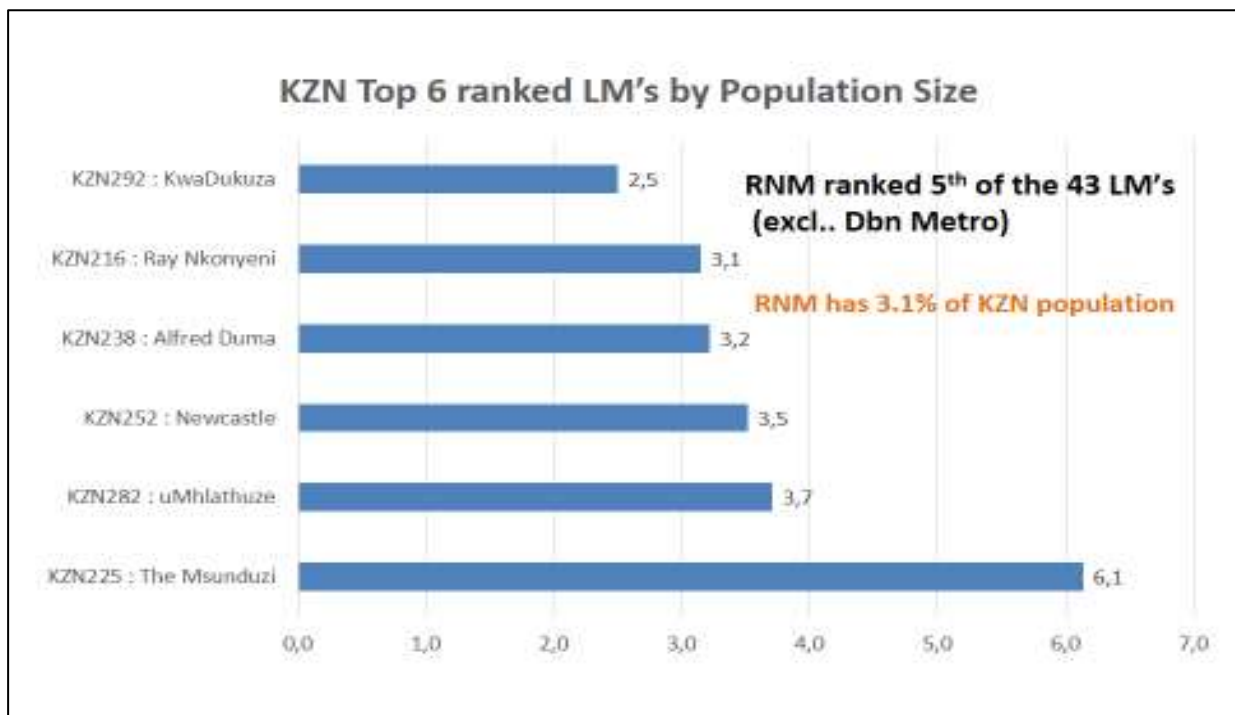
The other Ugu District Municipality locals are ranked as follows:

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



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

Graph 4: Top 6 KZN LMs



Source: Statistics South Africa 2016 Community Survey

3.3 Population Growth

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

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

According to the State of the Nation Address, 2018, the President voiced out that a high population is a threat to growth and development and results in extreme poverty. In this light then, when a population grows, there is bound to be problems in terms of socio-economic factors are concerned. More people in one area mean less job opportunities resulting in extreme poverty. It there for lies within the municipality to ensure that its vision and strategies addresses this aspect.



3.3 Population Distribution

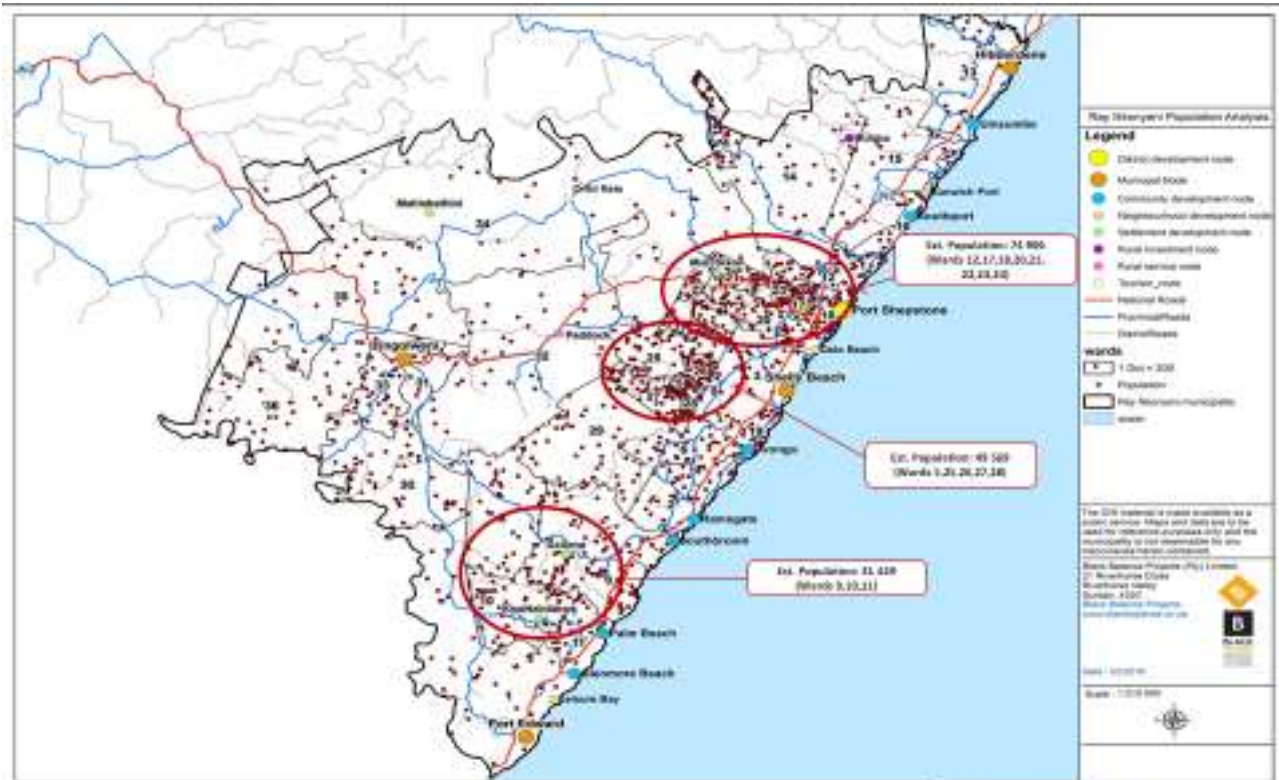
Most rural areas in many parts of KZN areas are sparsely populated, and this is no exception to RNM. According to the recent community survey, the population is distributed unevenly across the 36 municipal wards. For an example, Ward 20 has a total of approximately 14 855 which makes it the most populated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

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

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



Map 6: Population Distribution



Source: RNM 2018 GIS



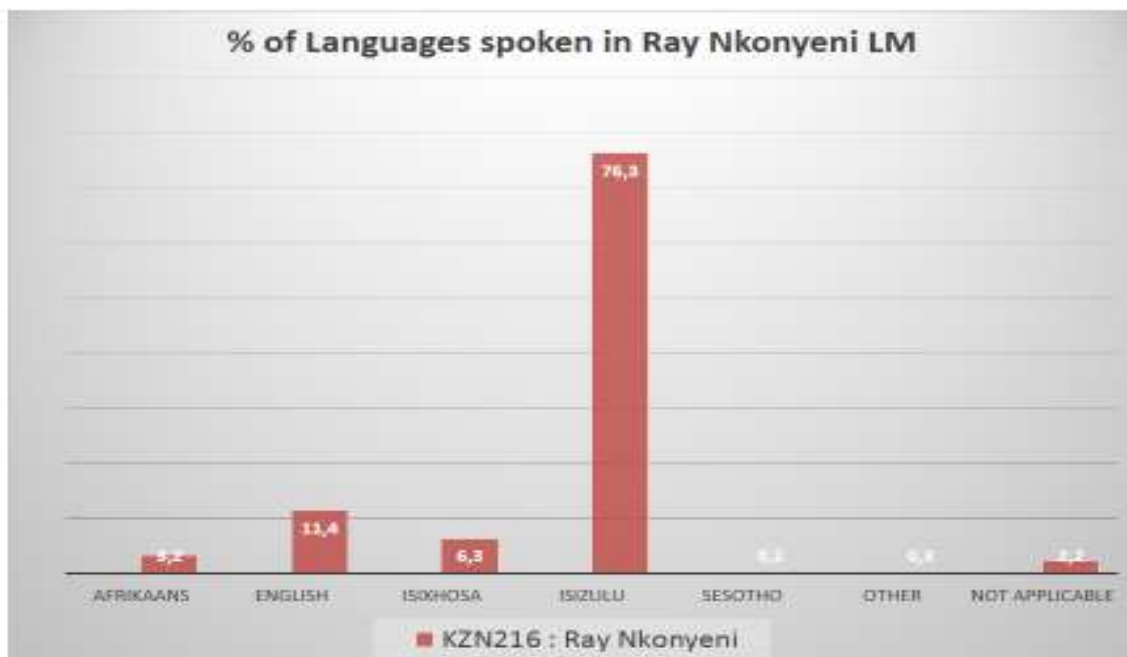
3.3 Population by home Language

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

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

The graph below details this information.

Graph 5; Home Language Percentage



Source: Statistics South Africa 2016 Community Survey

3.5 Population by Age Groups

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



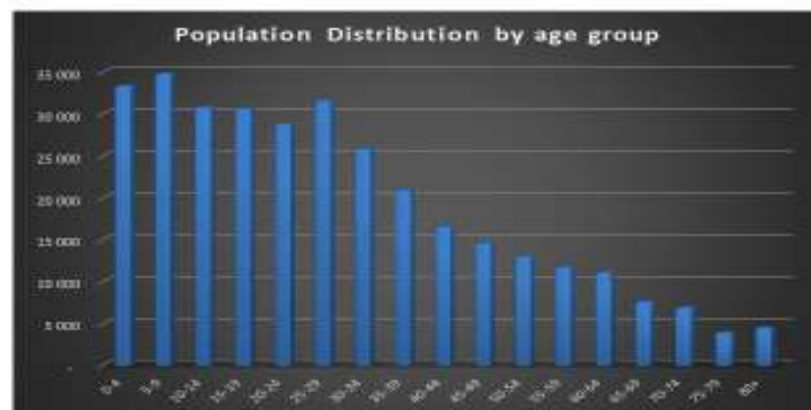
This is because the municipality has more educational facilities and more job opportunities which attract young people from areas outside its jurisdiction. The third in population size (18%) is the adults. This category is between the ages of 35-64 years. What is noticeable also is that as the population grows older, the number gets lesser. Contributing factors may be due to socio-economic conditions.

As people grow older, so are their needs which normally result in out migration in search of greener pastures. Another possible factor may be the result of the pandemic diseases. According to the PGDS, high level strategic analysis, these are still areas to improve on and so RNM is improving on that. The last population in size is the elderly who make 7%, between the ages of 65+. One can conclude by that the municipality's life expectancy is extremely low.

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

The graph below shows the municipality's population distribution by age group. It shows that the number of new borns is very high (0-09 years). As they grow above 35 years of age, the number drops drastically. By the time they reach the age of 69, the number is very little. This paints a picture of a very young life expectancy at Ray Nkonyeni Municipality.

Graph 6: Population Distribution by age group

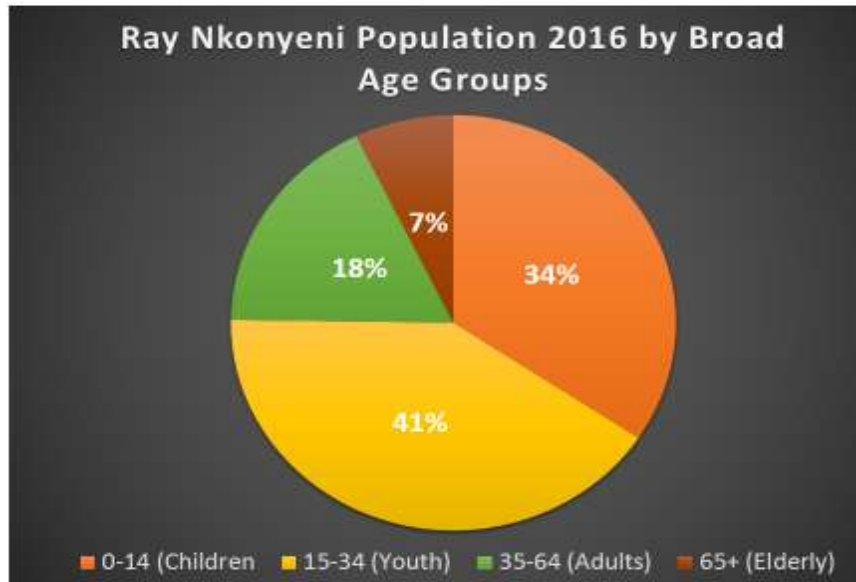


Source: www.salga.org 2018



The graph below shows the population percentage of RNM by age groups.

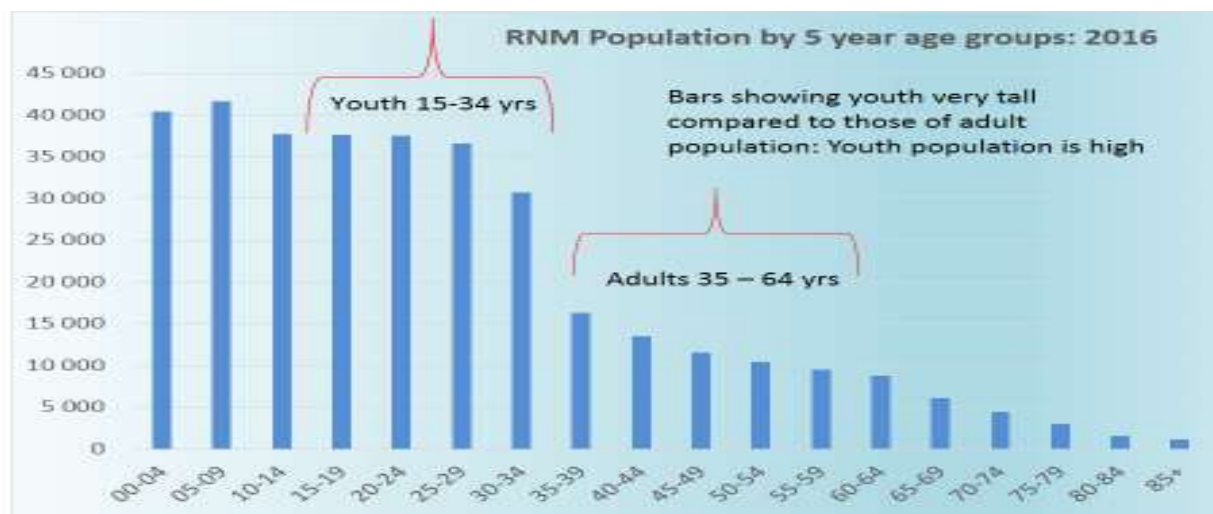
Graph 7: Population by Broad Age Groups



Source: Statistics South Africa 2016 Community Survey

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

Graph 8: Population by 5 Year Age Groups



Source: Statistics South Africa 2016 Community Survey



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

Table 13: Youth Percentage per municipality

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

Source: Statistics South Africa 2016 Community Survey population Distribution

3.6 Population Pyramid (Age) by Gender

The population pyramid below shows a trend of more baby boys (12%) born than baby girls. Between the ages of 0-14 years, the number of boys as compared to that of girls is high. As the male generation grows older, between the ages of 14-29 years, the number is still higher as compared to that of girls. However, there is a drop in the male generation between the ages of 30-39 years, with a significant further drop further between the ages of 40-85+.

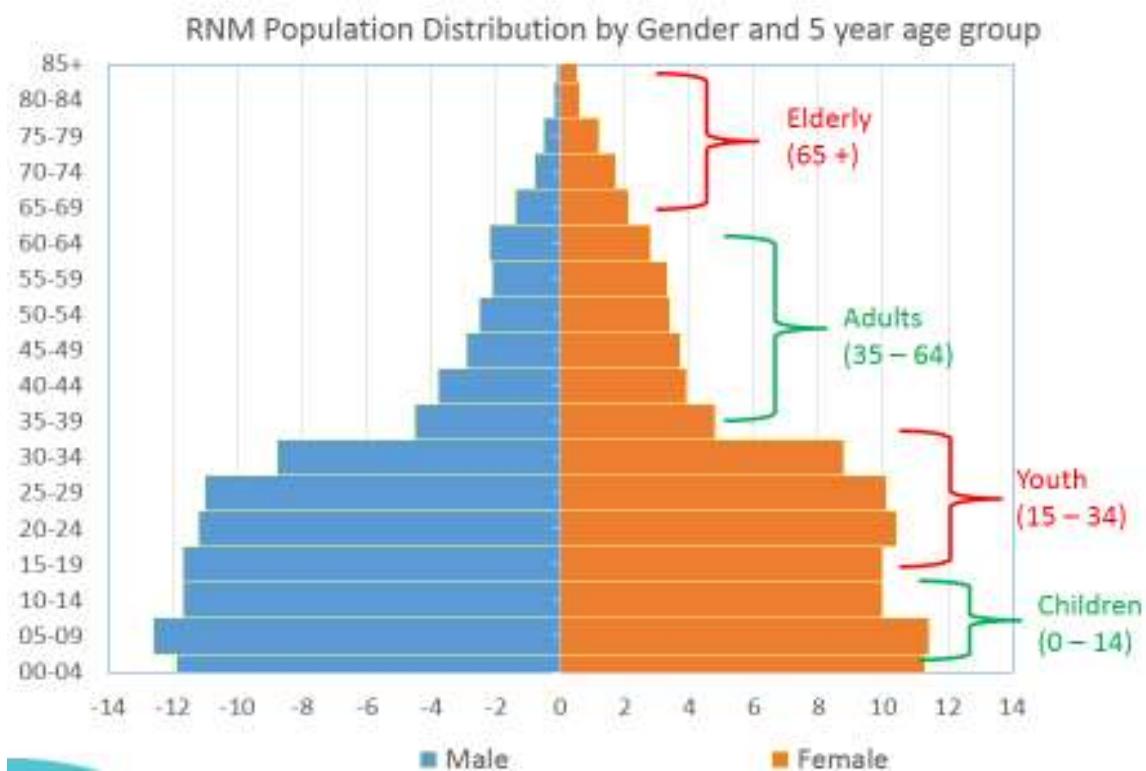
The dropping rate is quite high. On the other hand, the female population at birth is lower (11.8%). Between the ages of 14-19 years, the female population decreases, however, between the ages of 20-29 years, the number increases. Statistics further show that by the time the female generation is between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

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

They leave for distant cities in other provinces for job opportunities. The municipality has a higher percentage (54%) of females as compared to the 46% of males. The lesser number of males as compared to females may be attributed to a number of socio-economic factors. Below is a population pyramid of the municipality.



Graph 9: RNM Population Pyramid (Population by gender)



Source: Statistics South Africa 2016 Community Survey



The following graphs compare the male population versus the female population in five year categories between RNM and some metros within the country. As a biggest populated municipality as well as economic hub of Ugu, RNM's male population between the ages of 45-49 shows a decline while in these metros is the opposite. This comparison will assist in comparing our health and economic programmes against those of these metros. The rationale behind this comparison is to ensure that our economic programmes and health programmes are enough to uphold the number of males deteriorating. The significance of this age group is that at this age, most people are economic active with most holding stable jobs with families and other major responsibilities they attend to as compared to the other age groups. So as a municipality, it is vital to compare this category with that of Metros considering that the municipality is ranked amongst the top five local municipalities in the Province in terms of population.



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



3.7 Race Population Distribution per ward

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

4.3 Household Characteristics

3.8 Household Size

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

The graph below is summarising this information.

Table 14: House hold Size

Municipality	2011 Households	2011 HH size	2016 Households	2016 HH size
Ugu	179 435	4.2	175 146	4.3
Umzumbe	35 171	4.6	28 132	5.4
Umuziwabantu	21 619	4.5	21 172	5.1
Ezingoleni	11 472	4.6	Ray Nkonyeni	3.9
Hibiscus Coast	72 172	3.5		
Vulamehlo	16 135	4.8	Umdoni	4.1
Umdoni	22 867	3.4		

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

Source: Statistics South Africa 2016 Community Survey

3.9 Household Head by Age

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

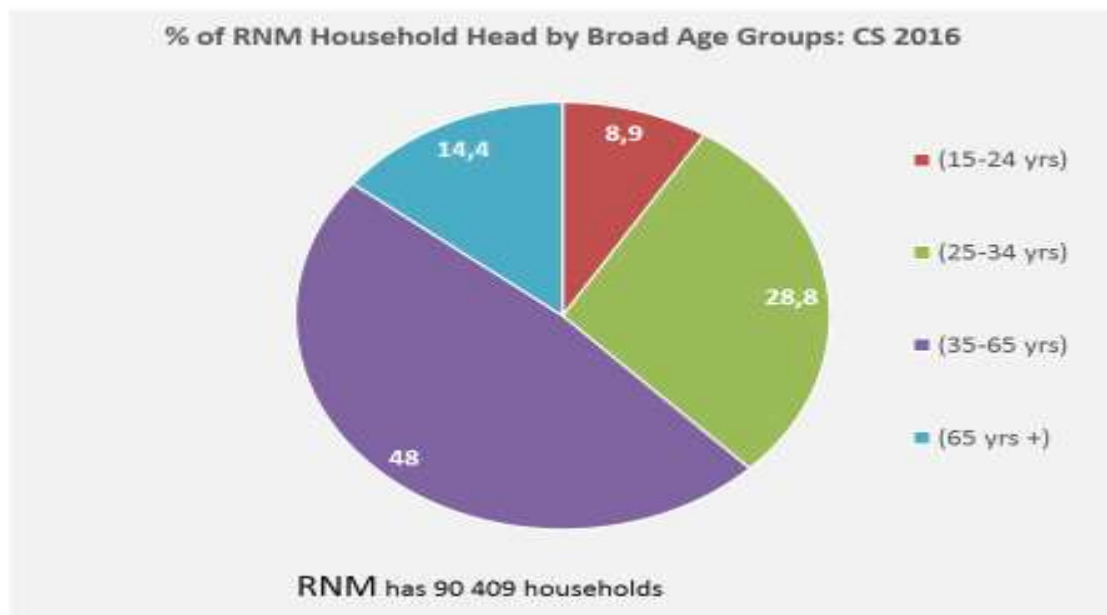
- 48% is the middle aged group between the ages of 35-65
- 28.8% is the youth between the ages of 25-35
- 14.4% is the elderly between the ages of 65+
- 8.9% are children between the ages of 14-25

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



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

Graph 10: RNM Households by Broad Age Groups



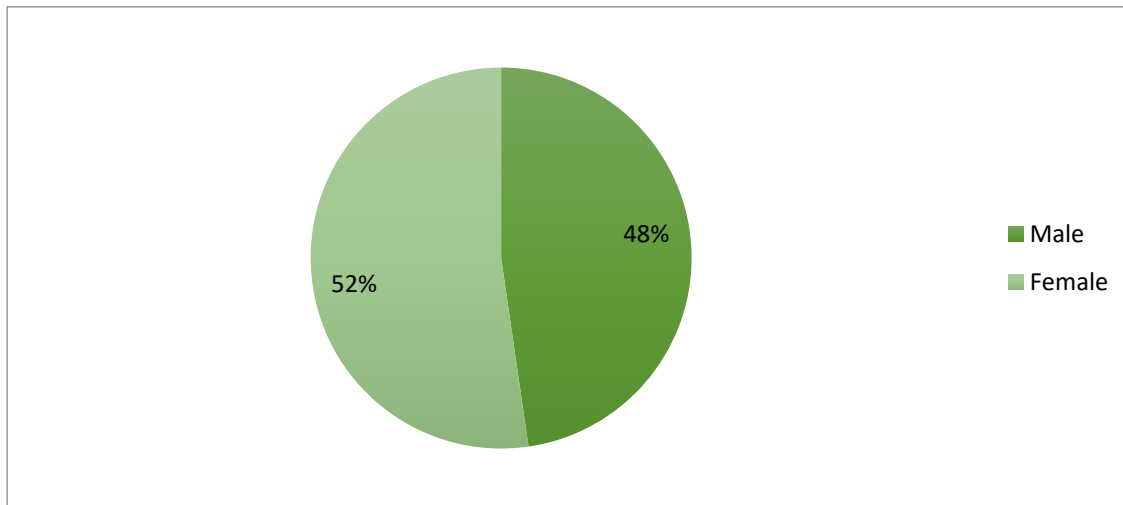
Source: Statistics South Africa 2016 Community Survey

3.10 Household by gender

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



Graph 11: Household Heads by Age and Gender



Source: Statistics South Africa 2016 Community Survey

4.1.7.4 Household by dwelling types

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

i. Informal type of dwelling

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

ii. Formal type of dwelling

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

iii. Traditional type of dwelling

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

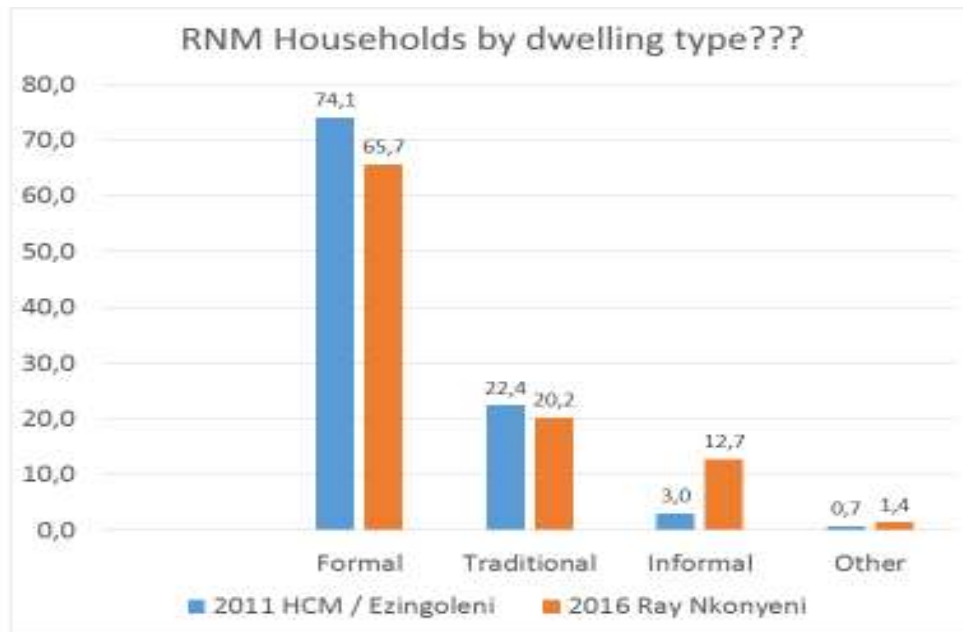
iv. Other type of dwelling

This type of dwelling consists of caravan parks. This has the smallest percentage as compared to the other type of dwelling type. It must be noted also that this type of dwellings is found along town edged of Margate and Port Shepstone. It shows an increase between 2011 and 2016.



The graph below shows the above information.

Graph 12: RNM Households by dwelling



Source: Statistics South Africa 2016 Community Survey

3.11 Employment

3.11.1 Employment type

It must be noted that within RNM, a large percentage of the working age consists of more males than women. This is due to the fact that in most instances more especially amongst the rural African communities, it is still a norm that females must stay at home tending to domestic issues while men leave their homes for employment purposes. When it comes to the employment type, a large percentage (74%) of the population is not applicable to any form of employment. This is a huge concern as the gap between the rich and poor is expanding drastically. Those employed in the formal sector only 18% of the entire population while 3% is privately employed. Below is a graph indicating these statistics.

3.11.2 Unemployment

According to the PGDS, unemployment remains chronic and rising and concentrated amongst Africans in rural areas, women and the youth. This is no exception at RNM. This further leads to a significant contribution to poverty. The municipality is faced with a high number of unemployment more especially the youth. Programmes to curb poverty and create job opportunities are in place.

The municipality has also ensured that it partners with stakeholders as well as the private sector in applying mechanisms with an effort to create employment opportunities, skills enhancement, effective and efficient governance etc. The KZN Small Business Development Agency and Ministry

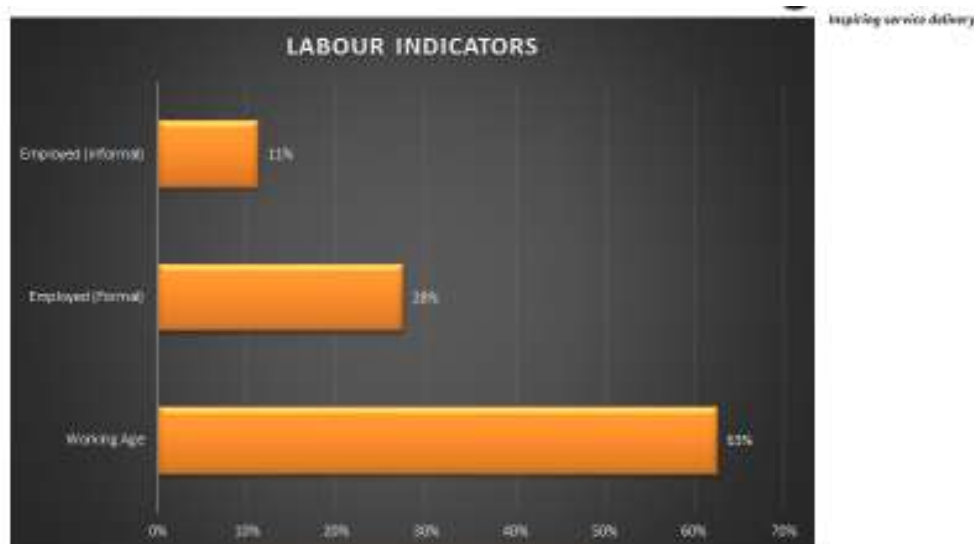


of Small Business Development are amongst many programmes the Province has implemented as a vehicle to refocus on small businesses. The municipality has also ensured that through its employment policies, small and medium businesses are created as they are the largest contributors to new employment opportunities.

Informal sector also plays a large part in the creation of jobs within the municipality. Ray Nkonyeni Municipality, through its Local economic Development, has ensured that bylaws have been formulated and are being implemented to enhance its growth as it shows that quite a large part of the population depend on it. The graph below shows the labour indicators within the municipality between the ages of 15-64.

63% of the population are those under the informal employment category. The Informal Sector will be detailed under the LED section in the document.

The following percentage is 28%, which is formal employment. In 2016, statistics revealed that unemployment within the municipality stood at 34% of which is quite high. This therefore meant that the municipality had to have strategies that will address this, and have been discussed in 3.1.



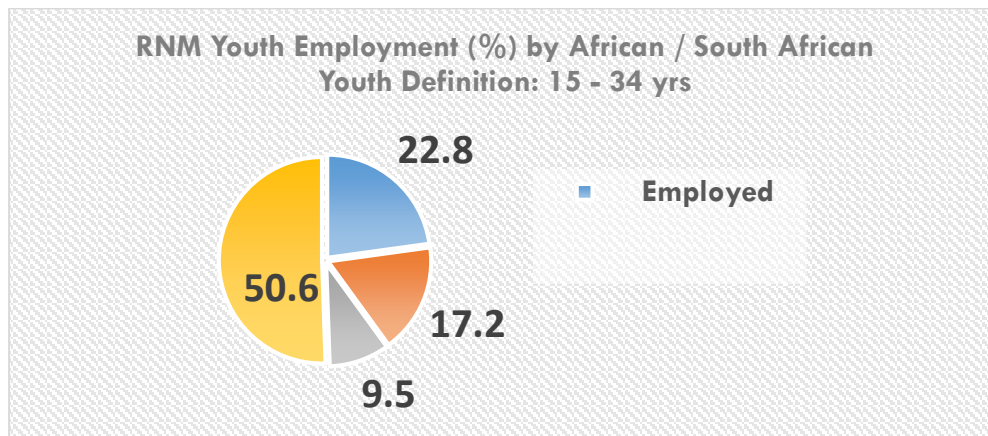
- Of the working age (15-64); -
- Formal employment accounts for 28%, while
- Informal employment makes up 63%
- As at 2016, unemployment rate at 34%

www.salga.org.za

3.11.3 Youth Labour Statistics

For every 100 young persons in age group 15 – 34 years: **23 persons** were employed, **17 persons** unemployed, **10 young persons** have given up hope of ever finding a job and no longer looking for it. **Half of the youth** (51%) were in schools or in training and therefore could not be described as employed or unemployed. However, 27 young persons (unemployed and discouraged) are effectively not working. To sum this discussion, RNM has a high percentage of youth unemployment.

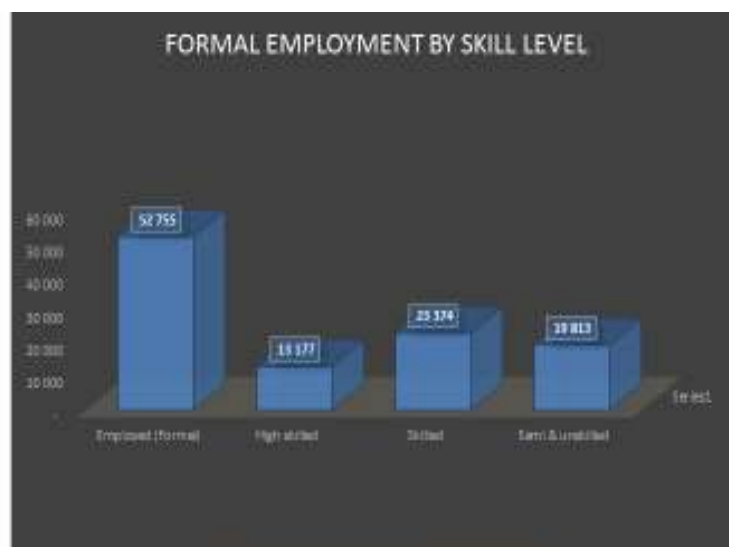
The following graph indicates the percentage of youth employment vs unemployment.



Source: *Statistics South Africa 2016*

3.11.4 Formal Employment by Skills Level

The municipality has a reasonable number of skilled people employed under the formal sector. It shows that the number of people employed under the formal sector is 53255. Those with skills are more than those with high skills. This shows that the municipality has lesser number of people who are highly skilled. Below is a graph with this information.



Source: www.Salga.org 2018

3.12 Dependency Ratio

Ugu District Growth and Development Strategy (UDGDS) highlights that the dependency ratio within the district is quite high and there for clustering of social and economic services within rural nodes and corridors must take place to consolidate development and offer job opportunities to curb the high dependency ratio. Ray Nkonyeni Municipality is experiencing quite a lesser percentage of dependency ratio statistics in comparison to the other Ugu District local



municipalities. This has been achieved partially by the initiatives the municipality has embarked on such as the development of nodes and corridors as well as the economic activities which have provided job opportunities. The municipality has also started developing its rural areas in terms of rural nodes. This is in line with the PGDS initiative to develop rural nodes. For example, the Gamalakhe shopping complex is one semi-rural node that the municipality has developed. Ezingoleni is a small rural town in the hinterland of the municipality, and this also is one of the catalytic projects the municipality aims at developing to be in line with the PGDS rural development initiative. There are also Precinct Development Plans within the current SDF to develop other rural areas such as KwaMadlala and Gcilima.

It is evident that former Vulamehlo and Ezingoleni Municipalities within the Ugu District experienced high dependency ratios, and Umzumbe and Umuziwabantu municipalities experience the same. On the other hand, former HCM and Umdoni experienced lower dependency ratios. This was attributed to the job opportunities found in both municipalities as it has been mentioned earlier on that both these municipalities have job opportunities as compared to the other sister municipalities within the district. A number of people at least have some sort of income as they are either formally or informally employed. When the municipalities merged, the statistics changed. For an example, Umdoni now experienced a slight higher percentage as now former Vulamehlo was merged to it. However, the newly established Ray Nkonyeni Municipality was not affected, having merged former HCM and Ezingoleni municipalities.

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

Table 15: Dependency ratio

Municipality	Dependency percentage
Umzumbe Local Municipality	90%
Umdoni Local Municipality	65%
Umuziwabantu Local Municipality	58.2%
Ray Nkonyeni Municipality	54%

A summary that can be drawn from the above information is that the dependency ratio amongst each Ugu Local Municipality is quite high. Many people depend on Government grants and subsidies while few hold formal jobs. It must be noted that the strategies formulated by Ray Nkonyeni Municipality addresses issues of job opportunities and other means of sustainability, thereby curbing the high dependency ratio in line with the 2018 State of the Province Address by the Premier to eradicate poverty and inequality.

3.13 Poverty

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



other choices but pushed into the informal (second) economy which is notorious for its unpredictable income streams.

3.14 Social development Analysis C 5.2.1

Social issues such as deprived and semi deprived communities, education, health as well as safety and security will be analysed in this section as it forms part of the demographics of the municipality. The rationale behind this analysis is to assist all planning that the municipality will undertake taking into consideration what communities have on the ground and where they lack. Proper planning can not be effective if social analysis of an area has not been undertaken.

3.14.1 Priority projects per deprived/semi deprived ward

RNM consists of both rural and urban wards, and their needs vary. According to in depth analysis, it has been discovered that most wards which are rural, are highly deprived as compared to those along the coastal belt which are urban. However, it must be noted that even though findings have shown that these rural wards are categorised as deprived, it is not the entire ward that is so, but certain areas within it. Below is a list of the wards with areas within them which are categorised as deprived. Information on how wards are deprived and partially deprived was obtained from war rooms. Through war rooms and ward based planning consultations, this information of deprived areas was gathered and three (3) priorities per ward were selected.

DEPRIVED WARDS

Wards	Area within the ward	3 Priority needs
4	<ol style="list-style-type: none"> 1. Mgolomi 2. Cophela 3. Assissi 4. Othandweni 5. Tribal 	
7	<ol style="list-style-type: none"> 1. Ngwemabala 2. Gcilima 3. Nkampini 4. Chartsworth 5. Katangweni 6. Mkhumbi 7. Notshuntsha 8. Melika 9. Qombe 10. Gogogweni 11. Vulindlela 12. Thokothe 	
9	<ol style="list-style-type: none"> 1. Koloni 2. Mhlalalingana 3. Khushkwini' 4. Sodoma' 5. Mankuntshana 	
11	<ol style="list-style-type: none"> 1. Mgangatho 2. Carlifonia 3. Mncadodo 4. Madabalaza 	



	5. Breamer 6. Thundeza	
13	1. Stick farm 2. Fairview 3. Allertone store	
10	1. Inkulu 2. Nomqondo 3. Whoza 4. Breamer 5. Dozaneni 6. Nkoneni	
22	1. Madakane 2. Newtown 3. Nkayezini	
20	1. Mbotsha 2. Mganka 3. Sidikwe 4.	
24	1. Betania 2. Bhomela 3. Nyandezu	
25	1. Khalweni 2. Ntshingini 3. Msikaba 4. Sambulo	
30	1. Goqozi 2. Mdlazi 3. Nyanisweni 4. Bandlana 5. Shobeni	
31	1. Dlovinga 2. Mbeni	
32	1. Sgodaneni 2. Mgawulwane 3. Paddock	
33	1. Mbeni 2. Nkulu 3. Shobashobeni 4. Dlovinga 5. Shobeni	
34	1. Thonjeni 2. Inkulu 3. Wosiyane 4. Blose 5. Nkosana 6. Mahlabathini	



35	<ol style="list-style-type: none"> 1. Hlomendlini 2. Shibe 3. Ndunu 4. Godoza 5. Celebane 	
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3.14.2 Education analysis

The education levels are improving as more learners are enrolled and reach secondary level (Stats SA 2016). In the past, secondary school was the dominant level of education and it has remained as such, and now it is also showing great improvement as the number of people at secondary school level has tripled the 2001 figures. Primary schooling has also shown great improvements as more learners are enrolled. This is in line with the 2018 SOPA whereby the Premier stated that every child must have a basic education. There are some challenges however, that are experienced within the Education Sector. A number of urban schools experience a high influx as more learners abandon rural schools. This has resulted in many rural schools with very little enrolment which may result in some being closed down. The exodus is cited as lack of proper education infrastructure and long walking distances.

Enrolment in Grade Rs has also seen a steady rise over the years. This is due to the fact that the National Department of Education has made it compulsory for all learners to be enrolled at preparatory school before starting Grade 1. It must be noted that the municipality boasts preschools in almost all its Primary schools. There are also creches that are privately run as well.

There is a high dropout rate at high school level due to a number of socio-economic ills. Teenage pregnancy, orphans and the abuse of substances are some contributing factors. Ray Nkonyeni Municipality experiences the highest number of teenage pregnancy as compared to the other sister municipalities.

Many households are child headed as most parents are either dead or in distant cities for job opportunities. The result of absent elderly people in a home result in a disorientated household with no supervision. Children are not cared for and do as they please and end up dropping out of school. Many people do not have a matric certificates. In as much as it has been stated the municipality experiences a high dropout rate, it must be noted that its matric results are the best when compared to the other sister local municipalities. This is due to the programmes in place that aid in ensuring that the culture of learning is not lost. These include the Saturday and Winter class programmes. Dedicated Educators over the years have ensured that they run these programmes and results speak for themselves.

Ray Nkonyeni is also proud to mention that there are special schools within its jurisdiction that cater for children with special needs and are fully equipped with resources.

Following are some of the interventions by both the municipality and the Department of Education to ensure the culture of learning takes place.

(i) Food and nutrition

The Government ensures that the culture of learning takes place in safe environments as well as its effectiveness will bear fruits if minds are healthy and well fed bodies, hence the Food and



nutrition programme was introduced. The food and nutrition programme has been rolled out to schools all (primary and high schools) within the municipality. This is a government funded programme, aimed at feeding learners with healthy and nutritious meals on daily basis in all schools through out the country. The municipality is proud to announce that all schools in its jurisdiction participate in this programme.

(ii) municipality's programmes

To ensure that no learners from the previously disadvantaged schools and poverty stricken families pursue their studies at tertiary, Ray Nkonyeni Municipality has a fund annually rolled out to first year tertiary entries. This programme is known as the Mayoral Bursary. Funds are given out to students who meet the bursary requirements and above all, who have been admitted to a tertiary of their choice. This initiative has produced tremendous results as statistics reveal that more students are enrolled at teriaries and the number keeps increasing each year. It must be noted that in the past RNM had a high number of learners with matric, very few with tertiary qualifications due to poor family backgrounds.

There are also funds given out to scarce skills qualifications such as Engineering and Town Planning. Due to limited funds, qualifying criteria is very steep, only the very best are awarded. Full tertiary fees are covered under this programme. After completion at tertiary, the student is offered an internship within the municipality.

There are local business people who have over the years taken initiatives of giving out funds to well deserving students to enrol at tertiary institutions of their choice. A highlight of this is in ward 35 whereby a local businessman does not only fully fund top students' tertiary fees from the ward, but ensures that each of these students in their third year of study sits for a driver's learners and practise driving. The driving licence is paid for by the business man. Full tertiary fees are covered.

3.14.2.1 Education levels

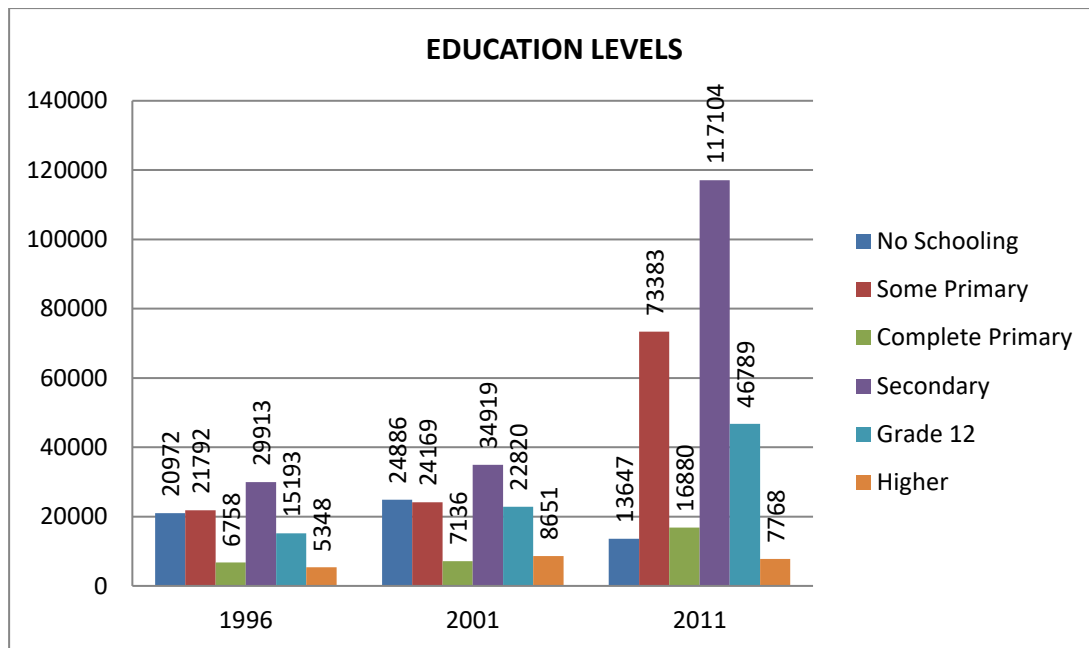
Higher education level s(tertiary) holders within the municipality is low. This may be attributed to by a number of social factors. School drop out rate is high. Many learners come from dysfunctional homes and do not cope well at school resulting in dropping out. Other learners are heads of their families since parents have passed on, and the burden weighs them down to an extent of failing to cope at school and end up dropping out.

Ray Nkonyeni has four TVET colleges, at KwaNzimakwe, Oslo Beach, Gamalakhe and Port Shepstone. The municipality has signed an MOU with the University of South Africa to develop a university within its jurisdiction, and a sod turning event has taken place, construction will be announced soon and anticipated completion of the project is 2021.

The graph below shows education levels within the municipality. The graph indicates that in 2011 the number of non schooling children was extremely high as compared to both 1996 and 2001. Research showed that this was due to social factors. Secondary levels shot up way too much in 2011 as compared to the other years prior. Grade 12 learners increased from 2200 in 2001 to 42 000 in 2011. The increase may have been attributed by the number of school awareness campaigns that were conducted through out the entire District encouraging learners to obtain their matric. Another factor may be that new programmes were introduced by the department to



enhance better results in schools. This included the introduction of winter schools and adequate learning materials was rolled out to schools. However, higher education levels have not improved. This may be attributed by the fact that most learners do not meet requirements, while some, due to family social pressures as mentioned earlier on, have to take care of their siblings and forced to look for employment.



Source: Community Survey 2016

3.14.2.2 (i) How the municipality has responded to the Strategic Goal no.2 of the 2035 PGDP

Strategic goal no 2 of the PGDP talks to the Human Resource Development. It basically touches the improvement of early childhood development, Primary and Secondary Education. In response to this objective, Ray Nkonyeni Municipality's Department of Education fully aligns and has ensured that strategic interventions have been directed to schools more in the rural areas, and townships schools due to the imbalances of the past.

The strategic intervention identified seek to impact on provision and focus on educators, governance and logistical support for equipment and books in these schools. Early childhood is administered through the Department of Social Development. In as much as the municipality is producing good matric results as compared to the other 3 sister municipalities, it must be mentioned that schools in rural areas still lack in many resources. Renewed focus is required to accommodate the provision for special needs in some schools in rural areas.

Major interventions have been made by the Department to drive early childhood development and basic education. Almost all schools within the municipality have the basic services such as clean water. Effective governance and management at schools as well as at District level has improved. Performance is closely monitored by various subject advisors who ensure that the syllabus is



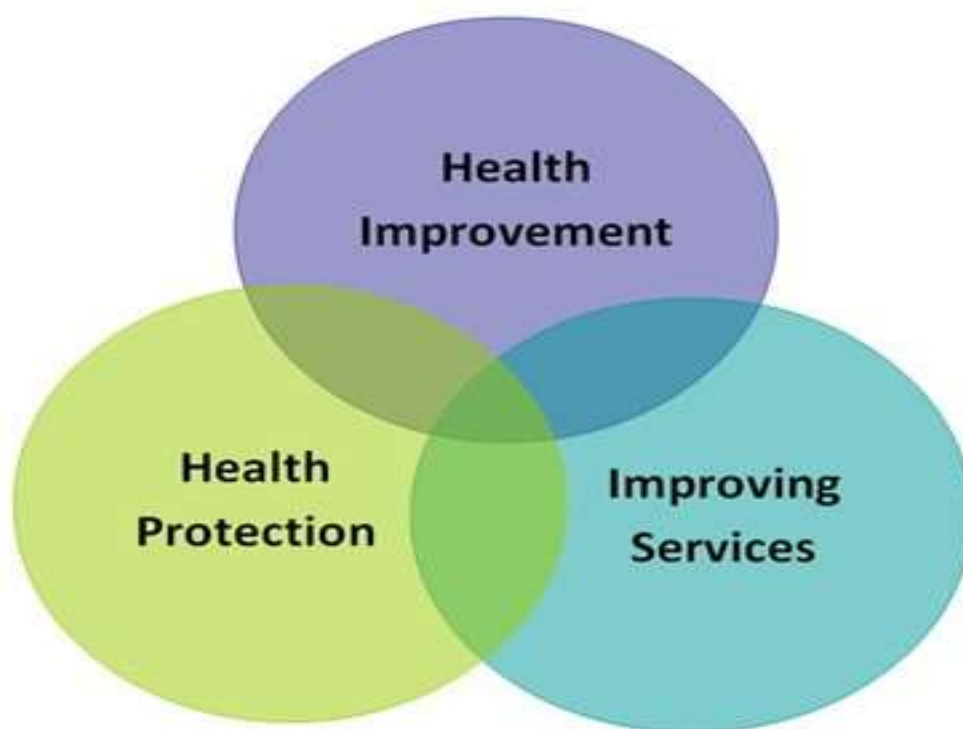
adhered to by constantly visiting schools. To ensure that the culture of teaching and learning takes place, the district has managers who monitor and visit the schools occasionally.

The use of modern technology however is still in urban schools with very few in rural areas. In terms of supporting skills, the TVET colleges ensure that these take place. Graduates from TVET colleges are sent to various fields for internship purposes, and we must announce that big numbers graduate.

3.14.3 Health Analysis

The Health Department promotes public health and protects the health of people and the communities where they live, learn, work and play. The Health Department also promotes wellness by encouraging healthy behaviors. The public health of the municipality is guided by the District's Public Health By-Laws which is made of nineteen chapters. The Health Department has ensured that it promotes the health of the citizens of RNM by encouraging behaviors amongst communities that will produce better health which include anti-smoking campaigns, healthy lifestyles and promote better nutrition. It has also protected the communities by preventing the development and spread of diseases and illness.

The following illustration shows the three spheres of health within RNM.



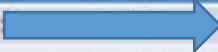
Health Facilities within the municipality

Within RNM, following are Public and Private Health care facilities as well as clinics:

- Margate Netcare, Hibiscus Hospital (Private Hospitals)
- Shelley Day care Hospital & Hibiscus Private Hospital (Private Day Care Hospitals)



- 45 Mobile clinics

Clinics	21	
Regional Hospital	1	Port Shepstone Hospital
District Hospital	1	Murchison Hospital
Community health centres	1	Gamalakhe
Ward based outreach teams	3	Factories, Ntabeni and Gcilima
School health teams	5	Marburg/Margate/Gcilima/Ntabeni and Izingowelweni
Fixed HTA site	1	Marburg Truck Stop
Mobile Clinics	7	PS mobile 1,3,5,6,7,8,9
Health posts	2	Bhokodisa/Khanysizwe
Health promoting schools	10	

Below are the clinics within the municipality.

Izingolweni Clinic	Mthimude Clinic
Thembalesizwe Clinic	Thonjeni Clinic
Bhobhoyi Clinic	Bhomela Clinic
Braemer Clinic	Gcilima Clinic
KwaMbunde Clinic	Ludimala Clinic
Madlala Clinic	Marburg Clinic
Margate Clinic	Mvutshini Clinic
Ntabeni Clinic	P Shepstone Clinic
Port Edward Clinic	Shelly Beach Clinic
Southport Clinic	Umtentweni Clinic
Port Shepstone Gateway Clinic	

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

- NIP sites in partnership with the Department of Social Development;
- Partnership with TDSA;
- Health promotion in schools with partnership with the Department of Education;
- Partnering with a few NGOs such as ECAP and Dram Aide (226 MMC, school health



teams, 30 MMC mobilisers);

- Happy hour in clinics to prioritise service to school going teenagers; and,
- Distribution of female and male condoms.

In terms of dealing with backlogs on health facilities, Ray Nkonyeni sub district planning process 2019/2020 includes the following facilities:

- Murchison Hospital
- Port Shepstone Hospital
- Gamalakhe Community Health Centre
- Clinics

Phila Mntwana

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

Also there is a programme that the Health Department has embarked on, known as Phila Mntwana. This is because in these areas the rate of diarrhea and malnutrition is too high. Below is a list of the Phila Mntwana Centres:

Phila Mntwana Sites
Mkholombe
Masinenge
Manzamhlope
Oshabeni Traditional Authority Court
Braemar Mobile Library and Community Hall
Thembalesizwe



Infrastructure

Service Transformational Plan (STP)– 10 year plan:

- Marburg Community Health Centre
- Hibberdene
- Ntabeni
- Mphelwa
- Nkothaneni
- Mdlazi
- Thorndale
- Mhlabatini
- KwaNikwe

Last clinic built in 2006. However, investigations continue to be conducted for new requests

Emergency medical services

The entire Ugu District has fifteen ambulances, of which seven of these fall under for RNM. Seven ambulances in RNM. Response times are still far below the acceptable norm in both urban and rural areas due to insufficient funding for additional vehicles and staff. Ambulances are placed at these strategic points in order to improve response time by reducing drive time from the main EMS Base /Station:

- Glenmore Service Station- catchment population is KwaXolo and KwaNzimakwe communities as well as coastal areas of Port Edward
- Paddock Service Station – catchment population is Paddock and Ezinqoleni community

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

Teenage pregnancy is above 10% which is a cause for concern. It should be noted that this high percentage is not for RNM residents only, but for the entire Ugu District as people from the other sister municipalities make use of the two Provincial hospitals and clinics within the municipality.

i. Rolling out of ARVs

According to recent statistics, KZN is the worst affected in terms of HIV and AIDS and the Ugu District Municipal area with highest HIV prevalence especially amongst pregnant women visiting public health facilities. The Murchison and Port Shepstone hospitals are the two accredited Anti-



Retroviral (ARV) treatment facilities within the Municipality. These two hospitals initiate ARV treatment and refer patients to the nearest clinic for follow up treatment. Integration of HIV and TB services has been strengthened by training of HIV counsellors on TB Screening.

The World AIDS Day is commemorated on an annual basis. Furthermore, the HIV and Aids jointly with the special programmes unit purchase and deliver school uniforms to vulnerable children in schools. The department of Health conducts annual HIV/AIDS surveys on women visiting antenatal clinics in the province. RNM's Council is committed in the HIV/AIDS infection reduction programme. The municipality has implemented viable programmes to fight the scourge of the disease. More educational programmes / awareness campaigns are necessary to alert the community members of the HIV/AIDS disease.

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

Murchison and Port Shepstone hospitals are the two accredited Anti-Retroviral (ARV) treatment facilities within the Ray Nkonyeni Municipality. These two hospitals initiate ARV treatment and refer patients to the nearest clinic for follow up treatment. The following clinics offer follow up treatment: Margate, Gamalakhe, Bhobhoyi, and Ntabeni. Other clinics refer clients to one of the two hospitals for ARV treatment. All clinics however provide screening, counseling and taking blood samples as part of the ARV roll-out programme.

Given the limited resources and strained health system, the demand for ARV's is outstripping the capacity to deliver. Of concern is the long term sustainability and equitable distribution of the roll-out programme. Pressure to meet target numbers must be tempered by the need for rational drug use by dispensers, providers and consumers.

ii.Rolling out of Sukuma Sakhe

The municipality has partnered with the Ugu district as well as the provincial departments in implementing the Sukuma Sakhe flagship programme. More focus is placed on the most deprived wards / areas most affected by the pandemic. The programme was rolled out to all the wards of the municipal area. War rooms have been established in various wards.

Ray nkonyeni Municipality's health aspirations

- Reduce maternal mortality
- Reduce neonatal mortality
- Reduce under 5 years child mortality
- Manage HIV prevalence
- Improve TB outcomes
- Reduce mortality and morbidity of non-communicable diseases
- Health system strengthening



i.Reduction of martenal mortality

Reduce avoidable Martenal mortality

- Monitor pregnancy testing by Community Health Workers in the community
- Marketing services e.g. campaigns within the community, community health workers and Traditional Health Practitioners, community dialogues
- Improve quality of care – high risk clinic operating hours extended from Monday to Friday

➤ **Decrease delivery in 10 to 19 years in facility rate**

- Conduct outreach services to schools
- Train school health teams on long term contraceptives.
- Implement youth friendly services at clinics

➤ **Couple Year Protection rate**

- Provide mentoring to all clinicians
- Monitor condom distribution, Intra Uterine Contraceptive Device and implanon insertion on weekly nerve centre meetings
- Conduct community surveys on choices of family planning

ii.Reduce neonatal mortality

- Antenatal care, Counselling AYFS (youth friendly)
- Community dialogues
- Adherence to guidelines, Ensure clinical audits are performed
- Book 1st antenatal visit before 20 weeks
- Counselling of mums

iii. Reduce under 5 mortality

- Revive and monitor functionality of Philamntwana centres
- Linking of CHW's with Care givers
- On-going Mentoring of integrated Management of Childhood Illness (IMCI) nurses
- Increase under 1 year immunization coverage

➤ **Manage HIV Prevalence**

i.Increase Male condom distribution

- Identify areas of need to supply more condo cans e.g. areas with high sex workers, farms and taverns
- Pack condoms in treatment packs from consulting rooms in PHC settings
- Bin cards for condom distribution to be sent to all PHC facilities

ii.Increase people living with HIV/AIDS with completion viral loads to 90%

- Improve Supervision of staff



- Counselling to patients
- **Increase Positivity yield (testing)**
 - Plan outreach activities to HTA's
 - Follow up of index contacts for testing
- **Improve TB outcomes**
 - i. Decrease the TB client lost to follow up
 - Improve health education
 - Implement tracing tool and monitor
 - Print and monitor early and late missed appointment list from tier.net system
 - ii. **Decrease TB death rate**
 - Write TB contact at the back of clinical charts.
 - Provide with sufficient number of contacts to trace
- **Reduce mortality and morbidity of non-communicable diseases**
 - Reduce the incidence diabetes and hypertension
 - Screen all clients who are not on diabetic and hypertension treatment
 - Planned training of Community health Care workers
 - Conduct campaigns and awareness
- **Increase cataract surgery rate**
 - Increase mass screening of target groups e.g. >50s
 - Train community health workers on screening.
 - Keep a list of transferred clients to Port Shepstone Hospital and do follow up.
 -
- **Decrease cataract operation backlog**
 - To eradicate the current backlog in cataract operation.
 - Create public awareness and education on eye care, targeting the young and old
 - Conduct mass eye care to primary school children and elderly citizens
 - Develop measures to prevent cataract before it is too late.
 - Provide free eye glasses for refractive error.
 - Procurement of equipment
- **Health system strengthening**
 - Coordination of community based services capacity building.
 - Ward based outreach teams
 - School health teams
 - Tracer teams
 - Conducts clinical audits



align to the Provincial Department of Community Safety and Liaison's Safety Strategy.

Conclusion

The Department of Health within the municipality has not been in a position to develop new facilities since 2006 due to financial constraints, however, it must be noted that some current structures that are operational do get a facelift now and again, and some as indicated earlier, get extensions.

To improve ethical professional behaviour, the department has established amongst other strategies:

- monitoring tool whereby its staff is orientated on the public regulation
- Regular clinical audits
- Continuous Professional development
- Supervision
- Identify accredited person to train others
- Consequence management

3.14.3 (i) How the municipality has responded to Strategic Goal no.3 of the PGDP 2035

In response to goal no.3, which talks to Human and community development, Ray Nkonyeni Municipality through its Department of Health has fully aligned to it and has ensured that the provision of social relief of distress and social grants to the most vulnerable, care and support, substance abuse programmes, treatment and rehabilitation programmes are effectively rolled out. Food insecurity leads to poor nutrition and is at risk factor to health.

There is effective communication by the Department in this respect. The provision of counselling and guidance services to curb drug abuse and develop resilience against drug use for an example are rolled out in all the clinics.

There is very little child poverty and malnutrition within the municipality. This is monitored at ward level through the Sukuma Sake Flagship Programme.

The health financing system is managed effectively to ensure efficient utilization of financial resources and value for money. KZN currently accounts for more than 53% of the triple HIV, TB and STIS burden, Ray Nkonyeni Municipality through its community mobilization, using Operation Sukuma Sakhe as implementation platform, will remain the primary strategy to increase awareness, effect social behavior change, increase uptake of prevention and treatment as well address the stigma and discrimination.

3.14.4 Vulnerable and disabled Groups

The municipality has a designated unit, (the Special Programmes Unit) tasked with ensuring that programmes aimed at addressing the needs of the vulnerable groups are in place. Programmes are prioritized and budget is set aside annually and appear in the municipality's SDBIP. (See [SDBIP attachment](#)). There are a number of programmes that specifically address all the issues for this group in particular and annually, a summit is held with a special focus on addressing issues faced by this group. These programmes include:



- The Mayor of the municipality specifically doing visits to schools, elderly centers and other institutions with an aim of ensuring that projects rolled out by the municipality reaches these people and are sustainable.
- Capacitation in terms of skills and other uplifting projects are conducted. The elderly and the disabled, gender across, participate in this programme. They are empowered with skills to bead and weave.

The table below details programmes and projects carried out by the municipality in response to the needs of the vulnerable groups.

PROGRAMME	ACTIVITIES
GENDER	Women empowerments Workshop
	16 Days of Activism
	Women's Day Commemoration
DISABILITY	Hand craft trainings
	Disability Sports Day
CHILDREN'S RIGHT	Back to school Campaign
	Dress a child Campaign
	Sanitary Dignity Campaign
	Take a Child to Work
	ECD Educational Toys
SENIOR CITIZENS	Healthy Life style
	Golden Games
	Intergenerational Dialogue
	Senior Citizen thanks giving
HIV/ AIDS	HIV/Aids Awareness
	Wold Ads day
FARM WORKERS	Farm workers wellness Awareness
	Farm Workers sports day

3.1.4.5.Safety and Security

Safety and security is a major priority of the municipality. The SAPS works closely with the municipality's Safety and Security Department in ensuring that crime is combatted but above all, policing is visible in all areas. There are nine (9) police stations found at RNM, and they are

- Ramsgate
- Gamalakhe



- Mellville
- Hibberdene
- Ezingolweni
- Sea Park
- Port Shepstone
- Paddock and
- Margate

There is a high concern of the lack of visible policing in rural areas. Communities have requested to have at least satellite police stations put in their areas. Crime is very rife in these areas simply because even if an incident has been reported, there is a delayed response from the SAPS or none at all in some instances. Communities further complain that in most remote areas, there is absolutely no response from the SAPS probably due to their sloppy terrains making reaching there by any form of transport difficult.

Dotted in some urban centers where crime is very rife, the municipality has its safety and security personnel placed on a full-time basis. There is also visible policing in all major towns within the municipality. The Safety and Security Department ensures that traffic by laws are enforced. This is done in conjunction with the Provincial Safety and Security Department.

The provincial planning standards suggest that a population of 50 000 people needs to be provided with one Police Station at a radius of 10km. There are few areas that this radius does not reach and these include parts of ward 8, 9, 10 and 35.

Ray Nkonyeni Municipality has developed a Safety Plan, reviewed in 2017. It fully addresses the national safety objectives and to further

3.15 Key Findings

South Africa is an upper-middle-income country (World Bank classification), but despite this relative wealth, the experience of most South African households is of outright poverty. In addition, the distribution of income and wealth in South Africa is amongst the most unequal in the world and consistently widening. According to the World Bank's Gini Index, with 154 countries measured, South Africa is the most unequal country in terms of economic distribution amongst households and individuals. While great strides have been made since the dawn of democracy in 1994, due to the extent of the backlog, many households still have unsatisfactory access to education, health care, sanitation, energy and clean portable water, basic services for life with dignity. Ray Nkonyeni Municipality is no exception to this. For example, on book, the number of health care facilities within the municipality seem enough, but through community survey, findings have revealed that more facilities need to be built. Concerns raised include:

- Walking long distances to access these facilities
- Due to steep topography, most communities do not access such facilities
- There are no 24-hour health care facilities



- No appropriate and sufficient medication available
- Insufficient Health care practioners resulting in people turned back
- Some current facilities are dilapidated
- The dermacation by the Health Department poses difficulties to modt communities

Below are key findings on the entire situational analysis AND how the municipality has addressed these findings, (*Refer to table 9*)

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

SECTION D: KEY PERFORMANCE AREAS ANALYSIS

4.1 Local Economic Development Analysis

4.1.1 Introduction

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

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



Ray Nkonyeni municipality has strong relations with the Department of rural development, Department of Economic Development, SALGA, South Coast Tourism, SMMEs, Coops, Business people and Department of agriculture. Communities are represented by Stakeholders. The municipality has an active. The mentioned sector Departments and stakeholders form the LED

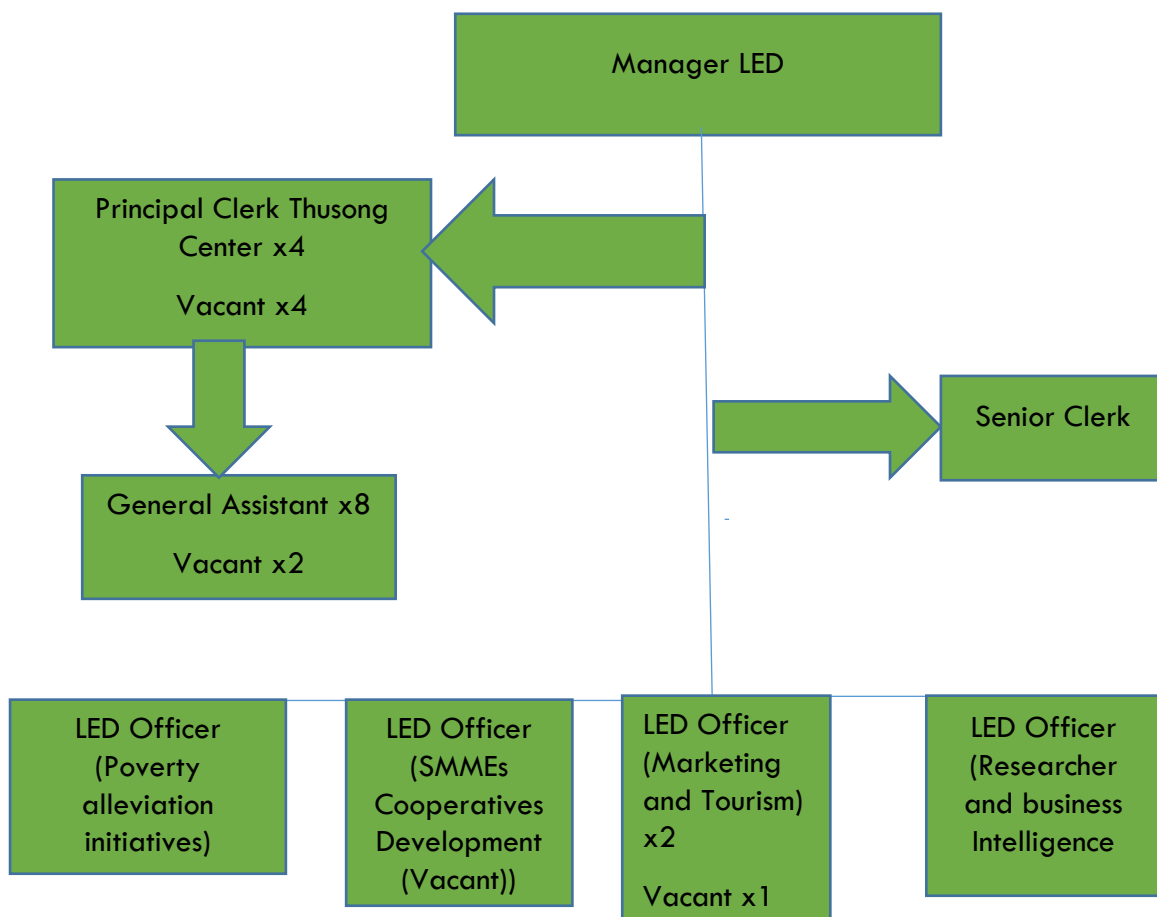
Forum of the municipality. The LED Forum sits quarterly to deliberate on local economic development issues and is chaired by a councilor. The Forum facilitates an inclusive local economic development as to ensure that the local economy grows and in the process creates jobs, particularly for the previously disadvantaged groups

It must be mentioned that the AG did not raise any issues pertaining the LED, hence there is no action plan in place to address any issues that might have been raised.. Ray Nkonyeni Municipality's LED fully adheres to the PGDS as well as the DGDP. This is clearly outlined in the LED Strategy attached.

4.1.2 LED Organogram

The LED programme is best implemented by specialists in individual sub-sectors. The trend Nationally seeks to suggest that by having specialists from various sectors of the economy, leading and implementing LED programmes is likely to see efficiency and productivity, therefore as it is, lack of industry specialists within the LED Unit is seen as a challenge.

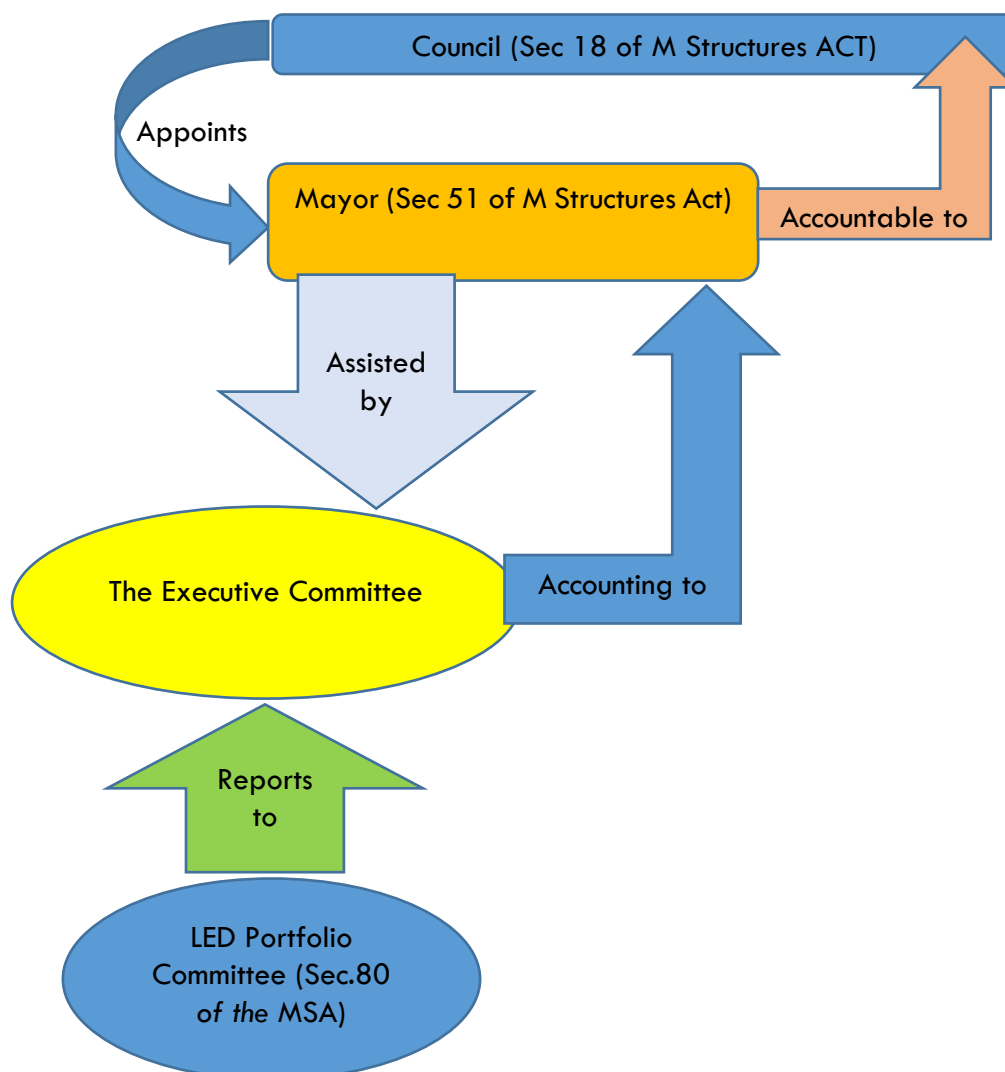
Below is the LED unit's organogram as adopted by Council





Below are the stages showing the hierarchy of reporting by the LED Unit within RNM.

Illustration: LED Hierarchy of reporting



4.1.3 Led Strategy

Ray Nkonyeni Municipality has an LED strategy, prepared jointly with a Service Provider appointed to facilitate the discussions. The Strategy was adopted by Council in April 2018 and has aligned with the Ugu District Municipality's Growth and Development Strategy. Services of a consultant were outsourced to review the strategy. This was due to the fact that the municipality is a new entity, and there was so much in terms of information collection and summaries that needed to be covered. Proper processes in terms of consultations were followed communities were engaged and other sector departments' inputs were utilised.

Local economic development is one of the municipality's priorities in line with the national key priorities. Strategies have been developed to promote economic and social development aiming to provide job opportunities and reduce the poverty levels. Generally, RNM is the most concentrated economic hub within Ugu District with the main economic sectors being tourism and



agriculture with some manufacturing occurring in Port Shepstone. As an economic hub, RNM has an advantage of influencing the Ugu Region's economic potential, policies and development programs. Port Shepstone is the major economic hub in the south coast and serves as the administrative centre for both RNM and Ugu District.

The LED Strategy makes reference to green economic initiatives, however, there are currently no concrete projects in place.

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

The LED strategy addresses the following:

- Grow the economy of the municipality by attracting investments and fostering partnerships with the public private sector
- Create a conducive environment for businesses and cooperatives to thrive and ensure the creation of jobs for the local community
- Promote township and rural development through nodal developments
- Promote RNM as a prime tourism and investment destination
- Promote local economic development and the support of emerging enterprises and SMMEs as well as Micro Enterprises
- Promote strategic and transformative release of land to foster inclusive economic development
- Accelerate fight against poverty and prioritize support to vulnerable groups such as children, females and the elderly
- Promote sustainable livelihoods
- Promote pro-poor economic growth and lessen social and income inequalities

During the formulation of the LED Strategy, all key Stakeholders from business, academia, government and civil society were identified. Further through the quarterly LED Forums, all stakeholders continuously participate in shaping LED matters. Inputs from Stakeholders including that of the MEC annually, were factored into the Strategy

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

The National Framework for LED in South Africa (2006 to 2011) directs that a credible approach to LED in any municipality should include a commitment to invest in the capacity of a municipality to manage its affairs in a manner that inspires confidence to both its constituents and the private



sector. It must also provide signposting for domestic and external investors, indicating on the basis of objective and empirical analysis, where opportunities for growth lie.

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

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

Below are the policies/plans the municipality utilises in its LED.

- **Informal Economy Policy**

There is an Informal Economy Policy in place and was reviewed and adopted in 2017. The policy looks at regulating (permits, zoning) for street vendors. Further more, the municipality has gazette informal trading By-Laws which further aid the implementation of the informal trading policy. The survey of the Informal Trading sector within Ray Nkonyeni Municipality, which was done in 2017, revealed that the majority of traders had chosen to engage in informal trading as a result unemployment. This indicates the significant role that Informal Trading plays in absorbing the unemployed. Also significant was the fact that majority of the traders were female; this form of business activity is increasing because of its flexible working hours as well as the opportunity it provides for additional income generation for the poor.

- **Investment/Retention Policy**

The municipality has developed and adopted an Investment Attraction Strategy, which is a five year strategy. The policy is a tool that promotes the municipality as a preferred investment and trade location through marketing the competitive advantages in the area. The policy is in line with the strategic framework for investment in the country and the KZN Province in general. To mention just a few, the strategy details how the municipality will:

- Frequent visits to investors
- Take a pro- active, not reactive approach
- Focus on company growth and maximize opportunities
- Involve high level client engagement
- Assist with export/trade promotion
- Assist with expansion of business



- Encourage and support the development of new, upgrade higher value added products and services of strategic value to the firm networks
- Customer care for day to
- Provincial Spatial Economic Development Strategy

- **Investment Attraction Strategy**

However, given the changing environment, the municipality adopted an Investment Attraction Strategy which was adopted by Council in April 2018. The municipality then approved the Investment Protocol which guides investment processes within the municipality. The municipality has recently (March 2019) approved the Investment Prospectus which seeks to showcase the investment opportunities that exist within the municipality. To aid the implementation of the Investment Attraction Strategy, the municipality is currently reviewing the Investment Incentives Policy which will be approved by Council in June 2019.

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

4.1.4 Economic drivers within the municipality

Addressing fundamental LED issues requires the municipality to adopt a strategic for the local economy. During the analysis, the performance of each sector was done. It was noted that the value rich Macadamia nut industry was taking over rapidly replacing the sugar cane industry. Further, as per the National norm, the tourism industry has been resilient despite the economic challenges. The Tourism industry continues to be a pillar of strength for the local economy, which is further assisting other industries, for an example, the retail industry is continuously benefiting from the tourism industry. The Economic Sectors are continuously engaged through the quarterly LED Forums and other Adhoc forums in order to continuously shape LED matters and contribute to enhancing the LED programme within the municipality. The municipality further participates in the Growth Coalition Programme which is being implemented across all districts and the Metro in KZN. RNM as a secondary is also implementing and participating as the municipality.

4.1.4.1 Economic Sectors include the following:

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

i. Agriculture

The agricultural sector that was once dominant in the hinterland in terms of both employment and investment has lost its competitiveness. Commercial agriculture is dominated by two agricultural commodities, largely sugarcane and timber. Both these commodities are impacted by international competition. Sugar cane is impacted by the relative unsuitability of the local climate, that is, the distance from the equator in comparison to other international production areas. The restrained



and non-formalised support for additional demand drivers in the sector like renewable energy production at the mills and other by-products equates to constraints demand growth for domestic growers. There is also limited tariff protection for local production; the uncertainties around land tenure and the labour input costs are rising faster relative to other international producers and increases risk factors for the sector.

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

Primary sector (Commercial Agriculture)

Agriculture is the second largest followed by financial sector within the municipality. The most significant shift in the economic profile of the municipality has been the decline of the primary sector giving way to the tertiary sector that is now the leading sector. This is due to recent reports outlining that agriculture has declined to a point where KZN as a whole has become effectively a net importer of agricultural products. This has affected the municipality in terms of its GDP Nationally. This clearly points to the diminishing agricultural production and food security. Commodities that are directly linked to the primary sector commodities, i.e. timber manufacturing are experiencing decline. Food, beverages and tobacco are the biggest contributors of employment in manufacturing in the province.

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

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

a) Subsistence Agriculture

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

b) Challenges faced by small sugar cane growers

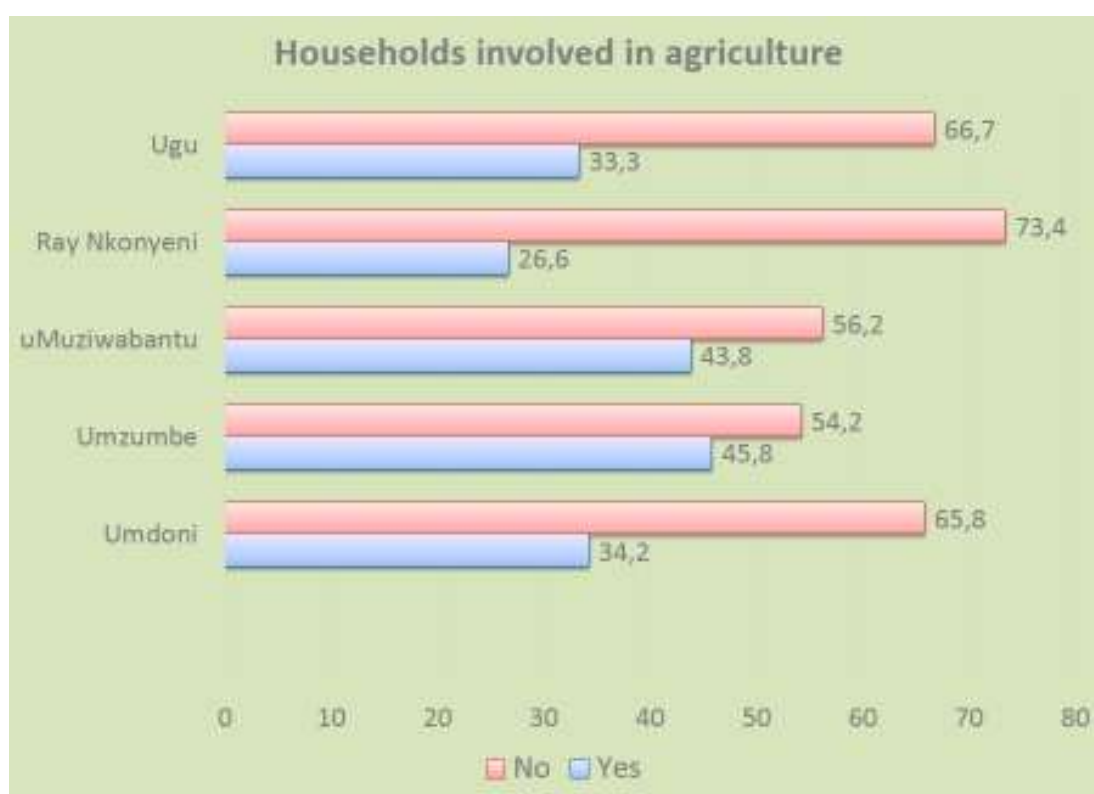
Small sugar cane growers (SSG) farmers in the hinterland faces a number of challenges which includes amongst others, steep topography, no irrigation systems, less mechanisation, poor yields and lack of financial backup. Land is also another challenge as well as their small farm holdings are not fenced.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



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

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

Graph 13: Households involved in agriculture



Source: Statistics South Africa Community Survey 2016

c) Interventions by the Department of Agriculture and Rural Development

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

Further to assisting with funds to co-ops by proving implements and funding, the Department also issues bursaries to students pursuing agricultural studies. It also promotes Batho Pele principles. The Department has also ensured that other types of farming are practiced such as animal farming, and poultry farming. This is mostly practiced in the hinterland of the municipality.



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

The following projects within the municipality are still awaiting funding;

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

The entire Ugu District's commercial agriculture produces 1/5 of all bananas consumed in the country. Export from RNM is growing on tea tree to Australia and macadamia to other countries. The municipality is generally characterized by good potential agricultural land that needs to be preserved for food production. There is mixed agricultural practice. Commercial farming is dominated by sugar cane farms and banana plantations along the coastal strip. Sugarcane and bananas are grown at a large scale while cattle rearing, macadamia nuts and vegetable grow in small holdings. Subsistence farming (maize growing, amadumbe, beans and sweet potatoes) is practiced mainly in the hinterland whereby families grow in small scales for consumption. There is also a small scale growth of sugarcane farming in the interior, practiced mainly by emerging Black farmers. Seasonal rains, steep topography, poor infrastructure and lack of new scientific methods of ploughing are some of the shortfalls these farmers experience. It must be noted that employment is decreasing in the sector due to a number of socio-political factors such as farmers are ageing and the young generation is not very keen on taking up the reins. The issue of land claims also contributes to the degenerating of the sector.

Specific Agricultural Programs

The municipality runs Provincial-driven programmes and projects aimed at assisting emerging farmers. These projects include but not limited to: Agri-Hubs, Agri-Parks whose mandate is to assist emerging farmers to participate in the mainstream agricultural economy. On a smaller scale, the municipality also assists the subsistence farmer, which is inline with the Strategic Focus Area- Agricultural development as outlined in the municipality's LED Strategy.

There are challenges that emerging farmers are encountering and the Department of Agriculture is responding to this by providing seedlings and other working tools to some sectors of farmers for sugar bean growing and vegetable growing. There are also other initiatives the department has in place to address the challenges faced by emerging Farmers as well as Cooperatives. These include :

- Fencing of rural gardens and trainings
- Assisting farmers in exporting their produce to other parts of the country is also another initiative by the department
- Local grown vegetables by cooperatives are supplied to big food chain shops such as Spar and Shoprite Checkers
- Livestock farming is also encouraged where by breeding of cattle and poultry farming programmes are run

To further enhance the growth of the Agricultural sector within the municipality, there are trainings conducted by RNM LED practitioners to farmers on new scientific farming methods.



It must be mentioned though that there is a major concern regarding emerging sugar cane growers in terms of limited funds that are there to assist them.

Currently, the municipality has few emerging Black stock farmers. Over the past few years, land has been provided for the farming of moringa plants. Below are programmes that the Department of Agriculture has finalized for the 2019/2020 financial year.

1. Natural Resource Management.	Norms and standards, GAP ,Soil Classification Assessment reports
2. Land Care	Land & veld rehabilitation, Funding model ,EPWP
3. Crop Production	House hold production ,Commercial production
4. Livestock Production	House hold production, Commercial production and Community investment.
5. Agro-processing and Value Adding	Technical support, Pack sheds, processing plants, tannery, Dry fruit and fruit juice making.
6. Research and Technology Development.	Research committee, do trials, Pathologist, entomology specialization etc.
7. Shows/info and marketing days	Form Show society/committee, award prizes
8. Risk and Disaster Management	To be declared. 2% budget from DEPT. to be authorized by treasury to assist according to section 16 of PFMA

There are also food security programs that are in place meant to sustain the livelihoods of our communities



INTERVENTIONS etc.	WHAT IS PLANNED	BUDGET ALLOCATION
COMMUNITY GARDENS	5	R1 495 960,00
HOUSEHOLDS / INSTITUTIONAL GARDEN	32	R 187 790,00
INDIGINEOUS GOATS	3 Sets	R 169 300,00
MUSHROOM	1 project	R 45 500,00
INDIGINEOUS CHICKENS	5 Sets	R 30 045,00
PRODUCTION INPUTS	100ha	R 713 893,00
MECHANIZATION (PLOUGH, DISK, PLANT, SPRAY)	100Ha	R 313 500,00
BIG 5: BOREHOLE	1	R 250 000,00
FRUIT TREES	450	R 67 500,00
GRAND TOTAL		R3 172 488,00

Below are the projects listed above catergorised:

Mushroom Project

Local Municipality	Project Name	Ward	Area/ Isigodi	Funding required	Proje ct size	Budget	Progress
Ray Nkonyeni	KwaXolo	8	Bhabhaza	Structure, equipment, inputs	5x10 m	R45 500,00	SCM to appoint Supplier
TOTAL						R45 500,00	



Ilima Tsetsekama

LOCAL MUNICIPALITY	Traditional Council	Ward	INTERVENTION	BUDGET	PROGRESS
Ray Nkonyeni	Xolo, Madlala, Mthimude and Nyuswa	26,34,09	Maize and Dry bean seeds for 1HA 1HH	R385 500,00	Production inputs delivered.
Ray Nkonyeni	Xolo, Madlala, Mthimude and Nyuswa.	26,34,09	Fertilizer	R114 500,00	Awaiting delivery
TOTAL				R 500 000,00	

Fruit trees project

LOCAL MUNICIPALITY	Traditional Council	Ward	INTERVENTION	BUDGET	PROGRESS
Ray Nkonyeni	All	All	450 fruit trees	R67 500.00	SCM to appoint suppliers
TOTAL				R67 500.00	

Big 5 Projects

INFRASTRUCTURE TYPE	AREA	WARD	PROJECT NAME	MEMBERS	BUDGET ALLOCATION	PROGRESS
Borehole	KwaCele	32	Hlalemphakathini Piggery	5	R250 000	Quotation above estimates
TOTAL					R250 000	



CASP Projects

PROJECT NAME	LOCAL MUNICIPALITY	TRADITIONAL COUNCIL	WARD	BENEFICIARIES	BUDGET	PROGRESS
Simbamabhele	Ray Nkonyeni	Farm	24	2	R1,500,000.00	10 sow unit under construction.
Sinekhono Broiler	Ray Nkonyeni	Xolo	9	5	R1,500,000.00	Awaiting for an order
Cluster maize and beans	Ray Nkonyeni	Xolo, Mthumude, Nyuswa	34, 26,9	73	R500,000.00	Orders received except Fertilizer
Falini Investments	Ray Nkonyeni	Farm	22	1	R250,000.00	EIA Service provider appointed
Lavenga Farm	Ray Nkonyeni	Farm	24	2	R750,000.00	Orders for Banana plants received, awaiting irrigation order
TOTAL					R4 500 000,00	

PROJECT NAME	LOCAL MUNICIPALITY	Project size	WARD	BENEFICIARIES	PROJECT DESCRIPTION	EST. BUDGET
Esayidi Tea Tree	Ray Nkonyeni	300Ha	all	112	Tea tree	R2 000 000
River bend Creek Farm	Ray Nkonyeni	20Ha	16	1	Vegetables	R2 850 000
Falini Investment	Ray Nkonyeni	150 sow unit	22	1	Piggery	R 250 000
Sinekhono Broiler	Ray Nkonyeni	1000 birds	8	5	Broiler	R 800 000
TOTAL						R5 050 000

Food security projects summary

Interventions	What is planned (number)	Budget allocation	No. of beneficiaries	No. of jobs created
Multi gardens	12	R3192 000	108	62
House hold gardens	55	R825 000	55	0
Indegenous goats	5	R200 000	5	0
Indegenous chickens	5	R57 350	5	0
Fruit tree	110	R16 500	55	0
Mushrooms	1	R141 000	4	2
Shade houses/tunnels	3	R660 000	5	6
Multiple planting	200ha	R627 000	192	



Below are community gardens in certain parts of the municipality that the Department has assisted with for the current financial year.

Project Name	Traditional Council	Ward	Project Type	Project size	No. of participants	Budget	Progress
Xosoje	Xolo	32	Irrigation	1.6ha 0.534km	5	R214 080 00	Waiting for order no.
Senzokuhle	Cele	33	Irrigation inputs	2ha	15	50 000	Quotation stage
Lynwood	Private Farm	21	Irrigation inputs	5ha	1	R404 000	99% irrigation completed
Qedindlala	Mavundla	26	Irrigation inputs	3ha	18	R414 880	Fencing completed
Lion Groove	Farm	17	Irrigation inputs	5ha	1	412 000	Service Provider appointed
TOTAL						R1495 960	

The department further works along side the municipality in ensuring that household gardens thrive. The rationale behind this initiative is to ensure that each household has a garden to improve their livelihoods and combat poverty. Below are the number of community gardens:

Local Municipality	Number of Projects	Project Type	Project size	No. of participants	Budget	PROGRESS
Ray Nkonyeni	32	Fencing, tools & inputs	0.32ha	32	R187 790,51	Awaiting for fencing material order. Water tanks delivered.
TOTAL					R 187 790,51	

The department of Agriculture does not invest in commercial agriculture only, but on livestock agriculture as well. Projects that have been budgeted for include indigenous goat and indigenous chicken farming. These products are practiced at a medium scale and produce is sold to local retailers.



Indegenous goat farming project

Local Municipality	Number of house holds	Project Type	Project size	No. of participants	Budget
Ray Nkonyeni	3	Structure and Goats	1:5	3	R42 325,00
TOTAL					R42 325,00

Indegenous chicken farmin project

Local Municipality	Number of Projects	Funding required	Project size	No. of participants	Budget
Ray Nkonyeni	5	Structure, Indigenous chicken, Feed	10x5	5	R30 045,50
TOTAL					R30 045,50

Conclusion

There is a very healthy partnership between the municipality and the Department of Agriculture. The department of Agriculture within Ray Nkonyeni is committed to ensuring that there is enough food security and communities are equipped with the necessary tools and knowledge pertaining matters of the soil. It is further committed into ensuring that programmes and projects are implemented so as to ensure that it fully aligns to the DGDP as well as the PGDP. It is committed into ensuring that it fully aligns with both the SONA and SOPA of 2019 where by it is stated that communities should have enough food surplus by participating in agricultural programmes for sustainability. Operation Sukuma Sakhe, One house one Garden amongst many projects, the municipality is proud to announce that these are effectively rolled out. Further more, the Department is committed into ensuring that the programmes running, the youth have been prioritized into ensuring that they participate. The strides department has made into ensuring that the small black emerging farmers do receive assistance in the form of funding, must be acknowledged. There are also challenges that affect the department, but are being minimized to ensure good yields are produced. These include:

- Bird flu
- Banana bunch top virus
- Fall army work
- Foot and mouth disease



The table below summarises some of the projects that the department currently runs. It shows the targets aimed as well as what has been achieved.

Farmers support and development

Performance Measures	Annual Target 2018/2019	Achieved
Number of smallholder producers receiving support.	38	84
Number of commercial farmers supported	2	5
Number of smallholder producers supported with agricultural advice	500	117
Number of hectares under irrigation used by smallholder farmers	50	61
Number of jobs created	5	12
Number of hectares planted for food production	88	103
Number of households supported with agricultural food production initiatives	750	4158
Approved Agricultural Master Plan	1	1

ii. Secondary Sector (Manufacturing and retail)

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

The secondary sector is fairly stable in both employment and investment terms. Contribution to the municipal economy per sector is as follows:

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



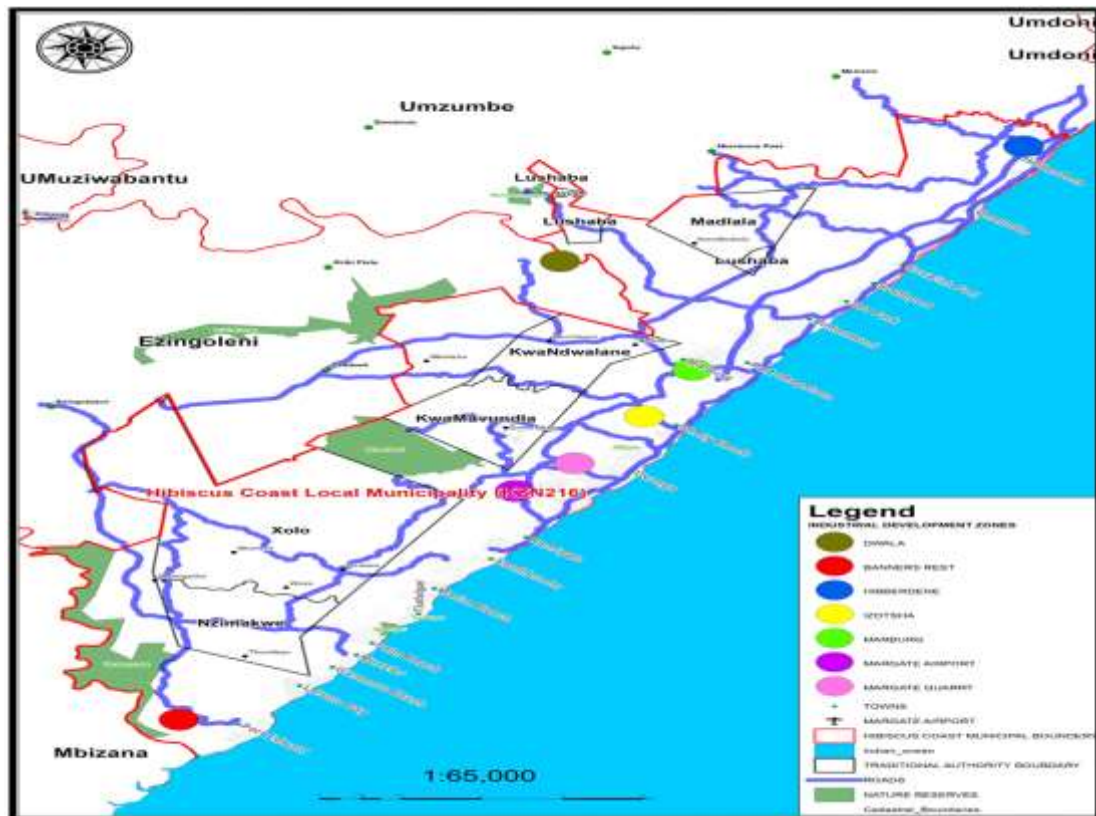
Table 16: Industrial Areas

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



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

Map 7: Industrial Development Zones



Source: Statistics South Africa Community Survey 2016



ii. Tourism

The Municipality has an established and stable tourism sector and is among the most visited tourism destination in the province and boast a range attributes such as a favourable climate, key natural and heritage assests, conservation sites, a range of tourism products, accommodation, swimming and blue fag, beaches and events just to mention a few.

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

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

i. Events Tourism

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

- South Coast Bike Festival
- Hibberdene Couta Classic Fishing competition
- The Port Edward Ski Boat Festival
- SA Women Open (European Ladies Tour)
- Ugu Jazz and Arts Festival
- RNM Ultra Marathon
- State of Inland Tourism

Tourism activities inland is only concentrated along the Oribi Gorge corridor with few product owners taking the lead. Observations from within the sector indicate that there is substantial work to be done if the sector is going to deliver any level of growth beyond the Oribi Gorge corridor.



The Oribi Gorge in the eastern part of the municipality provides better organised, marketed and committed products. There is general limited comparative advantage beyond the Oribi Gorge. The Shobashobane Heritage project is yet to be conceptualised to become one of the tourism icons on the south coast. This may improve cultural tourism, eco-tourism and community based tourism for most areas of the municipality..



Oribi Gorge

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

- Gamalakhe Heritage Park
- Nyandezulu Route
- KwaNzimakwe Rout

Beaches

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



Margate Beach



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

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

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

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

Historical / Nature / Mission Tourism

The municipal area has numerous historical, religious and cultural assets that have potential to be further developed as tourism products. There is a proposal for the KwaXolo Caves Project aimed at attracting tourists to the area. Another important draw card for tourist visiting the area is the natural environment the municipality has. There is a next ensivearray of botanical features and wilderness areas attracting visitors for bird watching, hiking, walking, picnics and other related outdoor activities. There are two existing conservation areas within the municipal area, namely, Umtamvuna Nature Reserve and Trafalgar Marine Reserve. There are however approximately nine declared and protected nature reserves of which the majority falls under management of Ezemvelo KZN Wildlife.

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

Accommodation and competitive advantages

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



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

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

iii. Manufacturing

Manufacturing and retail sectors are main industry of employment within the municipality. Although 60% of manufacturing businesses are located in the Port Shepstone/Marburg industrial area, it is important to note that a third of the manufacturing businesses also relate to Margate. Whilst the Municipality has some large flagship firms in the Manufacturing sector, they often work independently and this has result in making very little impact in regional economies.

The Marburg Industrial Complex has shown that it is not sufficient as some Manufacturing Business has relocated to what is now known as Izotsha Corridor, clearly the Municipality needs to formulate an Industrial Development Plan which will demarcate industrial zones within the Municipality to avoid haphazard relocation of manufacturing businesses.

Izotsha Industrial Development Corridor is a theatre of manufacturing and storage/ warehouse activities within the municipal area. The coverage of this area stretches to include properties located along the Izotsha Road, N2 and R102. Other industrial activities are found in towns such as Marburg and Port Shepstone which also extensively contribute in the economic growth of the municipality. The municipality has identified land along Izontsha Corridor and Hibberdene and Margate for future industrial development.

Margate Airport Industrial Park: This industrial area is located on the northern end of the runway of the Margate airport. It is located on relatively flat land. The area is home to only a handful of industries



Transport Sector

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

- Air transport
- Road freight transport

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

iii. Mining/ quarrying

The industrial area is located close to the entrance to the NPC Quarry immediately to the west of the N2 as you approach the Margate turnoff from Durban. The area is separated from neighboring developments either by the N2 or vacant land.

National Portland and Idwala Carbonates (KULU) :This industrial area is located on the Eastern side of the N2 as you pass Marburg up North

4.1.5 Property Market

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

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

4.1.6 Local Economy SWOT Analysis

There are a number of advantages and disadvantages that impact upon the current economic initiatives and its development within Ray Nkonyeni Municipality. These have been highlighted in a number of preceding reports that have been produced such as the Integrated Development Plan (IDP), The Spatial Development Framework etc. This includes some of the challenges that need to be addressed and opportunities, which need to be undertaken advantage off. The following represents a SWOT analysis, which assesses these favourable and



unfavourable issues in the context of developing Ray Nkonyeni Municipality as an economically functional Municipality. These can be outlined as follows:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ✚ The Municipality boasts vast lands of relatively good agricultural potential. ✚ The Municipality generally has a well-established agricultural sector which produces a diverse range of products (Vegetables, Nuts, Sugar Cane, Livestock, Poultry and some speciality products such as the moringa plant and freshly cut flowers), the sector also caters for a range of markets; some of the products produced in the Municipality are exported to international markets. ✚ The timber plantations and cane farming of the RNM are some of the largest of the commercial agricultural enterprises of the province. These enterprises constitute the pillars of the agriculture sector of the RNM. ✚ Ray Nkonyeni Municipality is the regional economic powerhouse of the UGU District Municipality, with more than 75% of the UGU District Municipality's registered businesses located in the Municipality; this puts the Municipality in position to shape the economy of the District and make an impact in the provincial economy. ✚ The Municipality has a long established, traditional industrial complex which is recognised provincially, similar traditional industrial complexes can be found in Mandeni, Ladysmith, Newcastle and Richards Bay. ✚ The Municipality is recognised provincially as a secondary city; this means both public and private sector investment must look to the Municipality as one of the priority investment areas in the province. ✚ The Municipality has an established and stable tourism 	<ul style="list-style-type: none"> ✚ The Municipality's agricultural sector faces many constraints such as, decreasing investment, rising production costs, a change of land use from agriculture to other land uses. Climate change poses a significant risk to the agricultural sector, primarily linked to increased rainfall variability and water security. ✚ The Milling companies within the District are currently operating at full capacity and have experienced some disruptions in their operations due to water shortages and this is a cause for concern for the sugar cane producers. ✚ There is limited land and very little technical, financial and business support for emerging farmers in the Municipality. ✚ International competition may cause some farming enterprises to experience pressure. ✚ The infrastructure in the Marburg Industrial Complex was laid many decades ago and may not be able to handle large, new and technologically advanced industrial development that the Municipality wishes to attract. ✚ There are very few sites which are readily available and serviced for large infrastructure development, as envisaged in the LED Strategy. ✚ Whilst the Municipality has some large flagship firms in the Manufacturing sector, they often work independently and this has resulted in making very little impact in regional economies. ✚ Infrastructure maintenance and provision of new infrastructure for business (water, electricity, roads, storm water ect) has been lagging behind and this must be rectified in order to achieve investor confidence. ✚ The Manufacturing, Commercial and to some extent tourism sectors are still urban biased and there is little evidence of these economic sectors having presence in the rural areas of the



<p>sector and is among the most visited tourism destination in the province and boast a range attributes such as a favourable climate, key natural and heritage assests, conservation sites, a range of tourism products, accommodation, swimming and blue fag, beaches and events just to mention a few.</p> <ul style="list-style-type: none"> ✚ Political Stability ✚ Blue Flag Beaches 	<p>Municipality, particularly in Traditional Authority Areas</p> <ul style="list-style-type: none"> ✚ Inadequate packaged development land ✚ Capacity Gap in LED section ✚ Inadequate support for the business sector
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ✚ Agri-Tourism: The Municipality has both agriculture and tourism as key sectors and this presents an opportunity for the establishment of agri-tourism enterprises, it must be noted there are many existing Agri-tourism enterprises already in existence in the Municipality which set precedence for new agri-tourism businesses ✚ Proposed UGU Agri-Park: The Municipality does not have a well-established, regional processing facility for agricultural products and the establishment of the Agri Park in Ezinqoleni will provide an opportunity for all famers to access processing opportunities' ✚ Diversification of tourism products, the Municipality is a tourism magnet, yet has a very tight competition in the form of Zululand, the Elephant Coast and others, especially when it comes to foreign tourism, this is because these areas have game reserves and the Municipality, albeit at a District and even in Partnership with Neighbouring Municipalities, must explore the establishment of a Game Reserve. ✚ Township and rural tourism is another sub-sector of the Tourism sector which present an opportunity for new establishments. The LED proposes that township and rural tourism be facilitated as the Municipality has a lot to offer in this regard. 	<ul style="list-style-type: none"> ✚ Macro-economic instability ✚ Poor reliability in infrastructure provision(water, electricity) ✚ Pollution of the beaches



- ✚ The Marburg Industrial Complex has shown that it is not sufficient as some Manufacturing Business has relocated to what is now known as Izotsha Corridor, clearly the Municipality needs to formulate an Industrial Development Plan which will demarcate industrial zones within the Municipality to avoid haphazard relocation of manufacturing businesses
- ✚ The Municipality is well positioned to take advantage a number of key strategic government programmes, it has been identified as one of the Municipalities to implement the operation Phakisa Programme, key catalytic projects and is one of the key regional economies of the province thereby attracting national and provincial infrastructure programmes.
- ✚ Opportunity for SMME activity on beaches.
- ✚ The Emerging Film making industry
- ✚ Aquaculture programmes
- ✚ Operation Phakisa opportunities

4.1.7 Food Security

Food security is one of the major challenges the municipality faces. Communities have been encouraged to have community gardens as well as one house one garden, where they grow food for consumption. The Department of Agriculture is currently making provision of seedlings to communities. The LED unit also assists communities in this regard. The PGDP 2015 states that there should be a safe guarding and enhancement of sustainable livelihoods and food security. Ray Nkonyeni Municipality is in line with this objective through its various food flagship programmes.

4.1.7.1 One Home One Garden

The One home One Garden campaign has been successfully implemented in the entire municipality. The campaign is to initiate an integrated approach to food security demonstrating in practice the principle of coordinated government service delivery with respect to addressing the most vulnerable within the municipality. Currently the municipality does not have specific economic programmes targeting the vulnerable groups, however, the LED focuses on everyone irrespective of gender, race and creed. However, these groups' needs are addressed under the Special Programmes Unit and the Youth section Unit within the municipality.

One home one garden campaign is a key aspect of RNM food security. Health issues cannot be addressed if poverty is not vigorously tackled as it is a major driver of the diseases and it is a known fact that the biggest enemy of health in the developing countries is poverty. The objective of the municipality is to reduce the percentage of households that have gone hungry. According



to the National Development Plan on human development report, poverty and hunger must be eradicated.

This is line with RNM policies on this issue, thus the one home one garden programme was implemented and is very successful judging by the number of households with gardens.

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

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



4.1.8 Poverty Alleviation Projects

Ray Nkonyeni has a dedicated team who ensures that the running of the EPWP is smooth. The section falls under the LED Unit. Extended Public Works Programme (EPWP) Policy is in place, adopted in 2017. In line with the National directive, the municipality has approved the EPWP Phase 3 aligned policy, which details targets that the municipality is required to achieve in terms of EPWP.

The objective of the policy is to provide a framework within which the municipality and its departments implement the EPWP. The policy document is aimed at providing an enabling environment for the municipality to increase the implementation of EPWP through the re-orientation of its line budgets and channelling a substantial amount of the overall annual budget allocation and human resources towards the implementation of EPWP.

The EPWP has an integrated Grant Spending and shows how it is allocated.



EXPANDED PUBLIC WORKS PROGRAMME

4.7.8.1 EPWP 3

The municipality is fully aligned to the EPWP3 policy and has made positive interventions in terms of job creation. The policies formulated by the municipality talks to all the characteristics of the EPWP 3 policy, hence it is fully aligned. For an example, chapter one of the policy talks to the introduction of the EPWP Non-State Sector Programme and mentions some characteristics such as:

- large numbers of locals, unemployed but willing to work
- Large % of the overall project costs are paid out in wages to the EPWP target group
- The group provides service to the community
- Projects should not result in the displacement of existing workers or in the downgrade of existing workers' employment conditions

Further more, for an example, chapter 3 of the policy relates to how the non- state Sector EPW subsidy works. Within Ray Nkonyeni Municipality, all employed are South Africans, monthly reports are made as well as invoices submitted by the NPO to the municipality. The Skills Development Unit ensures that accredited training for the workers in different skills is done. The programme as a whole is closely monitored by a dedicated team within the municipality and fully audited. The EPWP wage subsidy within the municipality is a transparent one. There are poverty alleviation projects run by the municipality through the Extended Public Works Programme (EPWP). Most people employed in these projects are from rural areas. The EPWP programme has addressed the Green job initiatives. For example, the municipality is implementing the Food for Waste Programme. Currently more than five hundred (500) employed under the food for waste programme, some employed for verge cutting and for street cleaning. These programmes run for a period of 5 months each, and the municipality receives grant from National Treasury. With the Justice Park Development in Port Shepstone, currently being developed, all employed were sourced through the municipality. Below is a detailed summary of the EPWP in terms of job initiatives and the number of people employed in this current financial year.

i. EPWP Indicators

The designated unit within the municipality ensures that all work opportunities created are disseminated accordingly. As mentioned above, the municipality aligns to the EPW3 policy. In terms of job opportunities, Ray Nkonyeni fully adheres to the PGDP and the DGD. There are a number of jobs that have been created through this programme. Further, the municipality is in line with the 2019 State of the Nation Address whereby the President mentioned that there should be job opportunities created for all to alleviate poverty in communities. There is a fully fledged LED



Unit within the municipality. The LED Unit has functional institutional arrangements in place, and these include the LED Forum which sits on quarterly basis to address issues pertaining to economic development within the municipality. The forum has aligned with the private sector, the District LED and other Government Departments. The programmes that the unit runs appear in the SDBIP and have timeframes. Progress on all projects is measured through the SDBIP. The municipality has partnered with other Sector Departments as well as the private sector in ensuring that local economic development is promoted. In some projects, the municipality has successfully outsourced private funding.

ii. EPWP Job initiatives

Despite the fact that the municipality and government in general is required to facilitate a conducive environment for job creation and enterprise development as guided by the PGDP and NDP, the plan does also focus on job creation. Annually through the Service Delivery and Budget Implementation Plan, the municipality continuously sets itself targets for job creation, inclusive of job opportunities.

4.1.9 MMEs, Informal Sector and Economically active Population

Ray Nkonyeni has an SMME development Strategy in place and the Informal Traders Management Plan. This plan deals with matters of informal trading and how to assist traders and issuing of permits. Further to this, the municipality does have an SMME database which can be obtained from the Supply Chain Management Section. The data base shows all services offered by the SMMEs.

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

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



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

- Failure to Disaggregate and quantify: For Example, measures were implemented to empower black farmers, but no distinction was made between subsistence farmers who depend on farming for food, and farmers who farm but have a separate source of income. The same measures can therefore not be implemented.
- Neglect of what is there: There is a tendency to focus on activities that are more marketable than what the entrepreneurs/farmers are used to and as such start afresh with no experience.
- Failure to understand real constraints: The tendency to implement what is more implementable instead of addressing the real needs. Therefore misidentifying the real issues.
- Neglect of lessons from the past: New programmes are implemented to correct failures of previous programmes without understanding the real issues.

The Premier in his February 2019 State of the Province Address, Priority Intervention 6: 'Unlocking SMMEs and co-operatives potential, mentioned that "shared growth targets can best be achieved by creating an environment for small business to grow. A high participation rate in our economy is much needed and this can be best achieved by getting more business entities that can help create the jobs we need." RNM commits to create a better supportive environment for this initiative and best improve on what is on the ground currently.

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

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

The LED unit has a database for all active/ registered SMMEs and Cooperatives and is available on request. Further, the municipality is working on a new database in terms of adding new members. Following the adoption of the revised Procurement Policy, the municipality has focused on enhancing the capacity of SMMEs, particularly focusing on emerging contractors. The municipality has then created a datanase for the purposes of sub-contracting. All municipal projects valued at R2.5 M and above are subjected to mandatory sub contracting which benefits locally based emerging contractors from Grade 1-4.



4.1.10 Auditor General Responses and Provincial Treasury Comments

It has been indicated in the introduction that the AG did not raise any issues pertaining the LED, hence there is no plan.

4.1.11 Monitoring and Evaluation Plan for LED

There is a monitoring and evaluation mechanism for implementation of all LED programmes and targets in place that has been developed by the municipality,

4.1.12 Research and Development

There is currently no budget for Research and Development and this will be considered going forward.

4.1.13 Job Creation 2035

In response to the NDP and the PGDP 2035 targets, Ray Nkonyeni Municipality is proud to announce that the number of jobs it has created through its EPWP initiative fully aligns to both. The municipality has been in a position to create a number of jobs for the unemployed and trained them in various skills. Approximately 900 jobs, for both males and females have been created. The people are employed on a three year basis of which thereafter their contracts are terminated and a new group is employed. This is done to ensure that all the unemployed get a share in this initiative.

The PGDP 2035 goal number talks to inclusive growth.

- Increase employment within the agricultural sector
- Increase in commercial farmers
- Increase in emerging commercial farmers
- Increase in hectares of land under irrigation
- Real value of output of the agricultural sector

Ray Nkonyeni Municipality has provided more than 900 jobs as mentioned above. However, through its commercial agriculture which is limited to a few farmers, it can be said that about 2000 jobs have been created. As mentioned earlier, the emerging commercial farmers still battle in the market due to dynamics of it.

4.1.14 Mobilization of Private Sector Resources

The municipality has partnered with the South Coast Business Chamber of Commerce. They meet quarterly as they are part of the LED Forum to discuss issues pertaining local businesses. Issues discussed also include ways and means of attracting more development into the municipality and how best to create more jobs. The Forum also looks at the interest of their businesses on ways of for sustainability and also municipal policies are discussed such as Strategies. Since the Forum membes are Business people, they are also ambassadors of their own business and so this platform is set for showcasing them and further on how best to attract investment into the municipality. These Sector partners include:

- Ugu Association of business
- Margate Business Association
- Port Shepstone Business Forum



- Ezinqoleni Business Forum
- Kwanzimakwe and
- Gamalakhe Business Forum

4.1.15 Informal Sector

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

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

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

There is a general lack of market infrastructure (i.e. safe and secure trading sites) and general infrastructure (i.e. roads, electricity, water, sewerage). The municipality further lacks a policy regulating zoning for street vendors but there are Bylaws controlling this system.



Informal Trader in Port Shepstone CBD



4.1.16 Municipal Intervention on SMMEs

To regulate street vendors, the municipality has developed an Informal Trading Policy and By-Laws. These were adopted by Council in 2016. Further, the municipality is working closely with KZN Department of Economic Development, Tourism & Environmental Affairs in expediting and elevating informal trading. In-house capacity building initiatives are currently being implemented.

4.1.17 Women Focused Initiatives

4.1.17.1 Women in Business

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

4.1.17.2 Community garden programme

This programme consists of women only. Women are being assisted with agricultural inputs by the municipality. They farm for home consumption and this programme is aimed at alleviating poverty and sustain livelihoods. Below is a picture taken within the municipality at one of rural women projects.



4.1.17.3 Siyazenzenzela Community Project

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

4.1.18 Economically Active Population

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

4.1.19 Investment Opportunities (Catalytic Projects)

The municipality has key projects aimed at unlocking job opportunities. These are projects regarded as having significant development impact. It is the projects that go beyond the powers and functions and affordability of Council and only use need and desirability/impact as the criteria. A catalytic project displays the following characteristics:

- It makes a substantial impact
- It provides leverage and/or creates multiplier effects
- It has power to radically activate development (social , economic or both)
- It significantly impacts spatial form
- It creates jobs, and increase land value and
- Contributes to the achievement of the vision and goals of a mununicipality.

It must be recognised that these projects are in different categories. Some are government projects driven through social need and demand, whilst others are largely private sector driven to capitalise on economic development opportunities. In this context, three types of catalytic projects have been identified at Ray Nkonyeni Municipality, and they are



- Game changers
- Major enablers and
- Major needs

Game changers and major enablers are inherently considered catalytic projects because they act to catalyse upstream and downstream economic and social activities. The significance of a project being awarded 'catalytic' status is that it will confirm that such a project had been subjected to a screening and prioritisation process and will receive preferential facilitation support and guidance. It must be mentioned that Ray Nkonyeni Municipality in selecting its catalytic projects has been in line with the PGDP, therefore these projects form an integral part of it.

The projects listed below are regarded as catalytic projects being at different stages of implementation. These catalytic projects are:

- **Justice Park:** This project is essentially a development of a high court and more magistrate courts and office block to accommodate the Department of Justice needs. Total project value is estimated at R360m. RNM has made land available for the project and the Department of Public Works is currently packaging the entire project which is in its last stages.
- **Intermodal Public Transport Facility:** It is a public transport ranking, facility with high order commercial mix. The facility in essence will be a bus and taxi rank and a mall to be developed in Port Shepstone at the current bus and taxi rank.
- **Technology Hub:** Completed development at Izotsha. This initiative is funded by the Premier's office. The main attributes of the Technology hub includes:
 - Specialised Business Park with tenants focused on technology and scientific research
 - Closed alignment to tertiary institutes and their academic staff.
 - Partly linked to a wider research system.
- **Margate Beach front redevelopment:** This is underway funded by Cogta to give a new look to the beach. First southern phase development of promenade has been completed. Plans are underway for main beach area and Northern portion. The approved budget was R30M.
- **Public Sector Investment:** This includes a number of projects in different parts of the municipality.
 - Port Shepstone library, in its final stages
 - Port Shepstone Museum open to the public. The Municipality signed the Memorandum of Understanding with the National Department of Public Works.
 - Small craft Harbour at Hibberdene, Port Shepstone and Port Edward and an MoU has been signed between the municipality and the NDPW and are all at a conceptualization stage
- **Margate Airport:** The upgrade of Margate Airport has made it easier for tourists to access the district once they are in the province, as well as making significantly easier and simpler for the tourists to remain in the province for longer periods, due to the expanded range of tourism product in keeping with the tourists' needs. In addition, the



area around Margate airport presents substantial potential for future industrial development.

- **Tourism and Ecotourism development:** Tourism Development Strategy for Ugu South Coast Tourism Region in place introduces a sector specific vision and the associated long-term goals. The goals are developed in alignment to the national responsible growth objectives. Both the tourism and eco-tourism of Ray Nkonyeni seeks to deliver a welcoming world class visitors experience. The projected budget value is R158.5m per annum.
- **Parking block in Dick King's Parking:** The Port Shepstone CBD does not have enough parking and no parking block open for public ever built. Businesses are negatively affected in terms of getting more clients and optimal profit. Port Shepstone is experiencing massive development as a result of Justice Park; Department of Education Offices; extension of Port Shepstone Library and building of Maritime Museum. While these developments are adding value to the town, it will put more strain on businesses as the demand for the parking will be increasing exponentially. The idea is to then avail a municipal property strategically located for this purpose to a private developer and developed property without losing ownership
- **Municipal Office Precinct:** A Council Resolution has been obtained and currently finalizing the Municipal Financial Management Act/Supply Chain Management issues
- **Rural Tourism:** The municipality has a high concentration of tourism along the coastal belt. It must be known that there is high potential of tourism in the hinterland and the following have been identified.
 - KwaXolo Caves. Phase one has been completed and the SCDA is taking over the project
 - Nyandezulu Water Fall is at a conceptualizing stage (Spatial Planning)

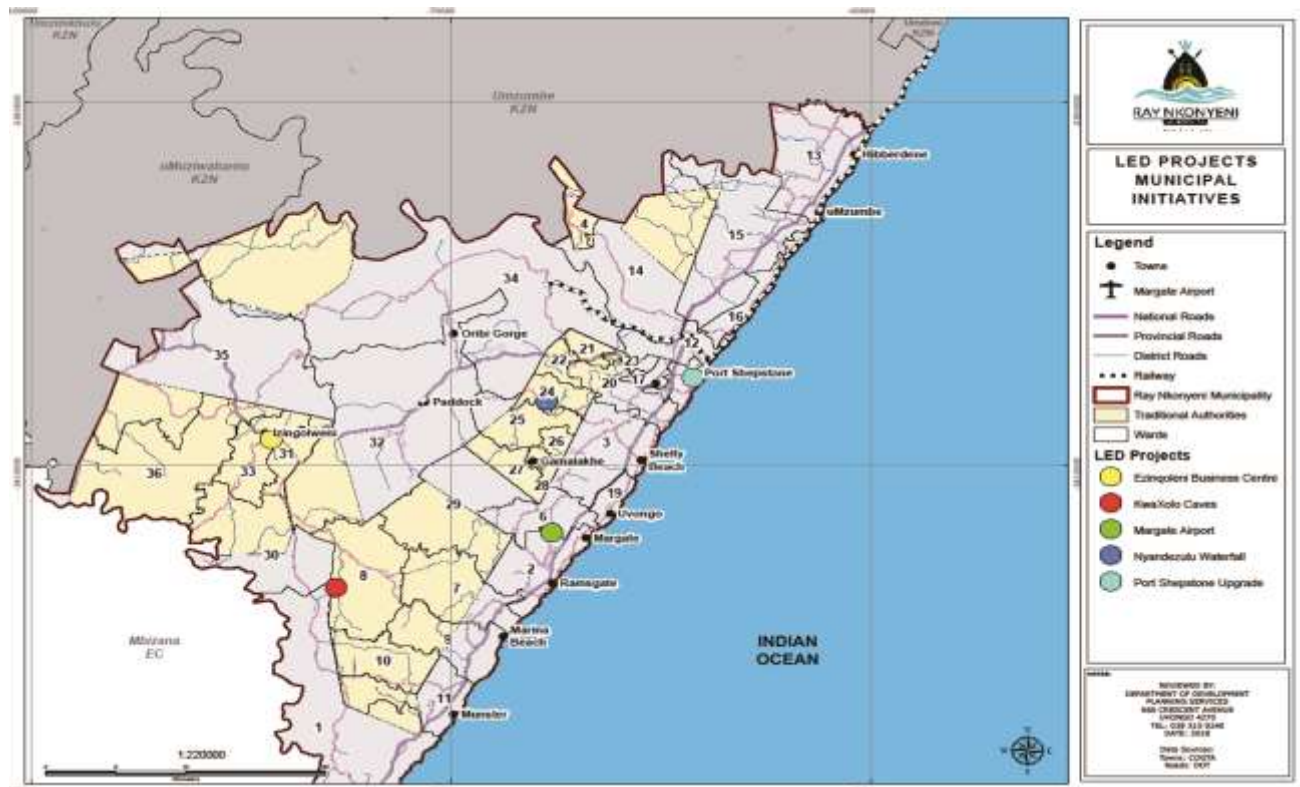
Rural tourism is going to provide permanent jobs to locals and also assist in showcasing the beautiful landscape of the municipality in the interior.

- **University of South Africa (UNISA).** The Municipality has signed an MOU with UNISA for the development of this project. A sod turning event has taken place and development will commence soon.

4.1.20 LED Projects (mapped)



Map: LED projects within the municipality



Source: RNM GIS 2018



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

Table 17: Municipal Initiatives

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

In response to responsive programmes that will bring sustainability to the municipality, the municipality has a number of projects which most will promote rural tourism. These projects seek to transform local tourism. The hinterland has tourism potential. It must be noted that RNM is ranked number two in the Province in terms of tourism. However, tourism in the hinterland is not as vibrant as along the coastal belt, so the municipality has identified potential tourism attractions there.

Within the Ugu District, there is the Ugu South Coast Tourism which is representative of all its local municipalities, including the District when it comes to tourism matters. The tourism agency has an approved Tourism Strategy, whereby the tourism transformation is outlined focusing mainly on broadening participation and ownership.

Following are the specific programmes in the hinterland that seek to transform tourism:

- KwaNzimakwe route
- KwaXolo caves
- Nyandezulu route

The municipality has started engaging the local mining houses such as Idwal, Rossmine and NPC in determining their Social Labour Plans. The intention of the municipality is to incorporate such SLPs into the LED programme, particularly focusing on enterprise development. Further, the municipality has also held discussion with the Department of Mineral Resources in this regard.

Specific programmes targeting emerging farmers to unleash agricultural potential are in place. These programmes have been cascaded down to municipalities by the Province. These programmes include the Radical Agrarian Social Economic Transformation (Horse-Shoe farming). This is a vegetable farming initiative allocated to Cooperatives.

Reducing the red tape is another initiative the municipality is addressing. This initiative is led by the Province where processes are being looked at. Business licence processes is one example that is looked at and the rationale behind is to identify the red tape and eliminate it to improve processes.

For SMMEs and cooperatives, there are programmes in place aimed at improving them. There is capacity building that the municipality runs jointly with Ithala Bank known as Ithala Business Indaba Programme. Furthermore, SMMEs are assisted with material support programme.

The municipality has an Informal Policy which was adopted by Council in July 2017. The policy is aimed at addressing issues pertaining the informal economy. Also, By-Laws have been gazetted and these were adopted in March 2018 by Council. Further is the Informal Micro Enterprise Development Programme.

Below are some of the responsive programmes by the South Coast Development agency. Budget has not been confirmed as yet, but engagements at different levels have commenced with the municipality, however, a sum of R1.67 has been given to the agency by the municipality to enable continuity with the programmes.



SOUTH COAST DEVELOPMENT AGENCY

1) John Mason Park

- Mixed Use Development (hotel, residential and commercial) based in Umtentweni
- Developer has been appointed having followed SCM processes
- Initially RNM indicated they own the property but it emerged at contracting stage with the prospective developer that Public Works is the owner
- USCDA has since applied for a lease with DPW which will be finalized end July 2019, public meeting with Tweni ratepayers was on 14/05 & officials from DPW attended
- *The project has been in the pipeline for more than 15 years from then HCDA but is now approaching implementation*

2.Southcoast Film Studios

- Project entails construction of upmarket film studios inland of the South coast mall
- US based developer Mr Dexter Davis has been appointed
- RNM Council resolved on a long term lease with the developer and further gave incentives
- The developer is to submit a project plan on 30 July as a basis for monitoring implementation

3.KwaXolo Caves Adventure Centre

- Adventure centre anchored around Khoisan rock art in a cave at the bottom of a 40m gorge
- The project was handed over to USCDA by RNM due to serious social issues that could not be solved at the time
- USCDA managed to attend to the issues and the project is now at implementation
- Contractor has been appointed and completion anticipated at the end of August 2019

4. Umzumbe River Trail

- A 74km trail (horse riding, bird watching, cycling, jogging) traversing 7 Amakhosi areas – R36m is needed to enable implementation
- Connects Phumula beach in RNM with Mhlabashane dam in Umzumbe
- Funding applications have been submitted to Rural Development, Tourism, Cogta, EDTEA and a host of private sector companies – CSI allocations



• 5. Hibberdene Commercial Centre

- Commercial centre to be located at the northern entrance to Hibberdene from the N2 (next to the railway line)
- Prospective developer appointed & the delay is with the verification of land ownership
- RNM Estates working with USCDA to finalize all outstanding issues

6. Amakhosi Fallow Field Cultivation with niche crops

USCDA currently working with National Cabinet's Economic cluster to access funding to pilot macadamia cultivation in Amakhosi areas

- The engagements are ongoing and some Amakhosi have already pledged land for this purpose – KwaNzimakhwe and KwaXolo
- KZN Department of Agric, Cogta and EDTEA have also endorsed the initiative as well

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

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

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

4.1.23 Natural Assets/Resources

Ray Nkonyeni boasts of a number of natural resources that have provided job opportunities. The ocean for an example and its alignment to tourism as well as the Red desert as well the KwaXolo Caves which is cultural rich in a rural area. The Oribi Gorge which is a large tourist attraction is also one of the assets the municipality has. (See LED Strategy)

4.1.24 Key Issues

The municipality is faced with a number of issues in terms of implementing some LED programmes effectively, however, through its strategy, (refer to the LED Strategy) the following key issues have been addressed.

- Economic governance



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

In conclusion, the municipality is set to attract more investors through its vibrant growing economy. Also, through its LED Strategy, the economy will grow even bigger and better benefitting all communities inspite of gender and creed.

LED programmes are budgeted for annually, however, the challenge is that the udget is still less than 1% of the entire municipal budget which is a challenge in terms of implementation. It should further be noted that the annual Service Delivery and Implementation Plan (SDBIP) is an effective monitoring and evaluation tool tracing the implementation of programmes. Further more, Ray Nkonyeni Municipality's LED has never raised concerns from the AG. Ray Nkonyeni Municipality has plans in place to mobilise the private sector through its Growth Coalition as indicated earlier on. Through the Investment Attraction Startegy and its processes, there are clear plans to attract investment . also through the SLA that the municipality has with Ugu South Coast Development Agency's operations are catalysed through funding availed by the municipality and also the agency is provided with a list of mandated projects and its task is to ensure the implementation of these projects takes place.

4.7.25 Socio-Economic Profile

4.1.25.1 Employment and Income Levels

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

According to the State of the Nation Address, 2018 by the President, unemployment impacts heavily on inequality and poverty and needs to be halved by 2030. It further states that by 2020, 90 000 jobs should have been created through various programmes and projects. There a number of projects currently being implemented in rural areas where unemployment is rife. Also these initiatives are aimed at establishing a conducive environment to attract and grow businesses and cooperatives as per the municipality's Local Economic Development's strategy.

The Municipality further adheres to the State of the Province Address 2018, whereby the issue of youth unemployment was addressed by the Premier on youth being empowered.. The municipality has responded to this by increasing an intake of youth in the public and private employment equity programmes and there has been an expansion of learning and skills development opportunities for the youth aimed at equipping them with job skills.

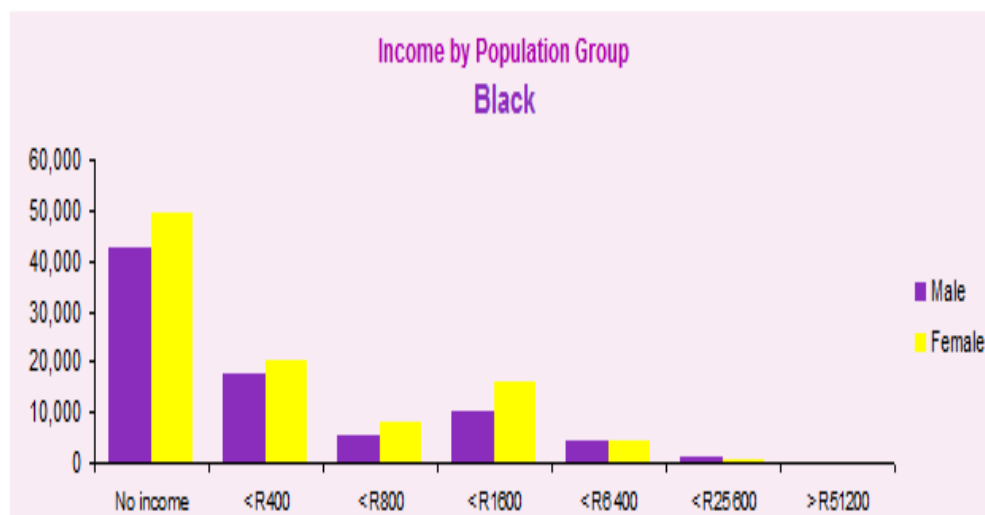
4.1.25.2 Employment by Race Breakdown

According to the employment by race breakdown graph below, it can be said that a larger number of females within the municipality in all races have no income at all as compared to males.



Those female employees, very few black females earn above R25 000 per month, as compared to white, Indians and coloured females. The following graph summarizes this information.

Graph 14: Employment by Race breakdown



Source: Statistics South Africa 2011

4.1.26 Social Development Analysis

4.1.26.1 Education

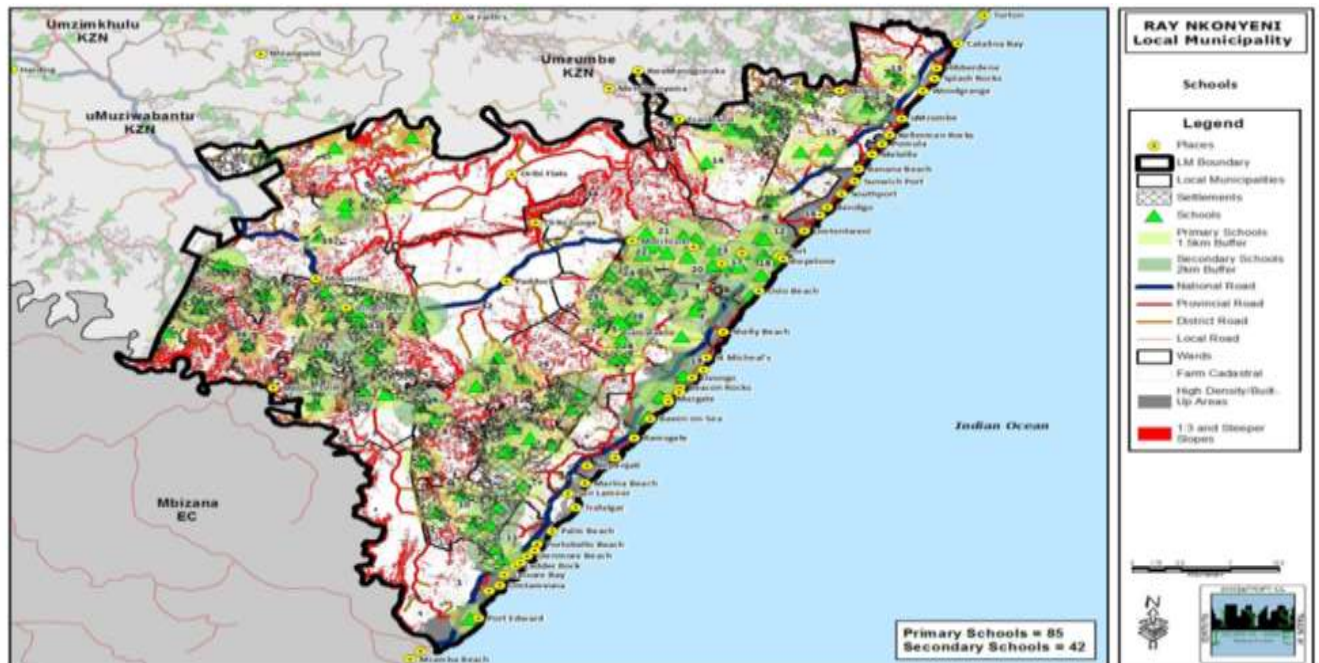
There are 85 primary schools and 42 Secondary Schools within Ray Nkonyeni. The KwaZulu-Natal Draft Norms and Standards suggests that primary schools should be accessible within 1,5km while secondary schools are within a 2km traveling distance. The population catchment threshold differs on the basis on the density requirements whereby the lowest density settlements can be provided with a Micro Primary School for every 60 households while the population catchment which warrants the small Secondary School is 200 households.

A number of critical issues relating to poor performance in Education in the Province were raised by the then Premier of KZN during his 2018 State of the Province Address. He mentioned a need to develop human strategy capacity, increase enrolment rate in TVET colleges and that there should be a seamless transition of learners from early childhood development to adult literacy. RNM prides itself by that it has managed to address these issues because more students are now recorded to be registered in the TVET colleges within the municipality. There has also been an increase in the Grade 1 enrolment which also is in line with the Premier's 2020 education goal that there should be an increase and maintaining of enrolment in Primary schools.



Below is a map showing schools within the municipality.

Map 8: Schools within the municipality



Source: RNM GIS UNIT 2016

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

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

Structures in some schools are not suitable for learning purposes. Make shifts are too hot in summer and very cold in winter. Some structures are made of mud and when it rains, they collapse. Some schools in rural areas do not have access to clean water and sanitation. But have access to electricity.

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

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



- schools in urban areas are overcrowded

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

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

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

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

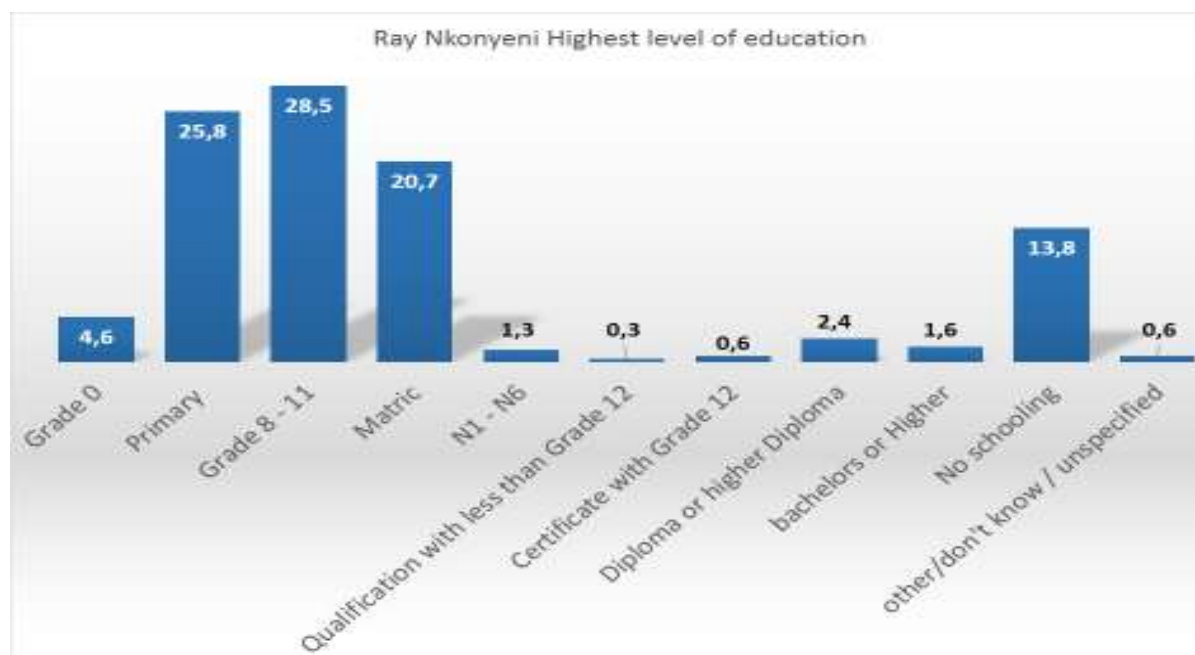
i. School Nutrition Programme

As mentioned in the situational analysis, the municipality boasts of a fully-fledged food and nutrition programme in all its schools.

The following table shows the education qualification within the municipality.



Graph 15: Levels of Education



Source: Statistics South Africa Community Survey 2016

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

i. Literacy Rate

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

ii. Matric Pass Rate

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

iii. Higher Education

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

4.1.26.2 Health

The entire Ugu District has fifteen ambulances, seven of these operate under RNM. Response times are still far below the acceptable norm in both urban and rural areas and remain a serious challenge considering the increased demand for emergency services. The improvement of response



times is achievable only if the number of staffed rostered ambulances is operational as well as addressing the gaps in terms of filling vacant posts and replacing the aging fleet of vehicles.

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

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

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

Below is a list of the Phila Mntwana Centres:

- Mkholombe
- Masinenge
- Manzamhlophe
- Oshabeni Traditional Authority court
- Breame Mobile Library & Community Hall and
- Thembalesizwe Clinic

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

Integration of HIV and TB services has been strengthened by training of HIV counsellors on TB Screening. The municipality has partnered with the Ugu district as well as the provincial departments in implementing the Sukuma Sakhe flagship programme. More focus is placed on the most deprived wards/areas most affected by the pandemic. The programme was rolled out to all the wards of the municipal area. War rooms have been established in various wards. The World AIDS Day is commemorated on an annual basis at RNM. The department of Health conducts annual HIV/AIDS surveys on women visiting antenatal clinics in the province. RNM's Council is committed in the HIV/AIDS infection reduction programme. The municipality has implemented viable programmes to fight the scourge of the disease. More educational programmes/awareness campaigns are necessary to alert the community members of the HIV/AIDS disease.

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



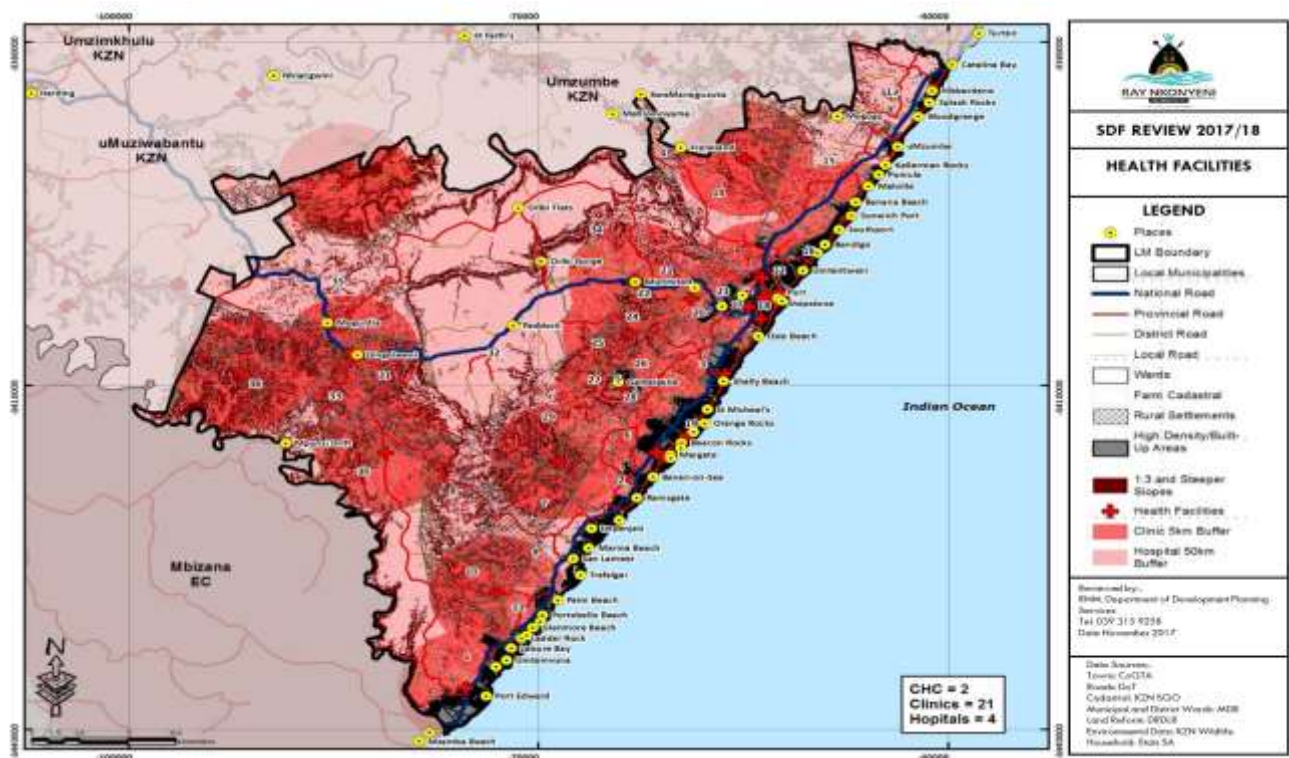
It will be important to factor into planning the impacts associated with this pandemic and provide adequate services to those living and affected by the virus. Furthermore, it is critical to involve the ward committees, Local AIDS Council and people living with HIV/AIDS in the IDP Forum to discuss issues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

Currently, RNM has two public hospitals, namely (Port Shepstone and Murchison) and two private hospitals, namely (Hibiscus and Margate). The municipality has a total of 20 clinics, 7 mobile clinics and one health care center. The Shelley Beach Hospital which is currently being extended is another private hospital within the municipality.

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

The map below details the health facilities within the municipality.

Map 9: Health facilities



Source: RNM GIS 2018



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

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

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

- Marburg Clinic
- Hibberdene clinic
- eNtabeni clinic

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

Proposed new clinics within RNM are going to be developed in the following areas when funding is available.

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

4.1.26.3 Municipal Health Services By-laws

There are no clinics that are under the supervision of the municipality. Previously there were but were handed over to the Department of Health in 2012 hence there are no municipal health services by-laws. The municipality however, has a fully fledged health and wellness center with full time qualified staff. The staff comprises of a qualified nurses, and an officer. The Wellness Center is for the municipal employees only. RNM is the only institution with such a facility in the whole province. Other than administering medication to employees, the center runs a number of wellness programmes to ensure the municipal workers are in their best of health and fitness. It works closely with the Health Department in ensuring that its programmes are full aligned and knowledge shared to ensure that the staff is updated on current health issues. The qualified nurse at the center also makes referrals to hospitals.



4.1.27 Youth Development

The youth make the highest percentage of the population at RNM, which over the years it has had economic implications. In that regard, the municipality aims to impact on its youth through the following objectives:

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

The main youth concerns can be summarised as follows:

- High unemployment rate;
- Lack of skills;
- Lack of information/ communication measures at rural areas;
- High levels of crime; and,
- Exposure to alcohol and drug abuse.
- Vulnerable to HIV/AIDS
- In response to the PGDP 2035 objective 3 which states that there should be a promotion of youth, gender and disability advocacy and the advancement of women, the municipality is proud to announce that it is in line with the strategy. There are active programmes and projects in place that talk to the empowerment of youth, advancement of women as well as the disabled. Funds have been set aside for these programmes, see SDBIP.

To address the listed concerns, the municipality runs a number of programmes which are budgeted for in the SDBIP with timeframes shown. Following are the programmes:

- Sports Confederation, Youth Forums and Youth Council are fully functional
- Youth Summit
- Career Guidance/ Exhibitions
- Youth Empowerment Business EXPO
- Matric Excellency Awards
- Community Outreach Programmes
- Mayoral Bursaries targeting 150 students for registration each year
- Ward based Sports Programmes
- Internships and In-service trainings
-



4.1.28 Outreach

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

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

Examples of the programme includes:

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

4.1.29 Cemeteries

The municipality has four public cemeteries, namely

- Oslo Beach Cemetery



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

All the cemeteries have either been closed as they have reached capacity or close to reaching capacity. Only KwaNositha is still having ample space. There is one private Cemetery within the municipality situated at Izotsha. There are no formal cemeteries in the rural areas hence the prevalence of on-site burials. There is a need to identify cemetery sites in the rural areas in line with the principle of environmental sustainability. The municipality does not have land to provide for more public cemeteries.

4.1.30 Access to Libraries

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

On the other hand, a majority of communities within the municipality do not have libraries. Ward Based Planning sessions conducted recently in the municipal communities revealed. In order for people to access information from libraries, they travel to urban areas where these facilities are found. The municipality together with the Department of Education in the District have engagements on how to address this issue.

4.1.31 Access to recreational facilities

4.1.31.1 Recreational Facilities

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

4.1.31.2 Sports Complex and sports fields

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

Below is a map showing these facilities within the municipality.



Map 10: Sports complex and sports fields



Source: RNM GIS 2017

4.1.32 Thusong Service Centers

There are ten Thusong Centres within Ray Nkonyeni which are located in KwaNzimakwe (Thongazi), Nyandezulu, KwaMadlala, KwaXolo (Gcilima), Mpunzi, Ndunu, Ndimeni, Maguntia, Maryland and Mlozane. There are sixteen (16) community halls that are found within the traditional council areas such as KwaMavundla (2), KwaXolo (4), KwaLushaba (2), KwaNdwalane (1) and KwaNzimakwe (1), Woyisane, Mbeni, Cele, Nkulu and Ezingolweni.

An application of the Kwazulu-Natal Draft Norms and Standards to community halls, suggests that one hall is required for 5 000 people within a 30 minute walking time or 1.5km walking distance. Considering the rural population, this suggests a need for reveal that approximately 41 community halls are required. As such, it would seem that there are backlogs of fifteen (15) facilities.

4.1.33 Safety and Security

- There are nine police stations within Ray Nkonyeni Municipality. These are located in Port Shepstone, Port Edward, Ramsgate, Gamalakhe, Mellvile, Hibberdene, Ezingolweni, Paddock and Margate. The provincial planning standards suggests that a population of 50 000 people needs to be provided with one Police Station at a radius of 10km. There are few areas that this radius does not reach and these include parts of ward 8, 9, 10 and 35.

Ray Nkonyeni Municipality has developed a Safety Plan, reviewed in 2017. It fully addresses the national safety objectives and to further align to the Provincial Department of Community Safety and Liaison's Safety Strategy.

The Constitution of the Republic of South Africa under section 152 (1) (d) states that municipalities should promote safe and healthy environment. The 1998 White Paper on Safety and Security



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

- To create an efficient and visible policing in all the areas particularly in residential areas and CBD areas;
- To improve on service delivery and rendering efficient service to members of the public;
- To improve service for effective crime monitoring; and,
- To provide a safe and secure environment (routine vehicle checks and routine patrols)

The municipality is concerned about the safety and security of its residents as well as those who come as tourists. Crime is a complex phenomenon and varies from community to community therefore requiring different strategies and solution to suit each situation and crime level thus the municipality has developed safety strategies in partnership with SAPS and the Department of Community Safety and Liaison.

These strategies are aimed at addressing crime at all levels and all communities in a short and long term basis. RNM crime prevention strategies are aligned to the National and Provincial crime and prevention strategies which emphasizes the importance of fighting crime as a threat to our democratic order and development. Community Safety Forums have been established and are well functioning. These forums constitute of the members of the Ward Committees, Community Policing Forums and School Safety Committees. Such forums serves as a coordinating mechanism of government and civil society representatives address our community's safety needs. The municipality has a feasible crime reduction strategy and the concerned department consistently reports on it and its achievements and challenges on quarterly SDBIP which is linked to the municipal IDP and budget. During the IDP Representative Forum the municipality together with SAPS report on crime levels and trends. RNM's IDP sessions prescribe to the national requirements of strengthening interactive, participatory and transparency and community involvement in developmental issues.

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

There are two police clusters within the municipality, based at Margate and Port Shepstone respectively. Both units are highly involved in ensuring that crime is non-existent both in rural areas as well as in urban area.



SAPS also uses geographic approach which consists of specific interventions to address crimes that are concentrated in certain geographic locations in a cluster. The specific aim of these clusters is to enhance co-ordination and co-operation and to facilitate an integrated approach to address crimes in these locations. Operational plans are driven by multi-disciplinary teams within the identified Crime Threat areas in order to effectively implement the Geographical Approach. This implies that the SAPS will approach policing in an integrated manner by creating multi-disciplinary teams, under one operational management structure, to police the high crime areas.

One of the cornerstones of policing is community involvement in the policing of the various communities. Of all the partnerships the cluster is engaged in, the most important one is with the general community it serves.

This partnership encompasses all three policing styles viz Democratic Community Policing; Problem-Solving Policing and Partnership Policing.

Apart from the informal partnership between the personnel and the community at grass root level on a daily basis, the Chairpersons and the community members of the Community Police Forums; Community Police. Sub-Forums and the Provincial Board engage in a structured manner with the SAPS and other Departments at all levels on a voluntary basis. In addition to this, numerous community members have enrolled as reservists who offer an invaluable service to the general community. Others offer their services voluntarily as counsellors, social workers and administration clerks. We will continue to strengthen this partnership. In addition to the above, Business Against Crime (BAC) offers an invaluable service to this Province.

In response to the PGDP 2035 which talks to Enhancement of safety and security, the municipality fully adheres to this. Its safety and security is sound through its policies and plans, see attachment.

4.1.34 Key Findings

Following are key findings from the LED.

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

4.1.36 Conclusion

The municipality's LED fully responds to the PGDP 2035 as well as the DGDS and addresses a number of issues. The indicators set in the strategy for ensuring that the economy of the municipality is boosted as well as how its communities benefit, are clear on how the municipality fully aligns to both the PGDP and the DGDP. The municipality in its situational analysis (Key Findings) indicated



high unemployment rate, poverty and emerging small commercial farmers with no capital and expertise amongst many. The LED addresses these concerns through its programmes and projects. This also addresses pillar number one of the Back to Basics which stipulates that people and their concerns must be put first, listened to and be communicated to. Ray Nkonyeni is doing its utmost best in terms of giving its citizens sustainable livelihood programmes.

4.1.37 Local Economic Development and Social Development SWOT Analysis

Table 18: Local economic Development

Strengths	Weaknesses
<ul style="list-style-type: none"> • Good number of formal jobs in the Ugu DM family of municipalities • Tourism industry as one of the prominent economic drivers • The coast stretching from Hibberden to Port Edward consisting of 29 beaches • Located along the Tourism and Agricultural corridor in terms of the PSEDs • Increase in the property and construction industry and vehicle sales data • Operational Margate Airport weekly scheduled flights to OR Tambo airport and Platenberbay <ul style="list-style-type: none"> • Strategies are adopted on time 	<ul style="list-style-type: none"> • High youth unemployment • Limited coastal-hinterland linkage • Narrow roads, increasing traffic congestion. • Generally poor road network • There is a general lack of market infrastructure. <ul style="list-style-type: none"> • Provision of suitable facilities is critical for informal traders
Opportunities	Threats
<ul style="list-style-type: none"> • Intermodal Transport Facility at advanced planning • Margate Airport scheduled flights growing daily -Major tourism and entertainment events- Ugu Jazz festival, and SA Women Open European Tour Golf Tournament <ul style="list-style-type: none"> • Catalytic projects are taking place in various parts of the municipality 	<ul style="list-style-type: none"> • The perception of the south coast as a retirement area • Most traders are not authorized to undertake street trading • Pressure on the available infrastructure due to informal trading causing chaos • Current infrastructure not coping with growing population <ul style="list-style-type: none"> • Small emerging commercial agriculture farmers are not fully capacitated



4.2 Cross Cutting Issues Analysis

4.2.1 Cross Cutting Issues Analysis

Ray Nkonyeni Local Municipality has a diversity of settlements given the fact that it entails urban and rural character while it is also within a very active tourism region. These broad characteristics implies that over the years the area has evolved with a need to provide formal urban settlements for different income groups within the area

The Municipality is richly blessed with numerous naturally occurring water bodies which range from riverine systems, wetlands, wet marshes and most importantly the ocean.

Ray Nkonyeni Municipality has a dedicated disaster management centre which is responsible for the management of disasters within the area.

Ray Nkonyeni is located within a region that has been characterised as being highly dependent upon agricultural practises and tourism. It has significant portions of land that have been identified as having a high agricultural potential. Being a rural environment with limited alternative opportunities to economic development, the majority of the households invariably rely on agriculture for both livelihood and economic requirements

4.2.2 Spatial Development Vision and Mission

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

Spatial Vision

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

Spatial Mission

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

4.2.3 Spatial Planning

4.2.3.1 Provincial and Regional Context

The KwaZulu-Natal province is well-known and characterised by its undulating topography. The coast-line along both the northern and southern coast together with the river systems have defined



the primary catchments for the development of towns and cities throughout the province. A second major structuring element along the KwaZulu-Natal south coast is the national mobility route, the N2. The N2 provides the only direct north/south link between KwaZulu-Natal and the Eastern Cape. The KwaZulu-Natal south coast is a case in point to this theory – a town is located every 10/15 kilometres along the N2. The N2 can be seen as the main contributor of the organic growth and development within the Ray Nkonyeni Municipality.

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

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

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

- Hibberdene
- Port Shepstone
- Shelly Beach
- Uvongo



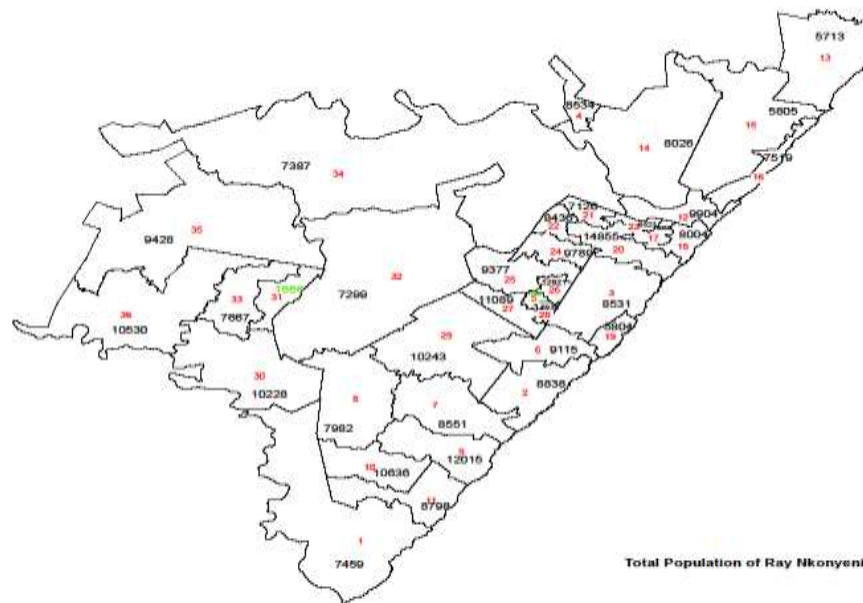
- Margate
- Ramsgate
- Southbroom
- Port Edward
- Ezingoleni

The Traditional Authority areas are:

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

The municipality wards vary according to size and population. The highly concentrated wards in terms of population are along the Coastal belt due to economic factors while the sparsely populated wards are in the hinterland because of little or no economic activity taking place.

Map 11: Population density



Source:Ugu District GIS 2016

4.2.4 Structuring Elements

The N2 running along the coast linking the coastal towns is a major structuring element within the municipality. This link provides the primary north/ south movement lattice through the municipal area. Secondary but still critical north/south links are R102, R602 and R61.

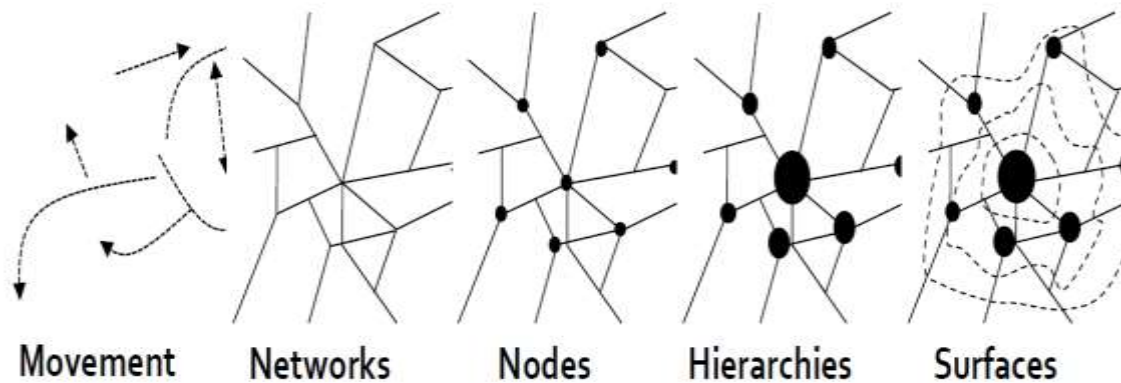
The N2 runs from Hibberdene to Port Shepstone inland and way from built-up area. R102 runs in the same area but along the sea and through the built-up area. From Port Shepstone all the way to Southbroom about 40 km down the coast. From Port Shepstone, the R61 and R602 play the same role as N2 and R102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

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

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

Illustration Spatial Restructuring Models

Illustration 3: Spatial elements



4.2.5 Land scape character and built form

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

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



Land scape character of the municipality



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

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

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

4.2.6 Land Cover and Broad Land Use

4.2.6.1 Broad Land Use Pattern

i. Coastal Tourism Towns and Surrounding Suburbs

There are a number of coastal tourism towns that are located along Marine Drive, Ocean Drive and Finnis Road. These towns are also surrounded by associated formal suburbs. These towns have a number of commercial and entertainment activities within it which were introduced in order to embolden this tourism environment.

ii. Urban Towns And Surrounding Suburbs



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

iii. Rural Town And Surrounding Peri-Urban Settlements

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

iv. Rural Villages And Settlements

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

v. Commercial Agriculture

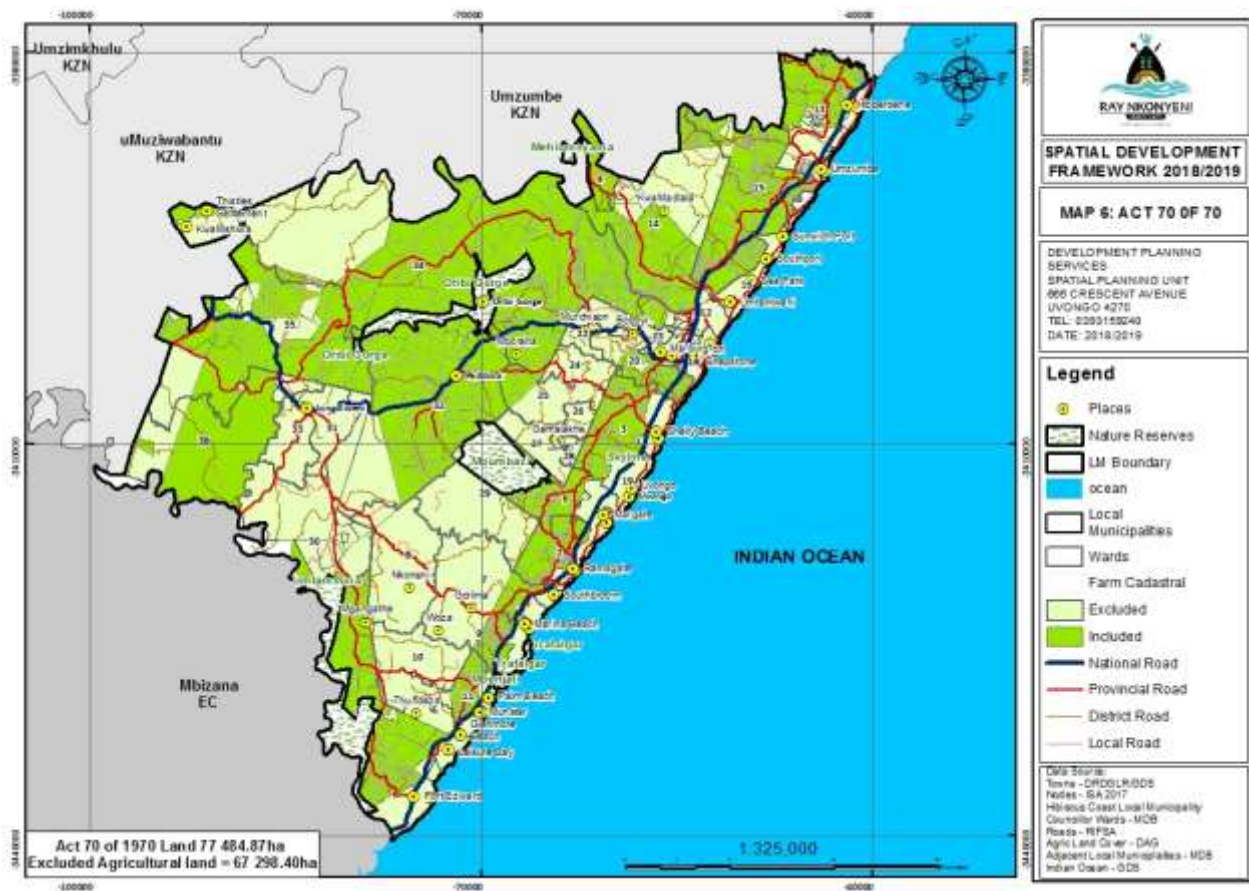
Ray Nkonyeni Municipality has an abundant amount of agricultural land which is geographically located between the urban and rural areas in the form of commercial agricultural farms. The agricultural pattern within the area is primarily due to the undulating topography, which prescribes the available land parcels out of the valley lines and along other major structuring elements.

The agricultural industry is a prominent feature within the KwaZulu-Natal south coast, and therefore becomes a predominant land use within the area. The predominance is due to the rich natural resources and climatic conditions, which allow for the farming of produce such as sugar, bananas, pawpaw's, coffee, tea and exotic nuts along the coast, maize, legumes, cattle, vast pine, wattle and eucalyptus plantations.

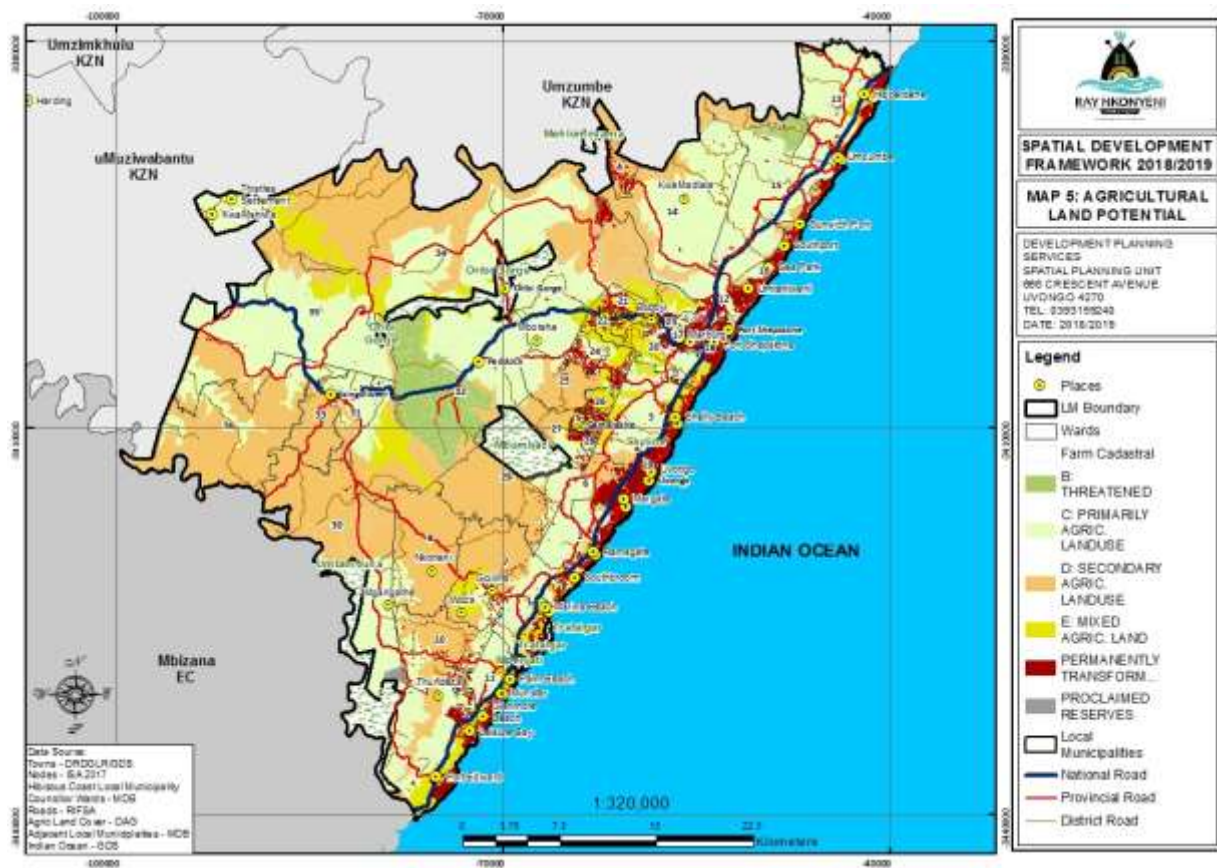
vi. Environmental Areas

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

The maps that follow show agricultural land categories and areas that are highly active in commercial agriculture within the municipality and the land within the Agricultural Act 70 of 1970.



Source: RNM GIS UNIT 2019



Source: RNM GIS UNIT 2019

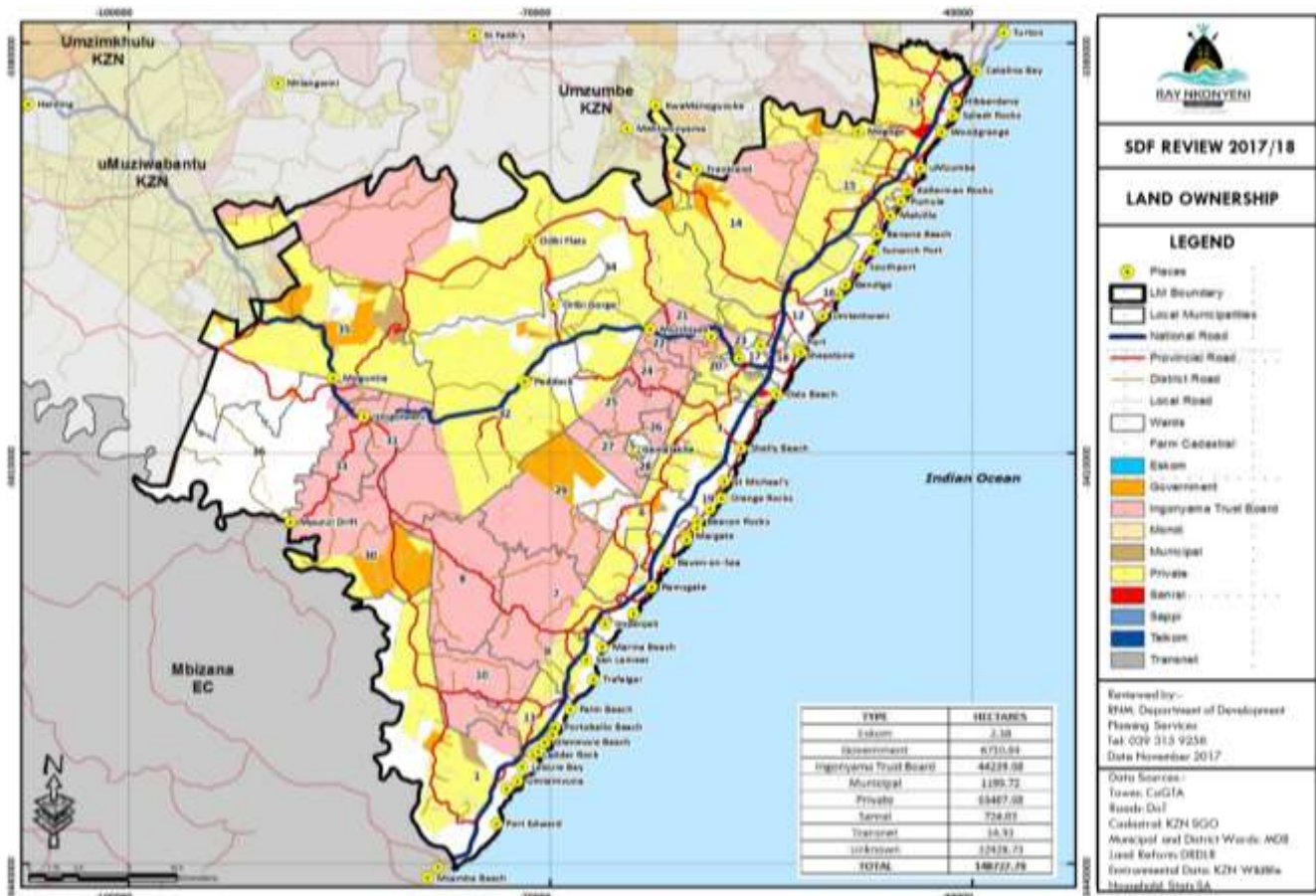
4.2.7 Land Legal Issues

4.2.7.1 Land Ownership

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



Map 13: Land Ownership

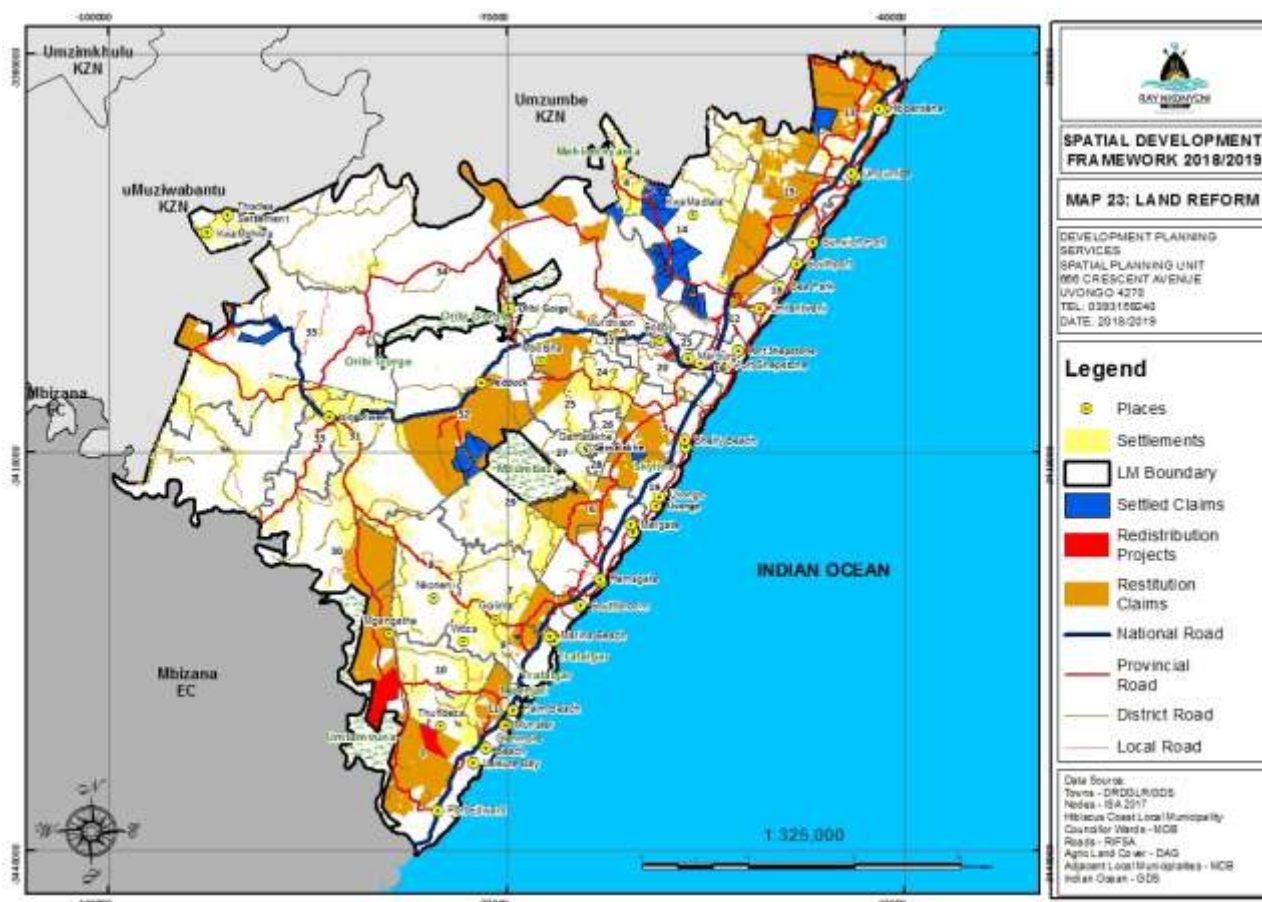


4.2.7.2 Land Reform

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



Map 14: Land Reform



Source: RNM GIS UNIT 2019

4.2.8 Land Use Management

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

Provide for the participation of municipal officials in all land allocation processes as undertaken by traditional councils. Involve the participation of local communities in Ray Nkonyeni, particularly traditional councils and other structure that are responsible for spatial planning and land allocation;



Include the development of maps, systems and procedures for effective decision making to guide traditional councils in the execution of this function. Incorporate the KwaZulu-Natal Rural Land Use Norms and Standards as soon as these are gazetted.

Furthermore, the municipality has categorized all applications into Schedule 2, 3, 4 of the municipal Bylaws adopted in 2016 and gazetted in the same year.

4.2.7.1 Transport networks

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

4.2.7.2 Regional network

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

4.2.7.3 Primary road networks

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

4.2.9 Municipal Nodes

4.2.9.1 District Node

Port Shepstone town has been identified as a District Node as it is the main urban centre within the Ray Nkonyeni and Ugu District Municipality area of jurisdiction. The town is strategically located at the central parts of the District and it plays an important role as a regional centre for the District. It functions as a district centre and it qualifies to have its local justice system through a Magistrate Court. It is the primary area for investment promotion and centre of supply of services in the District. Port Shepstone is the main commercial centre and the major location of employment

4.2.9.2 Development Nodes

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

- Shelly Beach
- Margate
- Hibberdene
- Port Edward
- Marburg; and
- Ezingolweni

The municipal Development Nodes would be physically linked to each other and to urban centres outside their regions (districts) by frequent and reliable transportation and all-weather roads. They offer diversified commercial, financial, professional and administrative services. They



accommodate sub-regional offices of national government departments and branch offices of provincial government department.

4.2.9.3 Community Development Node

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

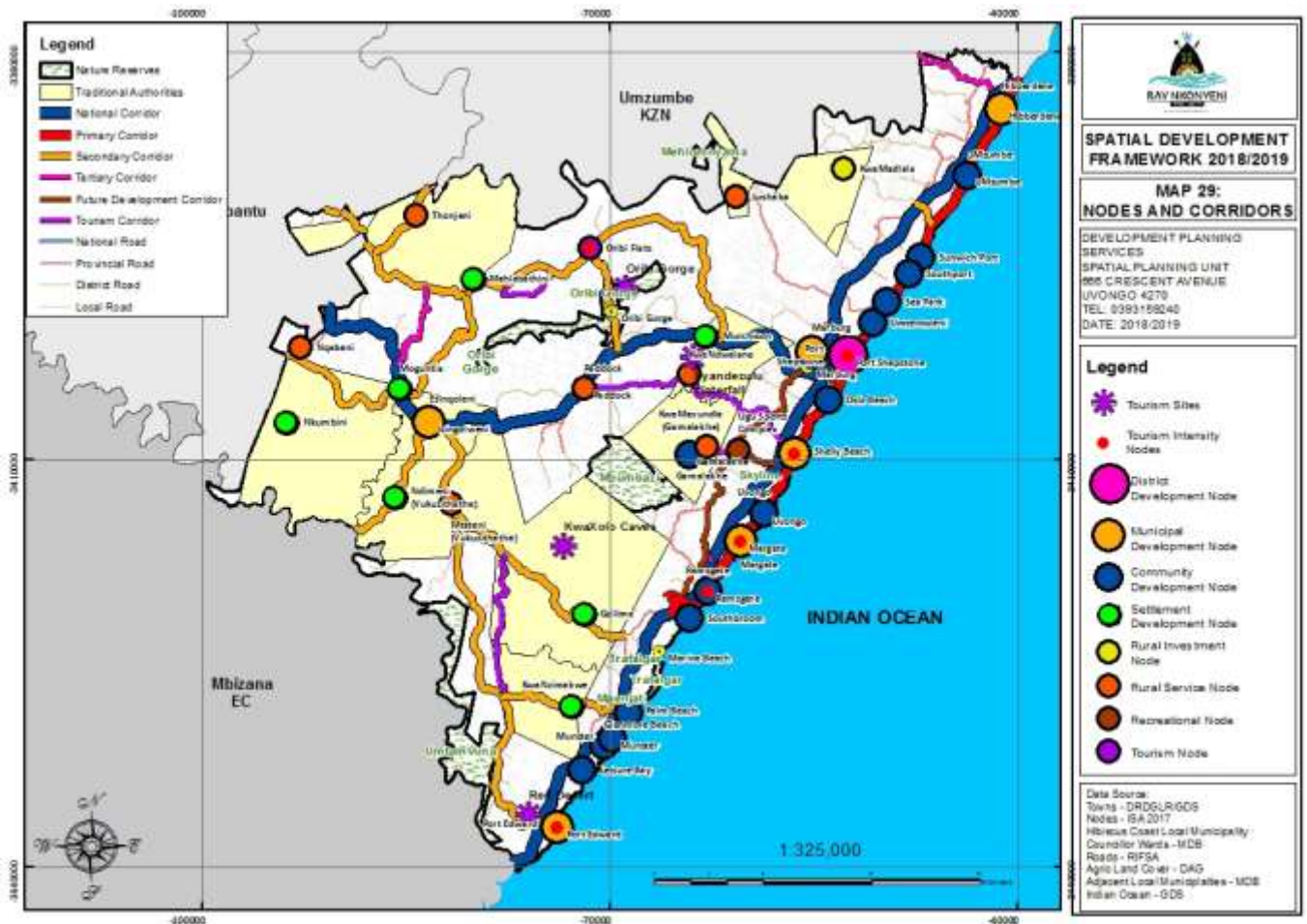
- Umzumbe
- Glenmore Beach
- Leisure Bay
- Oslo Beach
- Umtentweni
- Ramsgate
- Uvongo
- Southport
- Sea Park
- Palm Beach
- Munster
- GamalakheSouthbroom; and
- Munster.

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



The map below illustrates this information.

Map 15: Nodes and Corridors



Source: RNM GIS UNIT 2019

4.2.9.4 Settlement Development Nodes

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

- KwaNzimakwe
- Gcilinga
- Murchison



- Ndimeni (Vukuzithathe)
- Moguntia
- Nkumbini; and
- Mahlabathini

4.2.9.5 Rural Investment Nodes

KwaMadlala has been identified as the Rural Investment Node. It is strategically located to serve rural settlements. Rural Investment node is focussed on improving the local economic growth of the rural centre with basic socio-economic elements. This node will serve as major rural centre and serve as location points for community facilities serving the local communities. This is a rural area with a lot of potential for local economic centres and manufacturing activities. The most basic facilities for this type of node include Secondary/ Primary Schools, Crèches, Mobile Police Station, Traditional Court, Satellite pension pay points, Mobile Clinic, Community hall and Sports Fields.

4.2.9.6 Rural Services Nodes

In addition to the Rural Investment Nodes, the vision for the future spatial development of Ray Nkonyeni makes provision for the development of community centres within a cluster of settlements. These small centres will serve as location points for community facilities serving the local community such as Primary and secondary schools, Clinics including mobile clinics, Pension pay points and Community halls and other community facilities. There are no foci that operate as Rural Service Centers at this stage, but some activity could be upgraded to perform this role. The location of these nodes is usually the most accessible location within an acceptable walking distance of a community. These were identified as:-

- Mtateni (Vukuzithathe)
- Nqabeni
- Thonjeni
- Paddock
- KwaMavundla (Gamalakhe)
- KwaNdwalane; and
- Lushaba.

4.2.9.7 Tourism Node

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



4.2.9.8 Other: Tourism Intensity Nodes

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

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

4.2.10 Hierarchy of Development Corridors

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

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

4.2.10.1 National Corridor: N2 and R61

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

4.2.10.2 Primary Tourism Corridor: R102 and R602

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

4.2.10.3 Secondary Corridors

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

4.2.10.4 Tertiary Corridors

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

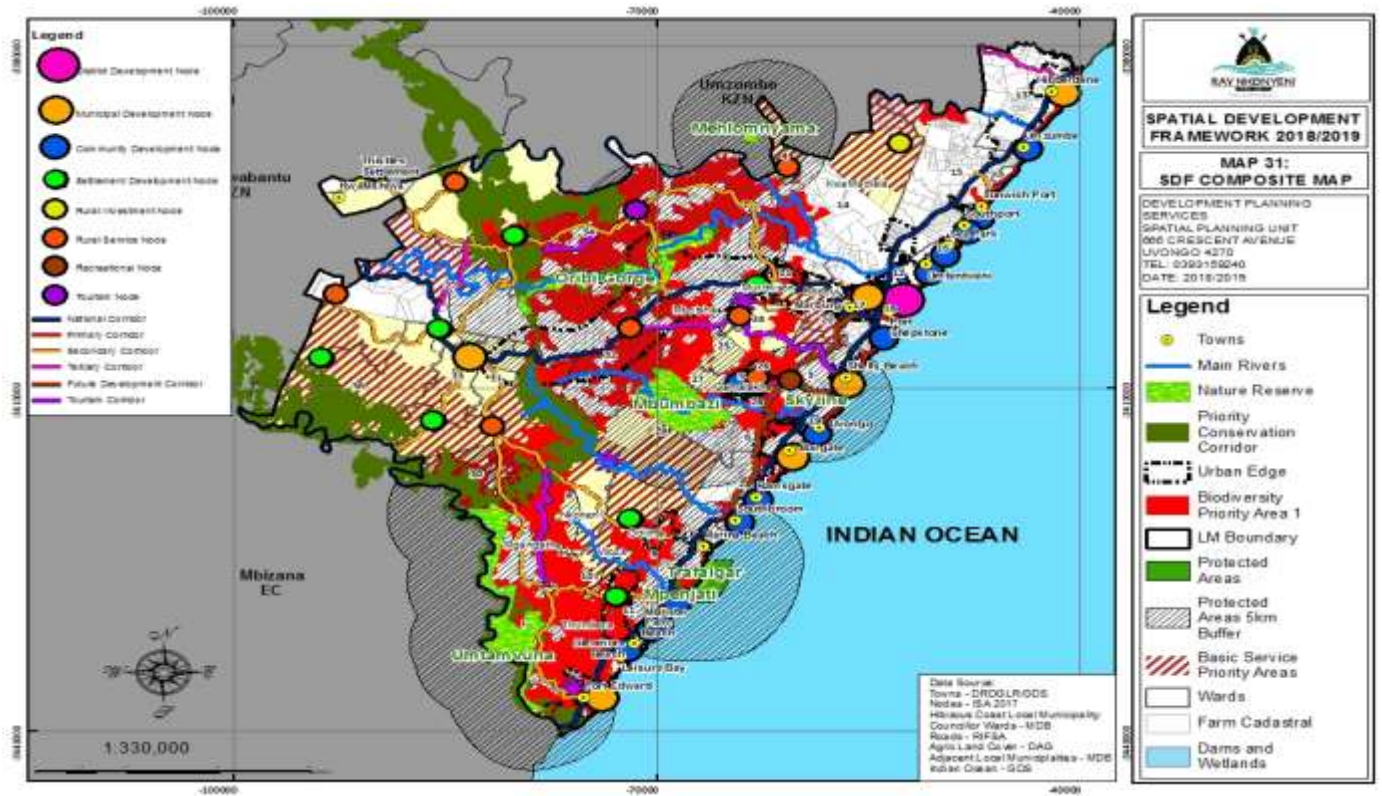
The following roads have been identified as the tertiary corridors:

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



- Road from Margate to Gamalakhe.

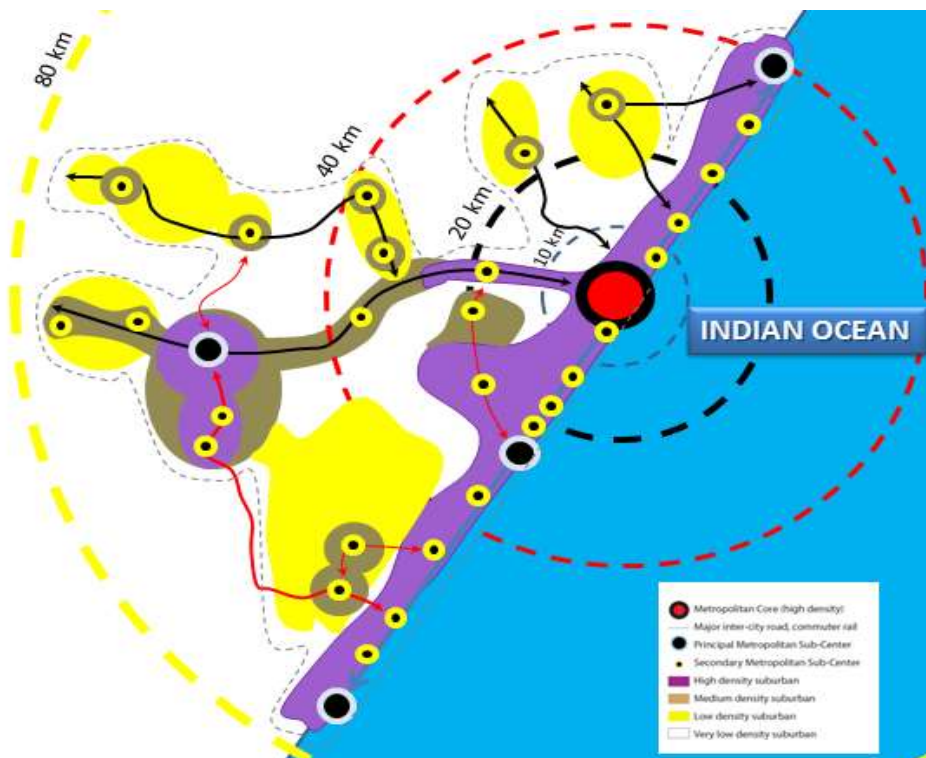
Map 17: Ray Nkonyeni Spatial Development Framework



Source: RNM GIS 2019



Illustration 4: Future Spatial Form of Ray Nkonyeni



The future polycentric Ray Nkonyeni will bring jobs to residential areas and housing opportunities to job centres rather than merely transporting people between the two. It will create complete nodes where people can live work and play that are efficiently connected by public transport. It will bridge spatial and social barriers and build a framework for a spatially just municipal area.



4.2.10.5 Tourism Development Corridors

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

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

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

4.2.10.6 Izotsha Corridor

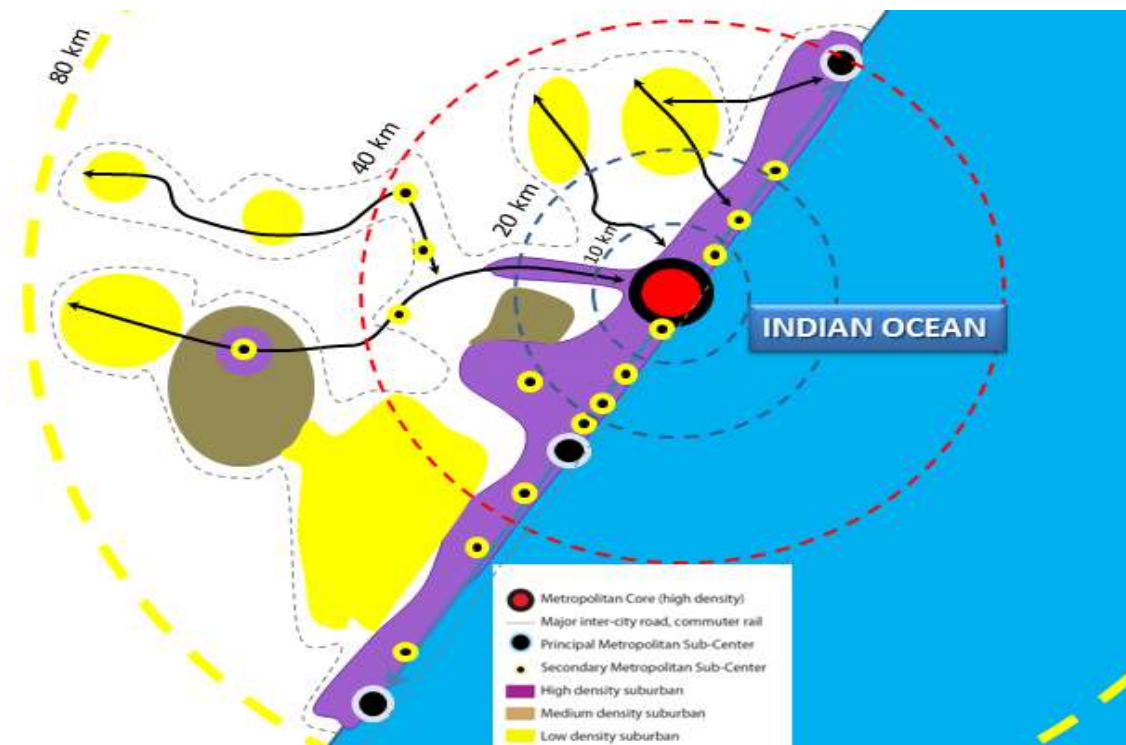
This corridor is located on the west-southern part of Port Shepstone. It is intended to facilitate the expansion of the town through industrial, commercial and residential developments.

Industrial Hubs: Izotsha Industrial Development Corridor is a theatre of manufacturing and storage/warehouse activities within the municipal area. The coverage of this area stretches to include properties located along the Izotsha Road, N2 and R102. Other industrial activities are found in towns such as Marburg and Port Shepstone which also extensively contribute in the economic growth of the municipality. The municipality has identified land along Izontsha Corridor and Hibberdene and Margate for future industrial development.



4.2.10.7 Future Development Corridor

Illustration 5: Future Development Corridor





4.2.11 Densification

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

4.2.11.1 Gamalakhe Densification Monitoring

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

Illustration: 5 Gamalakhe Density 1





Illustration 6: Gamalakhe Density 2

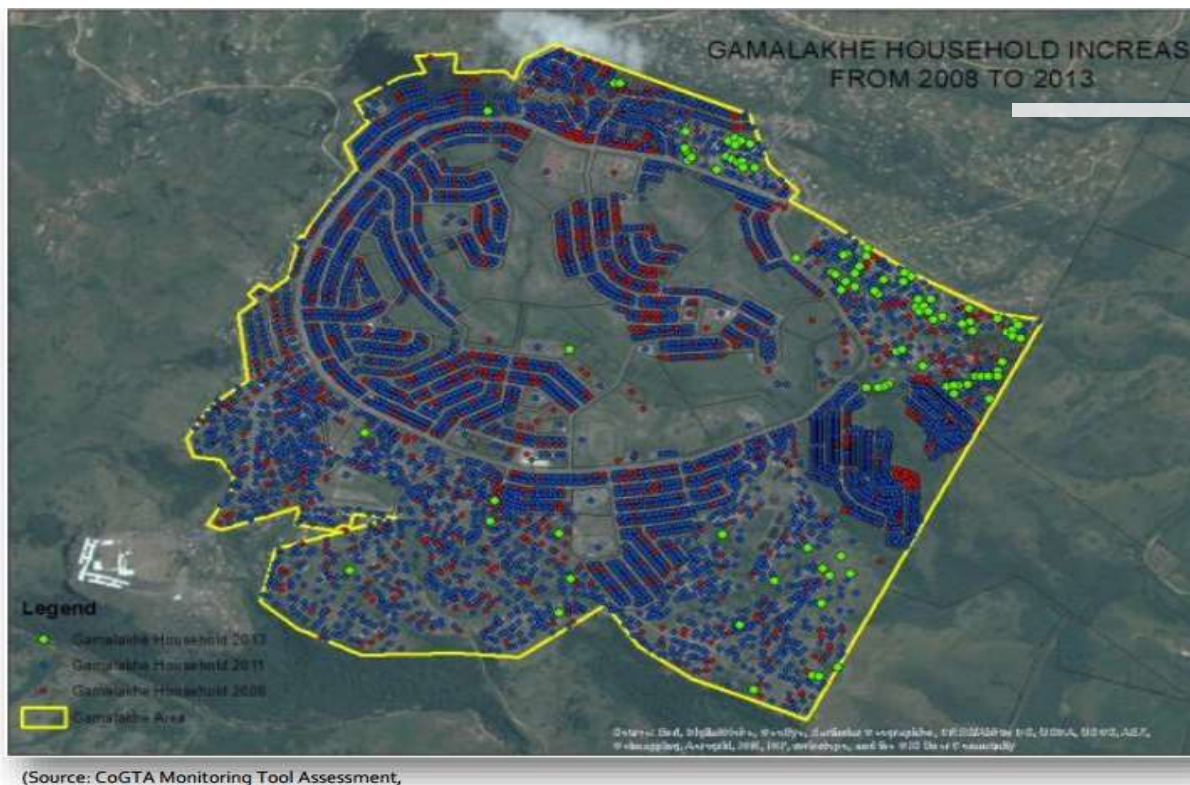


illustration: 7 Gamalakhe Density 2

4.2.12 Cross-Border Alignment Issues

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

4.2.12.1 Umuziwabantu Local SDF

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

Primary Corridor: Umuziwabantu SDF identifies the N2 which traverses both Municipalities. This serves as both the activity and economic corridor for the three municipalities.

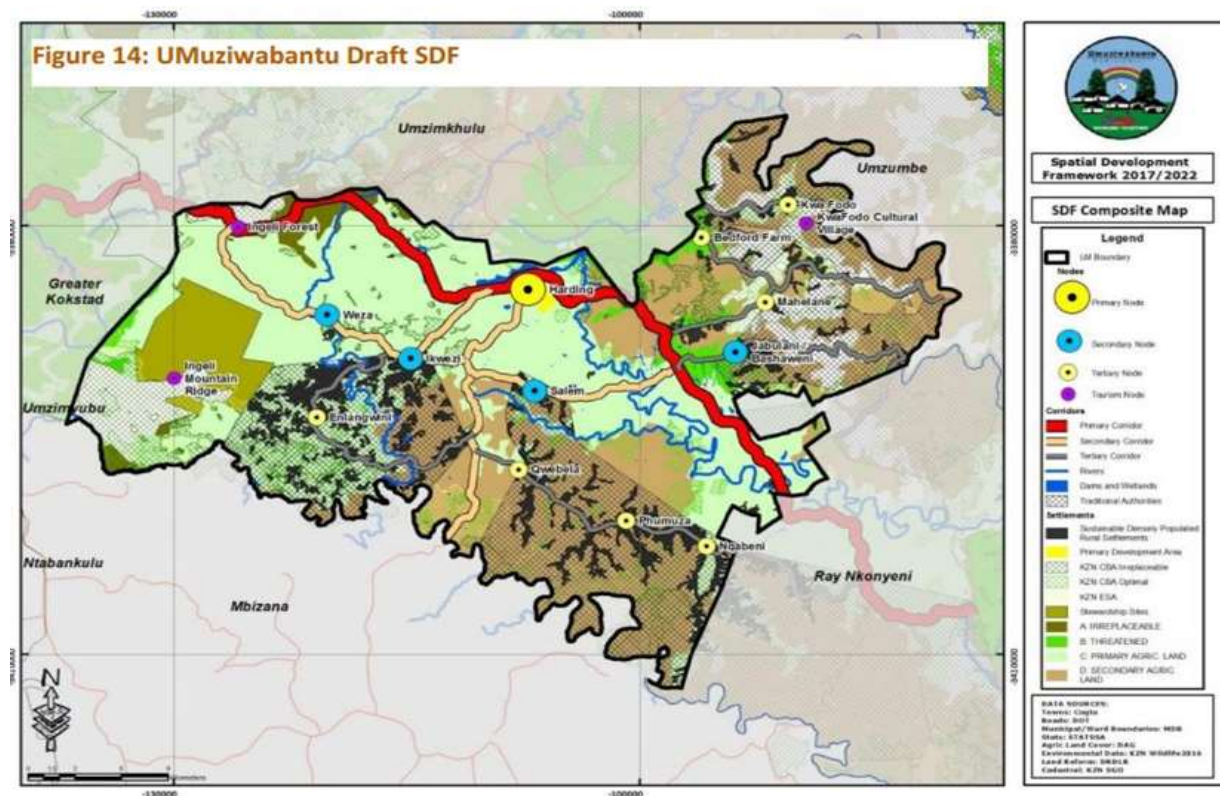
Primary Agriculture: Umuziwabantu Municipality identifies the opportunity for agriculture which borders the municipality. This aspect is being acknowledged on both Ray Nkonyeni and Umuziwabantu.



Environmental Conservation and/ Conservation Corridor: there is also environmental conservation uses bordering the Umuziwabantu Local Municipality which should be considered through the use of buffering around the environmental sensitive environments.

Land scape corridors linking the coast and the berg occur from Ray Nkonyeni to Umziwabantu and beyond.

Map 16: Umuziwabantu SDF



Source: Ugu Draft SDF, 2018

4.2.12.2 Umzumbe Local SDF

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

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

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

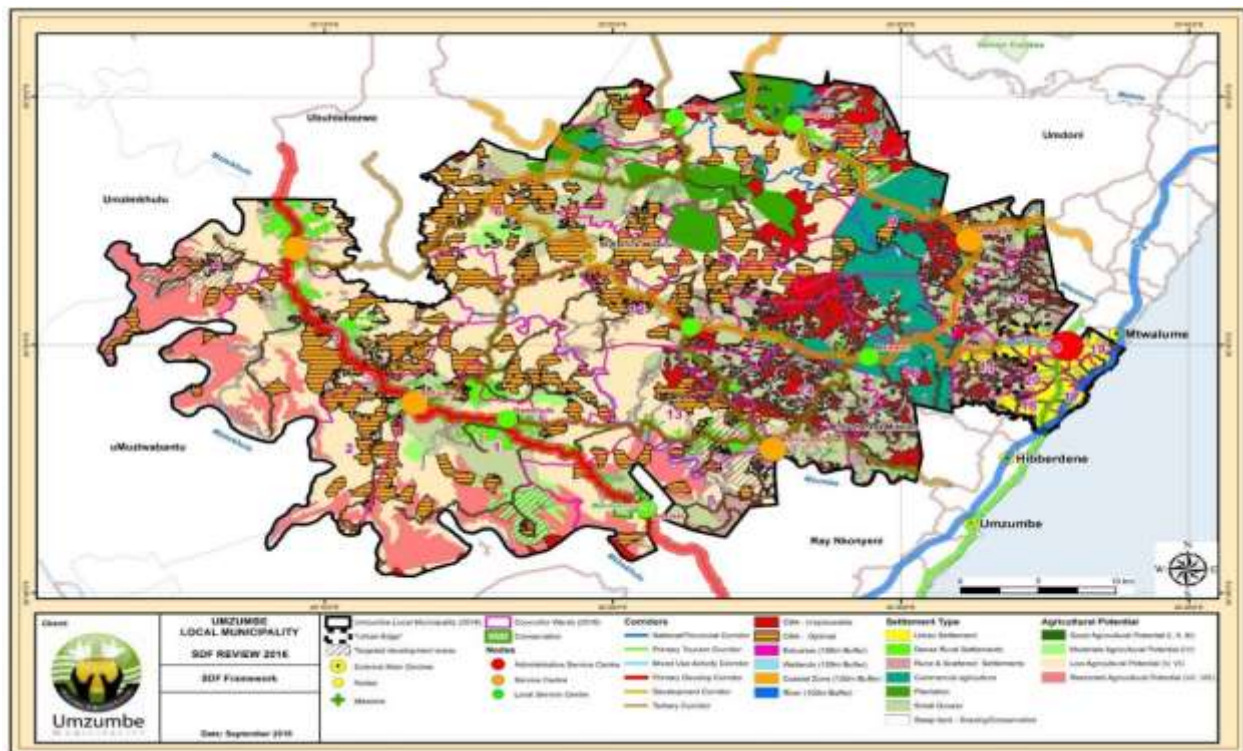
Specific attention should be drawn to the proper management of the coastal strip and associated development along the coast. The linkage and coordination of tourism activities along the coastal tourism is also a matter of importance. The urban part of Umzumbe is Mtwalume which stretches all the way down to the Hibberdene urban area in Ray Nkonyeni Municipality. This may pose



conflict with Ray Nkonyeni Municipality spatial landscape because the adjoining settlements are very different between this part of the boundary.



Map 17: Umzumbe SDF



Source: RNM GIS 2017

4.2.12.3 Mbizana Local SDF

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

[illegible]

4.2.13 Environmental Management

i. Rivers, Hydrological Water Features and Ecosystem

- Mzimkhulu River
- Mtamvuna River
- Mbizana River



- Vungu River
- Mzumbe River; and
- Mzikhulwane River

The banks of these rivers contain high value biodiversity such as natural vegetation and ecosystems. The municipality is also characterised by a number of wetlands areas which are connected to the major catchments areas such as the rivers and the ocean. As can be seen on the Table below, the UMzimkhulu and Mtamvuna are the two major perennial rivers found within the municipality.

According to the Ugu Biodiversity Sector Plan (2014), the sub-quaternary catchments for the UMzimkhulu, Mtamvuna and portions of the Mtwalume catchment have been identified as National Freshwater Ecosystem Priority Areas (NFEPA) which are a priority for meeting national aquatic conservation targets.

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

Table 19: Important water resources and fresh water

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



Ivungu River	This river has a continuous flow in parts of its stream bed all year round during years of normal rainfall.	Moderately modified, a loss and change of natural habitat and biota have occurred but the basic ecosystem functions are still predominantly unchanged. This means that land-use practices or activities that will lead to deterioration in the current condition of a river FEPA are not acceptable	32.6
Mzimkhulwana River	This river has a continuous flow in parts of its stream bed all year round during years of normal rainfall	Largely natural with few modifications, a small change in natural habitats and biota may have taken place but the ecosystem functions are still predominantly unchanged. This means that land-use practices or activities that will lead to deterioration in the current condition of a river FEPA are not acceptable	141.9
Mpenjati River	Mpenjanti River emerges within the inland of Ray Nkonyeni and it runs up to the Indian Ocean to form an estuary. There are extensive sugar fields and orchards located on the middle to lower coastal parts of the municipality. It is part of Mpenjanti Nature Reserve and Estuary.	The storage regulation in this water resource zone is low and the only dams in the area include a number of small farm dams in tributaries and a few instream dams. Land use activities in the water resources zones generally include cultivation (mostly sugar cane with some orchards). Rural settlements are usually located more inland with semi-urban and urban areas towards the coast.	15.4
Mzumbe River	This river has a continuous flow in parts of its stream bed all year round during years of normal rainfall.	Largely natural with few modifications, a small change in natural habitats and biota may have taken place but the ecosystem functions are still predominantly	75.4



		unchanged. This means that land-use practices or activities that will lead to deterioration in the current condition of a river FEPA are not acceptable	
Umzimkhulu River	UMzimkhulu River has exactly the same characteristics as the Mtavuma River both the rivers have formed prominent steep-sided river valleys that extend a considerable distance inland to drain the western inland regions of the District. These two rivers are also free flowing (lacking significant impoundments) which is significant given the levels of impoundment in most South African rivers.	This river is currently in a good condition and should remain so. It should receive top priority for retaining its free-flowing character (i.e. no impoundments). This means that land-use practices or activities that will lead to deterioration in the current condition of a river FEPA are not acceptable.	130.5

4.2.14 Environmental Management

4.2.14.1 Environmental Analysis

i. Rivers, Hydrological Water Features and Ecosystem

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

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



The banks of these rivers contain high value biodiversity such as natural vegetation and ecosystems. The municipality is also characterised by a number of wetlands areas which are connected to the major catchments areas such as the rivers and the ocean. As can be seen on the Table below, the UMzimkhulu and Mtamvuna are the two major perennial rivers found within the municipality.

According to the Ugu Biodiversity Sector Plan (2014), the sub-quaternary catchments for the UMzimkhulu, Mtamvuna and portions of the Mtwalume catchment have been identified as National Freshwater Ecosystem Priority Areas (NFEPA) which are a priority for meeting national aquatic conservation targets.

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

Table 20: Important water resources and fresh water			Length/ km
Feature	Description	Desired State	
Mtamvuna River	The Mtamvuna has formed prominent steep-sided river valleys that extend a considerable distance inland to drain the western inland regions of the District. This river is also free flowing (lacking significant impoundments) which is significant given the levels of impoundment in most South African rivers.	This river is currently in a good condition and should remain so. It should remain a priority for retaining its free-flowing (i.e. no impoundments). This means that land-use practices or activities that will lead to deterioration in the current condition of a river FEPA are not acceptable.	144.1
Mbizana River	This river has a continuous flow in parts of its stream bed all year round during years of normal rainfall.	Moderately modified, a loss and change of natural habitat and biota have occurred but the basic ecosystem functions are still predominantly unchanged. This means that land-use practices or activities that will lead to deterioration in the current condition of a river FEPA are not acceptable	32.1



Ivungu River	This river has a continuous flow in parts of its stream bed all year round during years of normal rainfall.	Moderately modified, a loss and change of natural habitat and biota have occurred but the basic ecosystem functions are still predominantly unchanged. This means that land-use practices or activities that will lead to deterioration in the current condition of a river FEPA are not acceptable	32.6
Mzimkhulwana River	This river has a continuous flow in parts of its stream bed all year round during years of normal rainfall	Largely natural with few modifications, a small change in natural habitats and biota may have taken place but the ecosystem functions are still predominantly unchanged. This means that land-use practices or activities that will lead to deterioration in the current condition of a river FEPA are not acceptable	141.9
Mpenjati River	Mpenjanti River emerges within the inland of Ray Nkonyeni and it runs up to the Indian Ocean to form an estuary. There are extensive sugar fields and orchards located on the middle to lower coastal parts of the municipality. It is part of Mpenjanti Nature Reserve and Estuary.	The storage regulation in this water resource zone is low and the only dams in the area include a number of small farm dams in tributaries and a few instream dams. Land use activities in the water resources zones generally include cultivation (mostly sugar cane with some orchards). Rural settlements are usually located more inland with semi-urban and urban areas towards the coast.	15.4
Mzumbe River	This river has a continuous flow in parts of its stream bed all year	Largely natural with few modifications, a small change in natural habitats and biota may	75.4



	round during years of normal rainfall.	have taken place but the ecosystem functions are still predominantly unchanged. This means that land-use practices or activities that will lead to deterioration in the current condition of a river FEPA are not acceptable	
Umzimkhulu River	UMzimkhulu River has exactly the same characteristics as the Mtavuma River both the rivers have formed prominent steep-sided river valleys that extend a considerable distance inland to drain the western inland regions of the District. These two rivers are also free flowing (lacking significant impoundments) which is significant given the levels of impoundment in most South African rivers.	This river is currently in a good condition and should remain so. It should receive top priority for retaining its free-flowing character (i.e. no impoundments). This means that land-use practices or activities that will lead to deterioration in the current condition of a river FEPA are not acceptable.	130.5

4.2.15 Environmental Sector Plans

4.2.15.1 Environmental Management Programme (EMP)

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

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



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

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

The objectives of the EMP are to:

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

The municipality has developed and adopted a number of Environmental Plans. These include:

4.2.15.2 Coastal Management Programme

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

4.2.15.3 Greening Plan

The result of high population densities is environmental degradation, especially in areas where no planning of parks and tree planting in streets and open spaces. It is a fact that rapid urban development is characterised by lack of environmental planning.



Effective environmental planning, including urban and rural greening, can assist greatly in improving the quality of the environment and the livelihoods of the people who live in these areas.

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

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

4.2.15.4 Estuarine Management Plans

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

- Fulfil the requirements of Section 34 of the ICM Act, which includes the facilitation of public participation;
- Be consistent and aligned with the Protocol, the National Coastal Management Programme and any other applicable coastal management programmes, including the Ugu and Ray Nkonyeni Municipal Coastal Management Programmes;
- Seek to achieve the National Vision and Strategic Objectives for estuarine management; and

Contain/meet the minimum requirements stipulated in the Protocol which provides the Framework for Estuarine Management in South Africa.

4.2.15.6 Strategic Environmental Assessment (SEA)

The main objective of the SEA is to strengthen and streamline Environmental Impact Assessments by addressing a broader range of alternatives like; addressing cumulative effects through the identification of limits of acceptable change for a particular area. It will further facilitate the maintenance and enhancement of a chosen level of environmental quality, which can provide a context for EIAs within the Municipality. An amount of one million has been set aside for the SEA for the 2018/19 financial year.

4.2.15.7 Alien Invasive Management/ Control Plan

The Control Plan has been developed following the guidelines for the development of Invasive Species Monitoring, Control and Eradication Plans ('the Guidelines') which were published in September 2015. It will be adopted in this current financial year. A total of 131 invasive alien species (IAS) have been identified on the municipality's properties. Five items have been identified for successful planning and implementation of the Control Plan:

- coordination
- resourcing
- prevent the introduction of emerging IAS and extirpate where possible



- Control of established IAS and awareness.

A number of organizations' and departments implement invasive species projects within municipality and focus on various species.

4.2.16 Functional Environmental Structures within the Municipality

The municipality has active Environmental structures. Below is the list of these and functionality:

- **Municipal Environmental Sub Committee** -sits on a quarterly bases
All environmental issues within the municipality are discussed by this committee
- **Invasive Alien forum**-Sits quarterly
The Forum discusses progress on alien invasive control plans developed by the municipality, control of new weeds that may have grown
- **Coastal Management forum**- sits on a quarterly bases
Issues discussed in this Forum entail encroachments, illegal development, and progress on estuarine as well as health status on estuaries
- **Working for the Coast forum**- sits on a quarterly bases
Update on progress with regards to the municipality deliverables as well as issues experienced on site are key discussions in this forum
- **Environmental Education and awareness forum**-sits monthly
Report back on all events that may have taken place as well as support from other sector departments who deal with environmental issues are some of the issues discussed in this forum
- **Ugu District pollution and waste management Forum.** The Forum sits once in a quarter. Regulations from National as well as information session on how other municipalities manage their waste is part of discussion in the Forum

4.2.17 Climate Change

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

Temperatures in Ray Nkonyeni are likely to increase by 1.5⁰C and 2.5⁰C by 2065 and by 3.0⁰C and 5.0⁰C by 2100. Projected annual rainfall changes are likely to include an increase in aggregated rainfall by 2065 with an increase of up to 500 mm by 2100. This increase is likely to be manifested as an increase in extreme rainfall events and stream



flow intensity across the municipal area with prolonged dry spells between rainfall events. Sea level rise along Municipality's coastline is already occurring at 2.7 cm per decade and may accelerate into the future. (Source: <http://www.epa.gov/climatechange/science/future.html> - 20 March 2015).

Climate change impacts for Ray Nkonyeni may include:

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

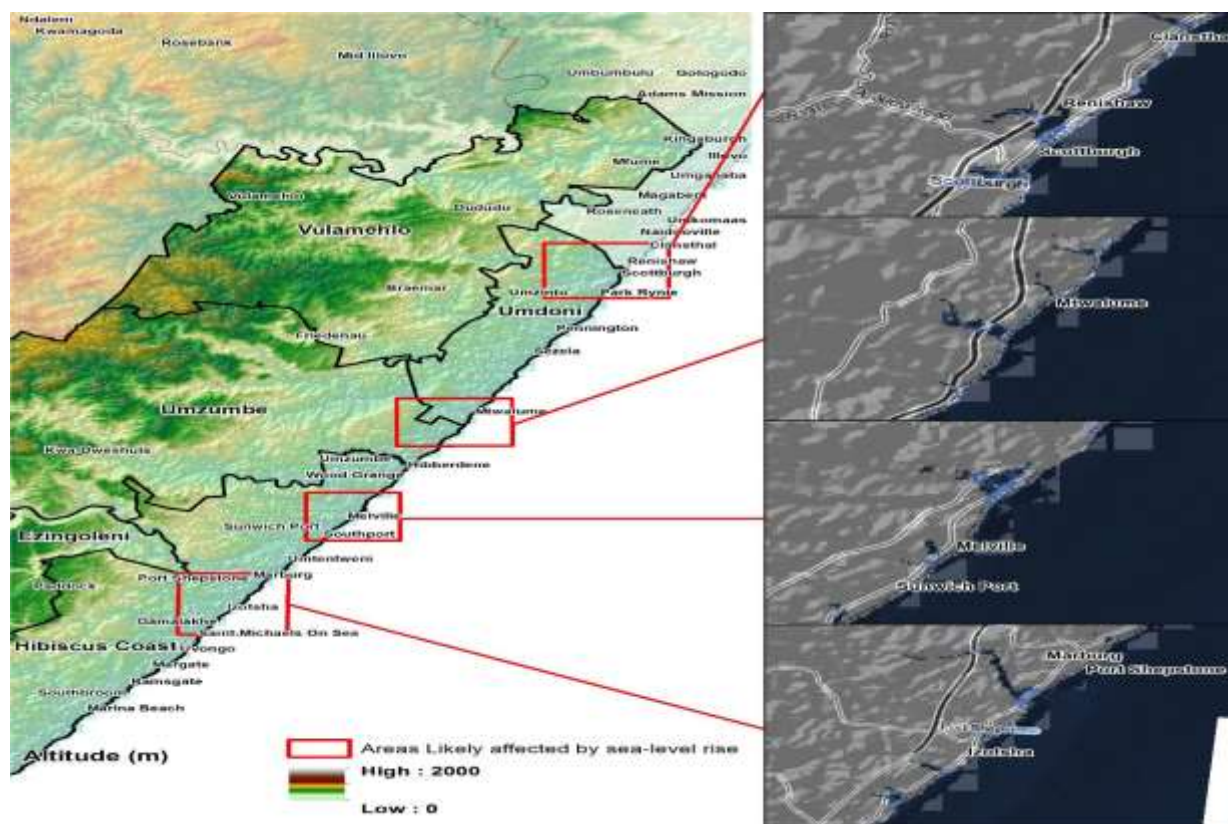
An increase in heat stress, leading to dehydration, particularly for those that reside in the urban areas, as well as children and the elderly; Changes in the geographical distribution of plants and animals with extinction of species that are unable to move and an increase in the prevalence of alien invasive species. This will negatively affect the biodiversity of the municipal area and the associated goods and services. Further loss of critically endangered grassland habitats as they are outcompeted by woody species able to utilize the higher concentrations of CO₂ in the atmosphere.

A reduction in yield of staple food crops, such as maize; changes in the optimal planting and harvesting dates for crops as well as land suitable for crop production; Heat stress increasing livestock and poultry mortality rates, An increase in respiratory problems in the city due to a decrease in air quality (e.g. changes in the concentration and distribution of near-surface ozone) and increased dampness; and deterioration of foods leading to increased incidents of food-borne diseases.

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



Map 21: Areas likely to be affected by Sea level rise



Source: RNM GIS 2017

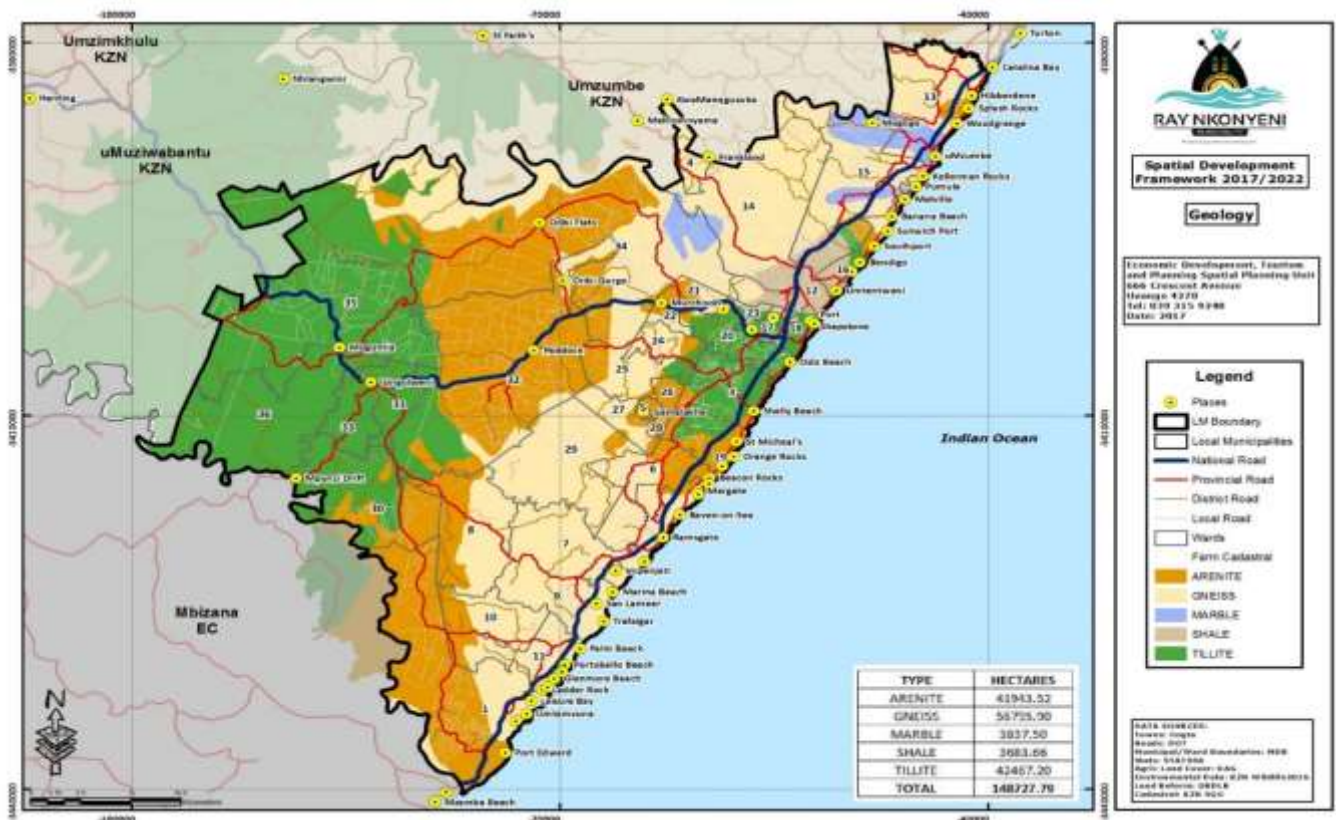
Sea level will increase the inundation and saline intrusion risk to low-lying coastal areas. Also at risk are estuaries and river mouth areas. The increase in ocean storms that is projected to take place in the Indian Ocean will drive heightened storm surges that when exacerbated by rising sea level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

4.2.18 Geology

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



Map 22: Geology



Source: RNM GIS 2017

4.2.18.1 Soil Type

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

4.2.19 Air Quality

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

- Goal 1: Air quality governance which meets all legislative requirements;
- Goal 2: The establishment of tools and systems to effectively manage air quality



- Goal 3: Provision of air quality management with participatory systems as an integral component
- Goal 4: Ensure sufficient capacity requirements are met in order to carry out air quality management functions

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

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

4.2.19.1 Emissions from Industry and manufacturing

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

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

Table 21: Protected Areas

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



Mpenjanti Nature Reserve	1985	94,9
Trafalgar Marine Reserve	1979	552

Source: Ugu Bio-diversity Sector Plan (2014)

Table 22: Environmental Buffers

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

Source: Ugu Bio-diversity Sector Plan (2014)

4.3.19.2 Programs aimed at protecting the environment

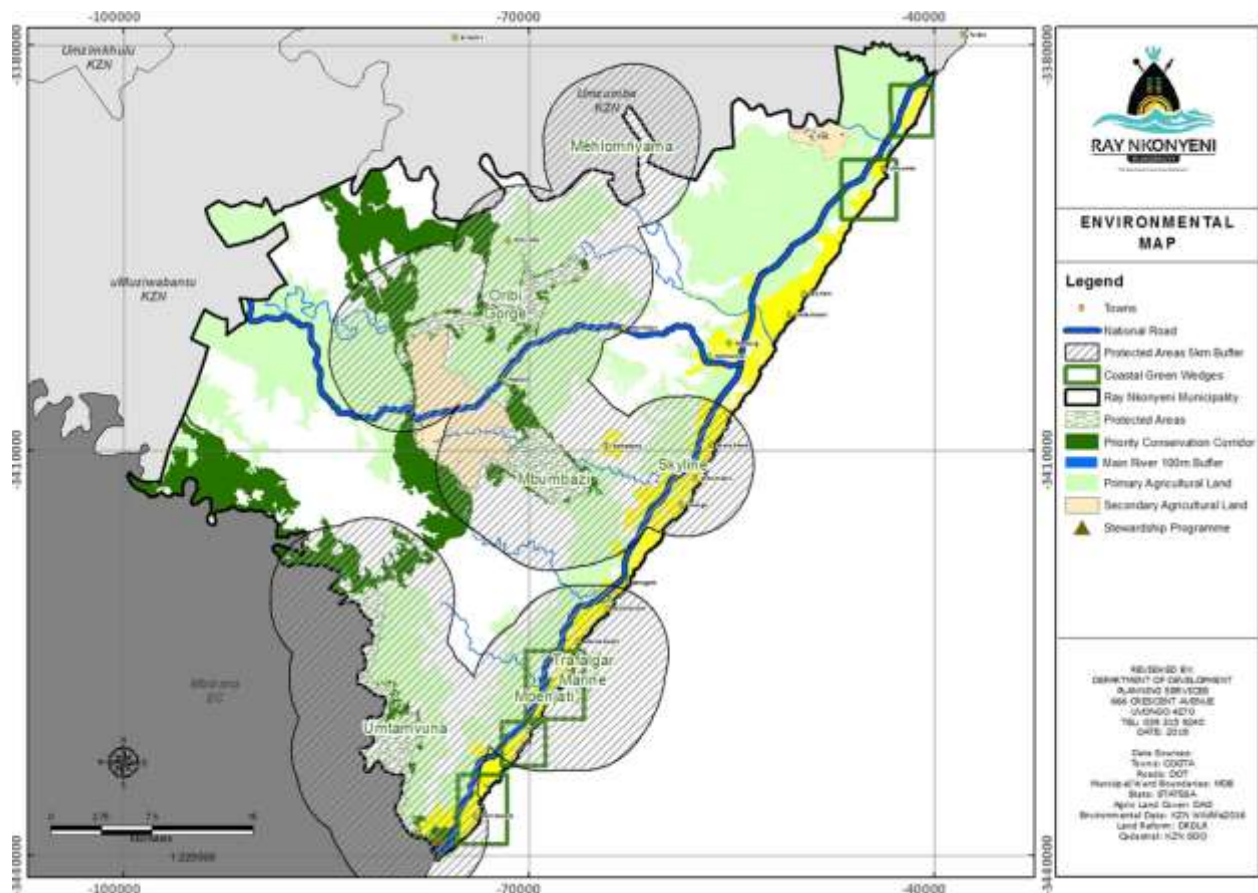
Programme	Description
Arbour day	Arbour day is celebrated annually where environmental awareness is presented to communities, schools and households, Indegenouse as well as fruit trees are distributed.
Wetlands Audit	Wetlands are first identified within the municipality. Communities/ schools near identified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



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



Map 23: Proposed Environmental



Source: RNM GIS 2018

4.2.20 Environmental SOWT Analysis

Table 26: Environmental SOWT ANALYSIS

STRENGTH	WEAKNESSES
<ul style="list-style-type: none"> Partnering with the private sector and schools Awareness Programs in place Easy access to environmental protected areas <p>Rich soils for agricultural purposes</p>	<ul style="list-style-type: none"> Under staffed No environmental By laws
ORGANIZATION	THREATS
<ul style="list-style-type: none"> Abundant bio-diversity Eco-Tourism Abundant water resources ie rivers 	<ul style="list-style-type: none"> Destruction of admiralty reserve for sea view No coastal Management /setbackline Sewer spillage causes threats and destruction to aquatic habitat Drought Air emissions from industrial areas



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4.2.21 Disaster Management

4.2.21.1 Centre for Disaster Management

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

Brief overview on the Municipality's Disaster Management Department

It must be noted that the municipality prides itself with having all the required Sector Plans developed as regulated. It has also fully complied with Section 43(3) of DM Amendment Act of 2015.

Below is a brief overview of the Sector PI

- The Municipality has a Disaster Management Sector Plan that is reviewed annually and also has a Disaster Risk Management Plan that is reviewed every 5 years;
- The Disaster Risk Management Plan expired in 2018 and it only has former Hibiscus Coast Municipality information, the Unit is currently working on developing an RNM one. A Service provider will be appointed. Enhancing the quality of disaster risk profiling mapping, that will be carried out by the service provider in their assessment. However, the municipality also does its own risk profiling;
- In terms of reflecting on Disaster Management and fire and rescue service programmes, the municipality has awareness and educational programmes in vulnerable communities, schools, informal settlements, taxi ranks and traditional council areas; That will be detailed in the analysis later.
- There is an internal operations budget and dedicated disaster management vote to attend to emergency relief items
- The Unit complies with Section 43(3) of DM Amendment Act of 2015 by having the following:
 - Disaster Management Centre with 3 staff members and 36 fire fighters
 - Dedicated Budget and adequate resources for Fire and Rescue services
 - Dedicated disaster management vote and operations budget
 - Disaster Management Plans and Risk Reduction programs

i. Disaster Management Sector Plan

The Disaster management plan was reviewed in 2013 and will be reviewed in 2018, which has taken place already to update the risks and include new geographical areas.

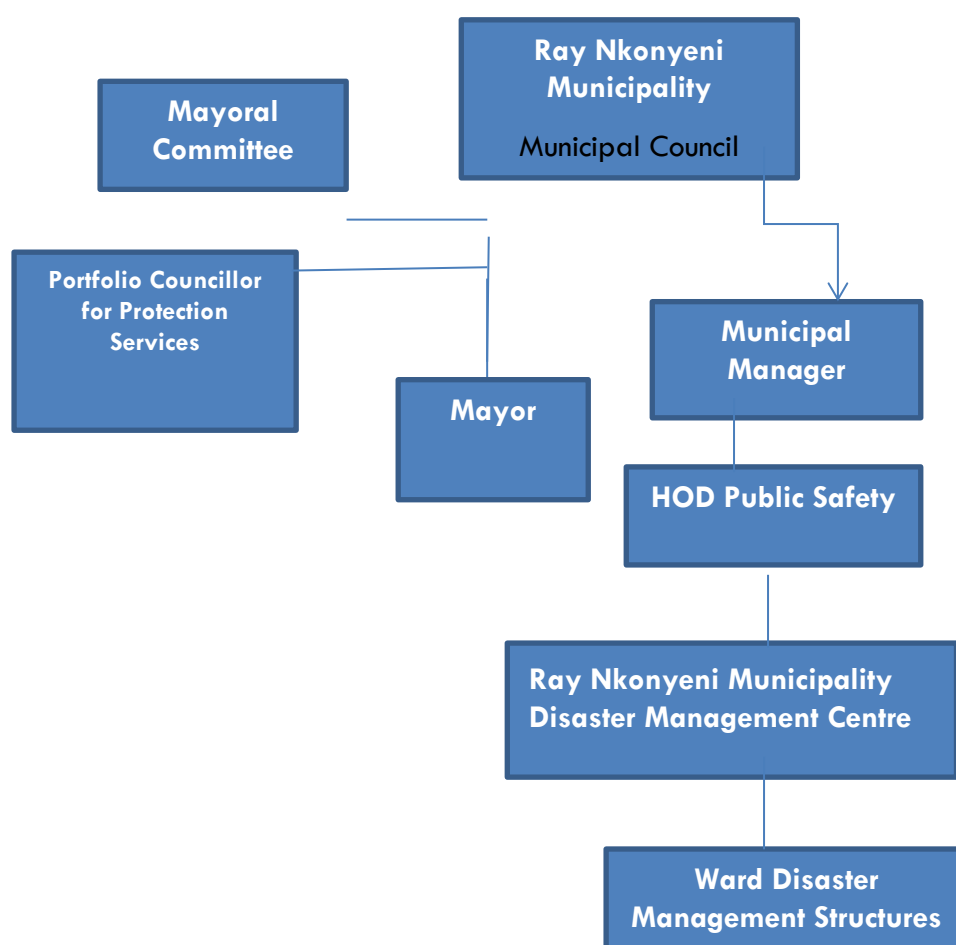


ii. Disaster Management Plan

In terms of section 45(1) (b) of the Act the district disaster management centre exercises its powers and performs its duties in accordance with the *directions* of Council and in accordance with the administrative instructions of the Municipal Manager. The line function of disaster management will remain under the Public Safety Department and the plan will also be incorporated strategically in the IDP as per the Cogta guidelines as an important plan for the municipality, this will be done through the alignment with the SDF and service delivery plans. Currently there is a Plan for both former municipalities and was consolidated and reviewed in July 2018

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

Illustration 7: Hierachy of the Disaster Management Structure



The Municipality has a centre with regards to communications and a 24-hour call centre and CCTV centre. The municipality is currently in a process of facelifting both the call center and the CCTV centre. The current location of the centre within Council's administration and reporting lines for direction and administrative purposes are illustrated in the chart on the following page.

Ray Nkonyeni Municipality envisages the following disaster management centres and fire stations in order to increase capacity and response in terms of disasters and firefighting:



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

4.2.22 Risk Assessment

Disaster risk is dynamic. It is driven by a combination of hazard and vulnerability processes, including changing patterns of land-use, infrastructure development/maintenance, urban growth and settlement densification. Similarly, household size and composition, health status and level of livelihood security affect household potential for loss. Some risks, particularly those triggered by climate processes, must be reviewed seasonally prior to the rainy season or hot summer months. Other risks, such as flood risk, require extensive flood hydrology investigations, and maybe undertaken once during a 20-year period. The municipality is engaging with 300 volunteers from all Wards.

Risk Assessment must be undertaken to:

- Ensure that development initiatives maximize their vulnerability reduction outcomes; and Anticipate and plan for known risks or disasters to prevent losses and limit endangering impacts.
- The design and methodology adopted for conducting disaster risk assessment for RNM is consistent with the national guideline and standard.
- The Disaster risk assessment must determine the level of risk in RNM by; Identifying potential hazards and/or threats assessing the conditions of vulnerability that increase the chance of loss for particular elements-at-risk (that is, environmental, human, infrastructural, agricultural, economic and other elements that are exposed to a hazard, and are at risk of loss);
- Assessing impact and coping capacity
- Determining the level of risk for different situation and conditions setting priorities for action after prioritizing the hazards according to their risk factor; and
- Continuously monitoring capabilities, risk maps and risk scenarios

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

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

Aim of the assessment is to establish:

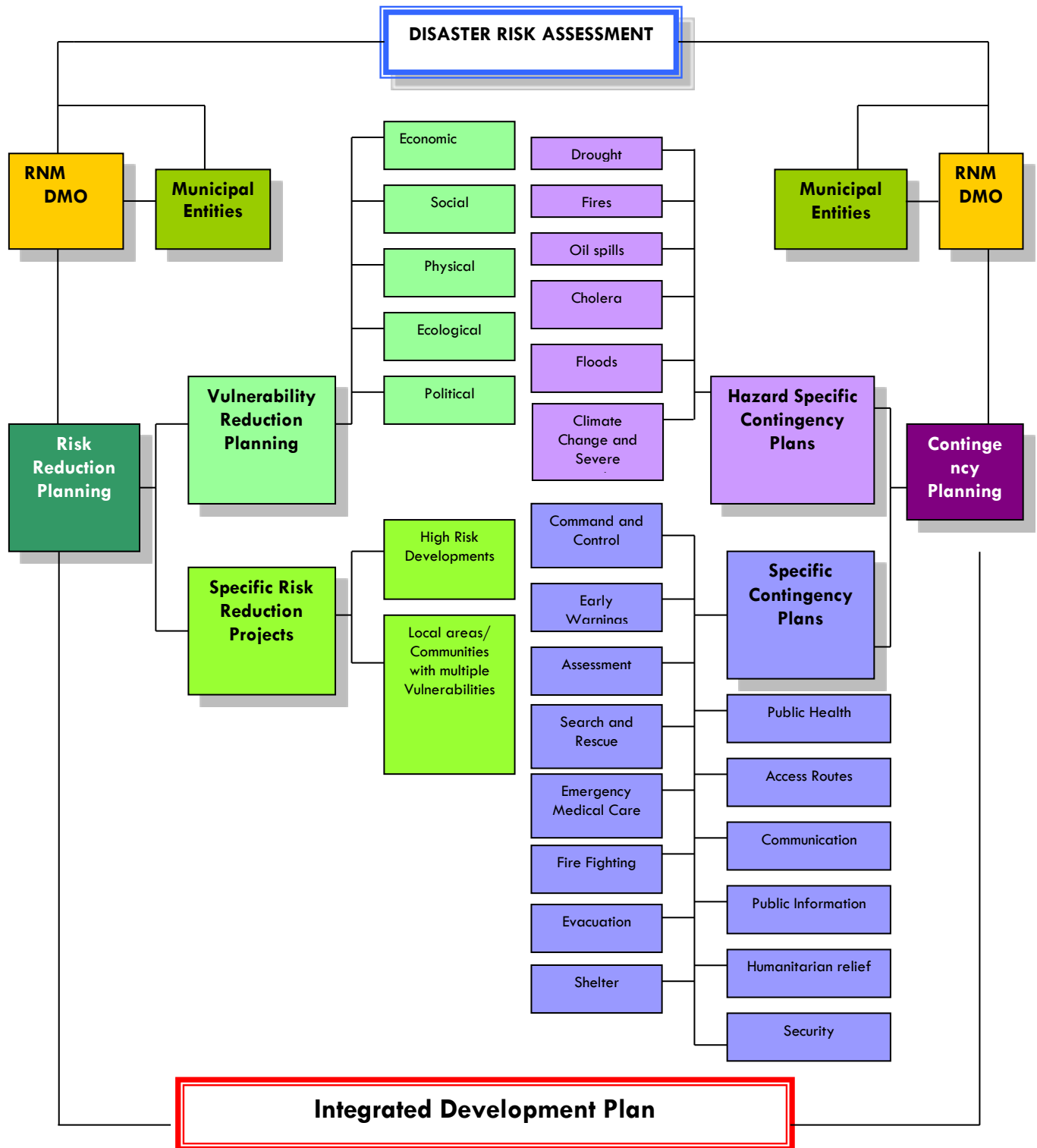
- which hazards are the most prevalent in RNM area;
- the frequency with which a significant event or disaster is likely to occur;
- which areas, communities or households are most at risk;
- which hazards (of certain intensities) are likely to have the most profound impact on RNM;



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



Illustration 8 : Disaster Management Planning and climate change framew





4.2.22.1 Risk Reduction and Prevention

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

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

4.2.22.2 Prevention and mitigation

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

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

4.2.22.3 Emergency preparedness

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



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



RNM Disaster in action

Table 23: Maximising vulnerability reduction outcomes

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



areas, communities and households following an 'alert'.

households most at risk and to focus or target preparedness and response actions.

42.22.4 Disaster risk reduction planning

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

4.2.22.5 Contingency planning

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

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

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

4.2.23 Response and Recovery

i. Disaster Response, Recovery, Rehabilitation and Reconstruction

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

ii. Preparedness and early warning

Objectives

- To establish effective early warning systems in the RNM that will ensure rapid and effective actions by essential and emergency services;
- that households, communities and areas at risk are able to respond timeously and appropriately; and



- in order to avert or reduce the potential impacts on people in terms of health, personal injury, loss of life, damage to property, infrastructure or environments

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

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

iii. Operational plans for disaster response and recovery

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

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

iv. The RNM DMO has primary responsibility to facilitate:

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

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

v. Training and Awareness objectives

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

vi. Schools Programs



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

vii. Dissemination and use of traditional knowledge

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

viii. Community training programmes

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

ix. Government Officials and relevant role players

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

x. Public Awareness Policy

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

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

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

xi. Media involvement

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

xii. Policy Directives and Legislative Mandates

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

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



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

4.2.24 How the municipality has responded to Goal 7 of the PGDP 2035: Spatial Equity

The PGDP 2035 states that the Integrated Spatial Planning is subsequently the single most important tool utilised to co-ordinate the distribution of population, land uses, existing resources, and proposed initiatives in relation to each other in order to create an improved sustainability to such uses of scarce land resources. Ray Nkonyeni fully aligns to this goal. The various spatial interventions of the municipality has an opportunity to utilise the land while having equitable access to social service standards and development opportunities, see SDF attachment.

The municipality has developed a robust and representative methodology which will be reviewed on annual basis to assess progress in achieving its spatial equity. As mentioned in the strategy that the spatial equity should enhance the resilience of new and existing cities, the municipality is in line with it. It has not only concentrated on public investments, but also private investments on the basis of their development potential. The LUMS cuts across the municipality. The municipality has further responded by establishing nodes, formalise strategic rural nodes, in this case, it is Ezinqoleni town.

The promotion and development of Ward Based Plans, LUMS, Spatial Planning Systems is another response by Ray Nkonyeni to the objective. Furthermore, the municipality has developed specific corridor plans to coordinate interventions around provincial corridors. There has been a response also to the densification strategy. Gamalakhe densification is one example. It shows future projections of then town ship. The municipality's SDF is aligned to the provincial development framework as expected.

The municipality has a fully functional GIS unit, which too is a response to the objective of the strategy. Catalytic projects also form a large integral in the municipality. Ray Nkonyeni has identified these and fully adheres to the PGDP in this regard.

4.2.25 Key Findings

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

**Table 24: Disaster SWOT analysis**

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

Table 25: Cross Cutting Issues

Strengths	Weaknesses
<ul style="list-style-type: none"> • Being able to develop a sound vision statement that talks to both urban and rural developments • SDF is aligned to all the planning principles • Corridors with vibrant economic activities have been identified • Being able to plan with communities at large • HCM makes provision for the development of community centres within a cluster of settlements <input type="checkbox"/> Cross Boundary Potentials 	<ul style="list-style-type: none"> • The need to develop the full suite of plans for the municipality <input type="checkbox"/> Key spatial plans have not been fully developed
Opportunities	Threats



- | | |
|--|--|
| <ul style="list-style-type: none"> • Meeting land use needs and identification of economic development potentials through • Job opportunities in the newly developed nodes and economic corridors • An extensive range of natural assets for preserving the biodiversity for future generations | <ul style="list-style-type: none"> • Slow development in the hinterland Organic and illegal thus a great need for the implementation of the SDF • Slow development of a wall to wall scheme as per the PDA regulations |
|--|--|

4.3 Municipal Transformation and Organizational Developmental analysis

4.3.1 Organizational Development

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

4.3.1.1 Municipal Transformation and Organisational Development Strategies

Ray Nkonyeni Municipality developed and adopted goals and objectives that are aligned to strategies to enhance service delivery. Goals designed are meant to address key challenges and it must be noted that these goals are fully aligned to the KZN PGDS. Each KPA has strategies that talk to it, and below are the strategies developed for this KPA in particular:

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

4.3.2 Institutional Arrangements

Ray Nkonyeni Municipality is headed by her Worship Madam Mayor, Councillor N.C.P. Mqwebu. The municipality is run in a democratic, transparent manner and 6 political parties are represented and fully participate in the running of the municipality. The total number of Councillors serving within the municipality is seventy one (71). They consist of thirty six (36) ward councillors and the rest are party representatives (PR). Out of the 71 councillors are 12 councillors who serve in the



Executive Committee (EXCO). This is a day-to-day committee of Council. Its meetings are chaired by the Mayor and held twice a month.

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

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

The administration is headed by the Municipal Manager. The administration is structured in to seven operational departments, being:

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

4.3.3 Organogram

The municipality developed a new organogram which was adopted by Council in August 2016. The transformation process commenced in 2004 whereby the system of Section 57 Managers was adopted. Due to municipal grading as regulated by organized local government structures, the municipality over the years has faced challenges in retaining employees attributed to a number of reasons such as the institutions which often offer more attractive packages. Ray Nkonyeni Municipality has since addressed this by having more attractive packages and other benefits to ensure its employees are retained.

As per the Back to Basics pillar which states that local government should ensure that the top six posts (Municipal Manager, Finance, Infrastructure Corporate Services, Community development and Development Planning) are filled by competent and qualified persons, Ray Nkonyeni Municipality the municipality has managed to fill all seven Section 57 managerial positions, which 2 of these are females and 5 are males, respectively.

In terms of women empowerment, the municipality has since started prioritizing more deserving females to management positions.

The following table shows the total staff complement categorized according to Departments within Ray Nkonyeni Municipality.

Table 26: Vacancy Rate

VACANCY RATE

4.3.4 Municipal Powers and Functions

The significance of integrating sector plans into the IDP is to provide a demonstration of how they relate to one another. It also outlines a sector plan integration process which will guide our municipality as we integrate various sector plans in our IDP to ensure the realization of integrated development and alignment. The following table illustrates the functions that are undertaken by



Ray Nkonyeni Municipality, Ugu as a District as well as by other Sectors within the District as priority function per COGTA.



	Powers and Functions of the Municipality	Ugu DM	Shared with other	Ray Nkonyeni LM	Relation to KPA
1	Air pollution	X			Cross-Cutting
2	Building regulations			x	Basic Service Delivery; Cross Cutting
3	Electricity and gas reticulation		X		Basic Service
4	Firefighting services			x	Basic Service
5	Local tourism		X		Local Economic Development
6	Municipal airports			x	Basic Service
7	Municipal planning			x	Basic Service
8	Municipal health services	X			Basic Service
9	Municipal public transport			x	Basic Service
10	Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to the m			x	Basic Service Delivery
11	Control of undertakings that sell liquor To the public			x	Basic Service Delivery
12	Facilities for the accommodation-area And burial of animals			x	Basic Service Delivery
13	Fencing and fences			x	Basic Service
14	Licensing of dogs			x	Basic Service
15	Licensing and control of undertakings that sell food to the public			x	Basic Service Delivery
16	Local amenities			x	Basic Service
17	Local sport facilities			x	Basic Service
18	Markets			x	Basic Service
19	Municipal abattoirs			x	Basic Service
20	Municipal parks and			x	Basic Service
21	Municipal roads			x	Basic Service
22	Noise pollution			x	Basic Service
23	Pounds			x	Basic Service
24	Public places			x	Basic Service
25	Refuse removal, refuse dumps & solid waste disposal			x	Basic Service Delivery
26	Street trading			x	Basic Service



27	Street lighting			x	Basic Service
28	Traffic and parking			x	Basic Service

Table 27: Municipal Powers and Function

4.3.5 Institutional Capacity and Human Resource Development

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

4.3.5.1 Human Resource and Management Strategy

The Human Resource Strategy is in place reviewed and adopted in 2017. The Strategy's aim is to assist the municipality in the career development of its existing staff, maximise productivity by the optimum implementation of relevant legislations, collective agreements with special emphasis of the Employment Equity Policy. It is made up of nine (9) strategies whose objectives are to:

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

4.3.5.1 Human Resource Plan

The municipality has never developed a Human Resource Plan and has since requested the intervention of Cogta to give full clarity on what this plan is all about since there is a Human Resource Strategy in place.

4.3.5.2 Employment Equity Plan

The Employment Equity Plan is in place, adopted by Council in 2017. The plan redresses the imbalances of the past in terms of the designated groups (black female, Coloured women and Indian Women). RNM can proudly pronounce that it has adhered to the SONA whereby the President mentioned *that SA must build a society where the injustices of the past no longer define the lives of the present*. The plan fully outlines how the municipality intends to undertake the processes of employment.

- In terms of shortlisting and employment, high score is awarded to females.
- The plan further details how the disabled are given preferential attention in terms of employment.

i. Work place Skills Plan

The Work place Skills Plan (WSP) is in place, adopted in 2017 and submitted to the LGSETA, and will be developed annually. This plan is informed by the Employment Equity. The employment equity guidelines form an integral part of planning for training as prescribed in the Skills



Development Act. The Plan is aligned to the WSP. It must be noted however, that in as much as the Plan is effective, there are constraints that come with budget. Projects not budgeted for get recommended for implementation during a financial year thus compromising the programme on the WSP.

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

Each financial year a budget is allocated to ensure a smooth plan for all allocated beneficiaries. Trainings are conducted internally and if need be beneficiaries are allocated funding to train or be skilled in their field of choice in any institution. Following is a table summarizing the number of beneficiaries in the plan for the current financial year.

ii. Recruitment and Selection Policy

The Recruitment and Selection Policy is in place, adopted in 2017 and is reviewed annually.

iii. Retention Policy

The municipality does not have a retention policy, but targets are clearly stipulated in the Human Resource Development Strategy. Below is a table indicating the occupational category.

Table 28: Occupation Category

Occupation category	No of beneficiaries
Councillors	26
Management	27
Professionals	88
Technicians & Associate professionals	73
Clerical support workers	88
Plant & machine operators & assembles	64
Elementary occupations	82

4.3.6 IT Strategy

The IT Strategy was adopted in March 2017 and is a 5 year Strategy which is reviewed annually. The implementation of the strategy reports are submitted to Corporate Management on quarterly basis as indicated in the municipality's Service and Delivery Budget Implementation Plan. The purpose of the strategy is to give a focus and framework for future IT Investments and projects linking these into the priorities of the IDP. It is also aimed at raising the profile and awareness of the importance of IT investments and the governance which surrounds these and associated benefits realization. It also provides an effective technology architecture which not



only provides robust and reliable underpinning to municipal services but is an architecture which acts as an enabler and catalyst for service delivery both within the municipality and across our strategic partners. Basically, the strategy addresses the long term vision of the municipality.

Due to lack of funds, the municipality has made no progress thus far to implement its ICT Policy Framework in the hinterlands, however, it must be noted that funds are still being outsourced..

4.3.7 Inter-Governmental Relations Structures

The municipality actively participates in a number of IGR structures. The municipality has a dedicated IGR Officer, The Stake holder Relations and Customer Care Manager and falls under the Strategic Planning and Governance Department. However, the official is not specifically labelled as IGR Officer but is within the organogram and has the specific responsibility of IGR within their job description.

Below is the highlight of these structures:

i. The Premier's Coordination Forum (PCF)

In accordance with the Inter-Governmental Relations (IGR) Act (2005), RNM's Mayor participates in the PCF coordinated by the Office of the Premier.

- The forum discusses mainly issues that affect local Government.
- It sits four times a year. The Premier chairs the forum. MEC Cogta is the co-host. Other than Municipal Mayors, the Province invites Municipal Managers, CFOs and Deputy Mayors to sit in this Forum.

ii. Mayor's Forum

In accordance with the IGR Act (2005), a Mayor's Forum was established in 2006 for the District. Ugu District's Mayor's Forum is fully functional and all its local mayors fully participate:

- meets on a regular basis.
- The District Mayor chairs this forum.
- It discusses issues around service delivery and challenges affecting Locals as well as resolutions taken at Provincial level.

lii Speaker's Forum

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

- There is uniformity and consistency in the management and operation of the Offices of the Speakers of the Ugu District Municipality,
- To facilitate and oversee that the programmes and initiatives of Speakers at local municipalities are implemented,
- To identify and implement programmes aimed at realizing one of the key objectives of local government ,i.e. deepen democracy,



- To coordinate and ensure active participation of communities in matters of local governance,
- To ensure coordination and streamlining at all the member municipalities,
- To initiate and implement training and capacity building programs for councilors.

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

iv. The Municipal Manager's Forum

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

v. Chief Financial Officer's Forum

Within the Ugu District, there is a functionality of CFO Forums and are held on a quarterly basis to discuss financial management issues. All locals including RNM are full members of this Forum. The Chairperson for this Forum is the CFO of the District. This Forum also deliberates on Audit opinions.

vi. Planners Forum

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

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

4.3.8 Institutional Structures

For any institution to be fully functional, it needs to have its structures in place. This is no exception with Ray Nkonyeni Municipality. It has its institutional structures in place and fully functional. They comprise of:

i. IDP Steering Committee

- Develops terms of reference for various planning activities
- Provides guidance on planning matters
- Monitors IDP and review progress on a quarterly basis
- Make recommendations to the IDP Forum



- Takes decisions on administrative matters in line with legislations, policies and COGTA guidelines
- Give strategic support and give guidance to the ID unit
- Ensures that information is provided to the IDP unit in time and communicates IDP issues with staff members and ensures that Strategic Planning manager does not end up thumb sucking information
- Overall Management including appointments of consultants
- Refers matters to relevant committees for further investigations, research and alignment
- Closely monitors and evaluates consultants' progress and performance
- Considers inputs from all stakeholders and make amendments accordingly.

ii. IDP Cluster meetings

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

iii. Municipal Public Accounts Committee

The Municipal Public Accounts Committee (MPAC) is a committee of the municipal council, appointed in accordance with section 79 of the Structures Act. Members of this committee do not sit in any portfolio within the municipality. The main purpose of the MPAC is to exercise oversight over the executive functionaries of council and to ensure good governance in the municipality. In order for the MPAC to fulfil this oversight role, it needs to be provided with the necessary information and documentation to interrogate the actions of the executive.

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

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

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

The MPAC committee has successfully carried the above duties and reports to Council as mandated by the Legislation accordingly.



4.3.9 Key Findings

Table 29: Key Findings

Key Challenges	Description
1.Employee retention	The municipality faces challenges in retaining employees more especially those in strategic positions.
2 . Municipal powers and function	Few powers are not fully functional due to budget constraints.

Table 30: Municipal Transformation and Organizational Development SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Institutional Structures in place • Governmental Structures in place • Organogram adopted • Portfolio Committees fully functional • All posts have been filled • Effective portfolio committees • Diverse representation of political parties in Council (ANC, DA, IFP, COPE and EFF,VV) • All 7 Departments are fully operational • The Labour Forum is well functional • Line 1 Managers are fully capacitated 	<ul style="list-style-type: none"> • 2 of the 7 Heads of Departments, section 56/57 are females • Gender imbalances in the management positions.12 of the 43 managers are female
Opportunities	Threats
<ul style="list-style-type: none"> • Room for improvement in terms of equity 	<ul style="list-style-type: none"> • Failure to retain employees



4.4 Good Governance and Public Participation

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

It is essential to practice good governance for stability, sustainable development and growth. The Provincial government has ensured that there is good financial management, proper budgeting and investigation of fraud and corruption. Ray Nkonyeni Municipality has good efficiency in terms of good governance and public participation. All systems and structures are in place and fully functional.

The Audit and Risk management for an example, are fully functional and bring assurance and consulting activity designed to add value and improve an organization's operations. These two units also assist the organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

4.4.1 Inter-Governmental Relations

The municipality has a dedicated IGR Officer and falls under the Strategic Planning and Governance Department, the official is not specifically labelled as IGR Officer but is within the organogram and has the specific responsibility of IGR within their job description. In 2014 when Back to Basics was introduced at the summit which was termed 'Serving our communities', the President emphasised that out of the Summit must emerge a focused action plan to government by getting the basics right, and local government to strengthen local Government, together with other spheres of government, must provide basic services efficiently and effectively, and in a caring manner." Ray Nkonyeni Municipality has a focused plan of action as indicated below.



Table 31: Intergovernmental Relations



Back to Basics	Milestone	Detailed Activities	Responsible Official/ Department	Blockages/ Challenges	Support Needed In Terms of Unblocking
Roads infrastructure provision and maintenance	Comprehensive infrastructure plan	Development of the infrastructure plan	MR RS Dlamini Technical Services (DTS)		KZN Transport, Housing, Public works, COGTA
Municipal buildings maintenance	Maintenance plan	Develop and communicate the plan with Council and management	MR RS Dlamini Technical Services (DTS)		Liaising with HoDs
Housing provision	Construction of units	Facilitate housing provision and liaise with provincial Housing department	MR RS Dlamini Technical Services (DTS)	Red tape in application approval and delays	Department of Housing to fast track application approval and proper management of consultants
Electrification	Provide infrastructure and cover in-fills	Develop an electrification masterplan Align with Eskom	MR RS Dlamini Technical Services (DTS)	Eskom does not plan with the municipality	Eskom to align with municipal plans and advise planning Processes Technical support
Solid waste Services	Effective collection and extend services to un-serviced areas	Implementation of the Integrated Waste Management Plan (IWMP)	MR MB Ndwalane		Nil
Effective municipal by- laws	Develop And enforce municipal wide by-laws	Fine and prosecute	MR SA Nzimande (DPS)	Co-operation from other departments	Nil
Debt recovery	Recover outstanding debt	Correct customer billing Review the revenue enhancement strategy	Ms ND Gqola (CFO)	Correct billing	Nil
Develop a financial plan	Adoption of the credible financial plan	Development of the financial plan incompliant with the MSA & MFMA	Ms ND Gqola (CFO)		Treasury



IT Governance strategy	Development and implementation	Development and implementation	Ms NB Thabatha Corporate Services		
Improve LED	Improve economic growth	Implement LED strategies Contained in the IDP Develop an incentive scheme	Mr.KJ Zulu Development Planning Services (DDPS)		
Effective ward committee	Support ward committees	Provide necessary training, stipend, ensure departments action issues coming from ward committee meetings, etc.	Mr S Zama Strategic Planning and Governance (DSPG)	Political support	COGTA



4.4.2 Municipal Structures

There is a horizontal alignment of IDPs between Ray Nkonyeni Municipality, the District as well as Sector Departments. Roles and responsibilities are clearly stipulated in the table below as well as the summary below it.

Table 32: Municipal Structures

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



2.	Ray Nkonyeni Municipality	<ul style="list-style-type: none">• Guides provincial sector departments participation in their contribution to the municipal planning processes;• Guides departments in assessing draft IDP's and to align their sectoral programmes and budget with the IDP's;• Assists in accessing financial grants for IDP process;• Monitors the progress of the IDP processes through the district and IDP Managers Forum;• Facilitates resolution of disputes related to the IDP;• Organizes IDP-related training when required; and• Co-ordinates and manage the MEC's assessments and comments with regards to IDP's.• Orientation of councilors on IDP.
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3.	Ugu District Planners Forum	<p>Meetings to be chaired by the district IDP Manager;</p> <ul style="list-style-type: none"> • Planning Development Unit render secretarial services; • Consists of the four local municipalities IDP Managers; • IDP Forums to be held quarterly to: <p>Coordinates technical submissions and the compilation of the respective IDP documents</p> <p>Ensures horizontal alignment between the district and local municipalities IDP's, and</p> <p>Ensures vertical alignment between the district and local municipalities, National and Provincial spheres</p>
4.	Co-operative Governance and Traditional Affairs	<ul style="list-style-type: none"> • Coordinates participation and cooperation of all other key sector departments. • Monitors and advice the municipalities on the drafting, review and implementation of the IDP. • Ensures that sector department's planning is informed by Ray Nkonyeni plans and IDP • Closely monitor sector departments performance in terms of fulfilling their core functions and support Ray Nkonyeni
5.	Sector Departments	<p>Identify an IDP Coordinator in the sector departments</p> <ul style="list-style-type: none"> • Contribute knowledge and ideas about planning issues in the province and sectors; • Contribute relevant information on the provincial sector departments plans, programmes, budgets, objectives, strategies and projects in a concise and accessible manner; • Ensure that their objectives and strategies and projects take various IDP's into consideration and adjust their budgets as informed by the various IDP's into consideration and adjust their budget as inform by the various IDP's; <p>Engage in a process of alignment with district municipalities, and participate in the provincial management system and co-ordination;</p> <ul style="list-style-type: none"> • Ensure active participation in IDP Representative Forum and Task Teams.



6.	Ugu District Development Planning Unit	<p>Development Planning Unit provided the following function:</p> <ul style="list-style-type: none"> • Provide methodological guidance and support to local municipality during the IDP implementation and review and well other planning processes; • Support the planning and implementation management process of local municipalities and district municipality • Establish and maintain close links with public and private service providers for proper programme alignment in municipal; • Provide information to municipalities relevant national and provincial policy and legislation frameworks; • Organize/conduct relevant training events for municipalities to build their planning and implementation management capacity; and • Liaise with Donors and other state agencies for municipalities to build their planning and implementation management capacity; • Liaise with Donors and other state agencies for funding to the municipalities; and • Render secretarial services to all district communication and sub-committee.
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The Ugu District Municipality's IDP forum meetings are held on a monthly basis. There is a Iso a Planners forum committee which was established to assist with capacitation and empowerment of the local municipalities that fall within the District. The committee comprise of Ugu District Municipality IDP unit, IDP managers and town planners from the four local municipalities and COGTA. The committee also ensures that the Integrated Development Plans of municipalities are aligned. The committee also ensures local municipalities align with the district municipality, provincial departments and get advice and assistance required prior to the IDP assessments. Meetings rotate amongst all the municipalities. The Provincial department fully participates in the IDP Forum meetings and provided technical support in the IDP development process. The municipality also attends all the IDP Indabas organized by the Provincial department. The department also provides financial and technical support to municipal development and planning initiatives.

The municipality uses a task team approach for management to the development agenda in an integrated manner and ensuring ownership at corporate management level. The rationale behind this approach is to ensure management take full control of the IDP given there cognition of the IDP as the master strategic plan of the municipality.

The task teams are led by the Heads of Departments looking at strategic position of each department, cross cutting matters, how departments can support and assist each other to fast track and ensure implementation plans. IDP task team focuses on the following IDP Review key focus areas:

- Infrastructure provision and maintenance
- Budget aligned to the IDP priorities
- Development and implementation of Strategic Sector plans
- Good Governance and accountability
- Financial viability and value for money



- Spatial planning and rural planning development
- Youth development and skills development
- Job creation, economic growth and transformation
- Safe and healthy environment
- Effective supervision of service providers
- Knowledgeable communities
- Tourism industry support
- Promoting sports and recreation and cultural diversity

There are internal and external forums that contribute and inform the IDP Review and these are detailed in the table below.

Table 33: Process Plan and Internal Structures

Role Player	Purpose	Date
Council	<ul style="list-style-type: none"> • Adopt IDP Process Plan • Consider draft IDP • Consider public comments • Adopt final IDP 	August 2019 March 2019 April –May 2019 May 2019
EXCO	<ul style="list-style-type: none"> • Consideration of process plan • Confirmation of key issues and consideration of IDP Cluster Meetings recommendations • Confirmation of resources allocation per key issue • Consider vision statement • Consider IDP prior Council approval 	August 2019 February 2019 March 2019 May 2019 May 2019
IDP Representative Forum	Input on vision, objectives and strategies Input on priorities and projects Consider and recommend IDP document for council approval	March 2019 March 2019 May 2019
IDP Cluster Meetings	Provide strategic direction Advise Provide departmental support	March 2019 March 2019 May 2019
Steering Committee	<ul style="list-style-type: none"> • Consider process plan • Revision of strategic framework • Compilation of preliminary project list 	August 2019 March 2019 March 2019 February 2019



	<ul style="list-style-type: none"> • Determine if external assistance is required consultants) • Planning of project planning phase, setting up of project teams and determining terms of reference for project teams • Review progress made with project plans • Screening of all project plans • Consider comments and objections received to the revised IDP 	March 2019 March 2019 May 2019 May 2019 May 2019
COGTA	Alignment of projects and programmes by Sector Departments and Municipalities	November 2019
Public Participation	<ul style="list-style-type: none"> • Community needs • Budget • Community consultations and participation 	March 2019 April 2019 Feb-March 2019

4.4.3 Audit and Risk Management

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

4.4.3.1 (i) Internal Audit Functions on Governance

Ray Nkonyeni Municipal has established an Internal Audit Unit within the Office of the Municipal Manager in terms of Section 165 (1) of the Municipal Finance Management Act, Act 56 of 2003, and (MFMA), and responsible to the Chairperson of the Audit Committee and for administrative purposes, reports to the Accounting Officer via the Manager:

The Unit has a fully fledged staff which comprises of a manager, Senior Auditor and and three (3) officers. The purpose of the Internal Audit Activity is to assist the Accounting Officer and Senior Management in achieving their objectives and to discharge their responsibilities by providing an independent, objective assurance and consulting services designed to add value and improve the municipality's operations.

Internal Audit helps the municipality to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and



governance processes. Internal audit is an appraisal function established within the Municipality to independently examine and evaluate the activities of the Municipality as a service to the Council in particular and to Management in general. It is a control function which functions by examining and evaluating the adequacy and effectiveness of internal controls and furnish Management with analyses, appraisals and recommendations concerning the activities reviewed.

Internal audit has an independent status within the municipality and is not involved in the day-to-day internal checking of systems within the municipality nor involved in the implementation of internal control systems. In discharging its responsibilities, internal audit:

- review systems and operations to assess the extent to which Municipal objectives are achieved, and the adequacy of controls over activities leading to such achievement;
- evaluate the relevance, reliability and integrity of management and financial information;
- appraise utilisation of resources with regard to economy, efficiency and effectiveness;
- assess the means of safeguarding assets and verify their existence;
- ascertain the extent of compliance with established policies, procedures and instructions;
- recommend improvements in procedures and systems to prevent waste, extravagance and fraud;
- advise on appropriate systems of controls and other accounting and operational matters in a consulting capacity;
- draw attention to any failure to take remedial action;
- carry out any ad hoc appraisals, inspections, investigations, examinations or reviews requested by the Audit Committee or by the Accounting Officer; and
- To maintain a professional internal audit staff with sufficient skills, knowledge, experience and qualifications.

4.4.3.1 (ii) External Audit Committee

The External Audit Committee is responsible for monitoring and advising in respect of the effective functioning of the Internal Audit activity. Internal Audit reports functionally to the Audit Committee and administratively to the Accounting Officer. In terms of section 62(1) (c) of the Municipal Finance Management Act (MFMA), No.56 of 2003, the Municipal Manager is the Accounting Officer and is responsible from managing the financial administration of the municipality. The Audit Committee is appointed in terms of Municipal Legislation, to assist and to advise the Mayor, Speaker and Municipal Manager of the Municipality. This committee reports to Council and does presentations to Council once a month. It is afforded wide powers and statutory obligations in terms of Section 166 of the Municipal Finance Management Act. Audit Committee meetings and Performance Audit Committee meetings take place at least four times a year.

4.4.3.1 (iii) Municipal Public Accounts Committee (MPAC)

The municipality has an established MPAC Committee that sits once a quarter. It consists of seven(7) members representing almost all the political parties within the municipality. The Committee reports to EXCO then Council. Its main function is to look at financial reports, suspicion of fraud and then investigate.



4.4.4 Risk Management

RNM has a risk unit, with a designated manager. The need for risk management is to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the municipality's service delivery capacity. It is an appropriate proactive way of managing risks and to successfully achieve the municipality's goals and strategic objectives. The risk committee of the municipality meets quarterly. The Risk and Fraud Management Manager constantly monitors the implementation of future action plans and reports the progress of implementation quarterly to the Risk Management Committee, Corporate Management Committee and to the Audit Committee.

The committee comprises of five member with their designation listed below.

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

For an effective free risk organization, there need to be sound strategies in place to enhance a smooth running on daily basis. It is in this regard therefore the municipality has strategies to manage risks. The process starts with the risk assessment session where management identify the currently existing risks and as well as possible risks. Once these risks have been identified management comes up with future action plans to mitigate the identified risks and the target dates for implementation of the future action. Once the risk assessment has been finalized, the Risk and Fraud Management Manager develops a risk register. The risk register is submitted to the Risk Management Committee, Corporate Management Committee and to the Audit Committee. The rationale behind the submission amongst others is to monitor risks facing the municipality and how best to mitigate those identified. There are certain aspects that any risk register should monitor and ensure that they are addressed properly. Ray Nkonyeni Municipality's risk register look at a number of risks and some are listed below:

- Payment to incorrect Service Provider
- Duplication of invoices
- Fraudulent payments
- Suppliers claiming for Vat yet they are not vetted
- Ghost suppliers created in the system

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

4.4.4.1 Anti-Fraud and Anti- Corruption Strategy

The municipality has an anti-fraud and anti- corruption strategy in place. It was reviewed and adopted in November 2018. Anti-Corruption has been a priority in the programme of



government for many years and the municipality took a stance to stamp it out. RNM's main objective of formulating the strategy is to detect and prevent fraud.

4.4.5 Public Participation Analysis

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

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

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

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

To the above mentioned, Ray Nkonyeni Municipality takes pride in announcing that it fully adheres to the Back to Basics approach, all is in place and fully functional.

Ray Nkonyeni encourages public participation of local communities through various mechanisms including but not limited to ward committees. Ward committees have been established in all 36 wards and are fully functional with a 100% rating. A number of community report back meetings are held every month.

i. Public Participation Cluster Meetings

The municipality introduced cluster meetings that sit quarterly to ensure that all issues received from communities are responded to timeously. These cluster meetings are chaired by Portfolio Committee Chairs (Political Champions). HoDs are Administrative Champions. All Stakeholders participate in these meetings. Amongst other responsibilities these committees undertake, they deliberate on SDBIP progress, responses on service delivery issues raised during the previous quarter, deliberate on new issues if any and report on Ward Committee functionality.

Public participation by various stakeholders e.g. Traditional Authorities have also been involved. It must be further noted that public participation reports are submitted to Council on regular basis. The Mayor ensures that she meets at least once quarterly with Amakhosi and Council resolved that Amakhosi should sit on all council meetings as per Section 81.



4.4.5.1 Participation Analysis

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

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

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

- **Media**

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

- **Information Sheets**

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

- **Road Shows / Izimbizo**

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

- **Radio Slots**

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

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

4.4.5.2 Ward committee functionality

Participation takes place in different forums, meetings and gatherings. The IDP Representative Forum is the main forum where external stakeholders including provincial departments, Traditional Leaders/Amakhosi, Ugu district municipality, business, entities and parastatals are invited to discuss developmental challenges facing the municipality and means of overcoming developmental challenges.

This review process also had an advantage of a ward planning process that happened parallel and meant to inform this IDP Five year plan. Also the fully functional ward committee strengthens the participation process. The Mayoral Izimbizo in November 2016 once again formed the cornerstone of public participation for this process.

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

Systems have also been put in place to effectively and efficiently deal with ward committee issues. The municipality has delegated Committee Clerks to serve as secretariats at ward committee meetings to provide more support and ensure that issues that are deliberated at these meetings



are service delivery based and that Council effectively addresses the issues raised at the ward committee meetings. The municipality in partnership with IDASA is capacitating ward committees.

The non-attendance of Sector Departments poses a number of challenges and limitations for the Municipality such as:

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

4.4.5.3 Ward Based Planning

Ward/Community Based Planning programme forms a major component of the Good Governance and Public Participation KPA. Ward Based Planning prioritizes needs are formulated for five years and reviewed annually. Further to this, for a more effective planning, it must be noted that in undertaking this exercise, the planning must be prepared by the residents of the ward, owned by the community and be supported by discretionary ward funds provided by the municipality or where possible, a sector department and provide useful information in guiding the IDP. Participants include, Stake holders, ward committee members, CDWs and Amakhosi/representatives from traditional authorities who jointly plan and prioritize for their respective wards and vision for each ward. Developing of the plans in all the municipality wards has been conducted, currently being developed, to be presented to Council for adoption and finally submitted to Cogta in due course.

4.4.5 Communications Strategy

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

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

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

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

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



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

4.4.6 Bid Committees

The municipality has fully fledged Bid Committees. Each Bid Committee comprises of 5 members of which 1 member being from the Procurement Section and the Bid Adjudication Committee is chaired by the Chief Financial Officer.

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

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

4.4.7 Putting People First (Batho Pele)

In line with the Local Government Back to Basics programme, ten drafts IDP/Budget izimbizo clustered were held to ensure that more voices were heard and participated in the development of the municipality. Most clusters/wards communities commended the good work in terms of service delivery performed by the municipality, but this does not mean there are no backlogs in some areas.

i. Batho Pele Strategy

The Municipality adopted the Batho Pele Strategy in June 2018. It must be noted that the implementation of the principles are in line with the KZN Cabinet Lekgotla Resolution of 2016. The municipality fully adheres to the eleven principles of Batho Pele as it has over the years displayed good governance to its citizens.

ii. Customer Service Charter

The Customer Service Charter of the municipality was reviewed and adopted in 2018. The charter serves as an expressed commitment by the municipality to its end users as an effort towards building a customer driven organization where the requirements of the customer comes first, within the limits of available resources. The municipality has over the years undertaken to consult all its customers on the level and quality of services provided as well as development required, to continue to improve the living conditions of its communities. Further to this, the municipality has committed to serve its customers as envisaged by the



Batho Pele Principles in the White Paper on the transformation of the Public Service (1997) as follows:

- Consultation
- Service Standards
- Access
- Courtesy
- Information
- Openness and Transparency
- Redress
- Value for Money
- Encouraging Innovation and Rewarding Excellence
- Customer Impact
- Leadership and Strategic Direction

iii. Service Delivery Improvement Plan

The service delivery improvement plan will be developed in the 2019/2020 financial year.

iv. Telecommunication

Stakeholder Relations and Customer Care unit oversees the Switchboard/telecommunications and Customer Care running of the municipality.

There is quite good telecommunication network coverage although more still needs to be done to reach world standards. However, it must be noted that in the furthest rural northern part of the municipality, telecommunication network coverage is poor. In formal urban settlements majority of the people have access to Telkom services. In rural areas the majority of people rely on cellular phones. Some key issues faced by the Municipality access to telecommunication service, infrastructure information and a lack of co-ordinated planning to meet the district's needs

The switchboard/telecommunications office has 4 operators handling all incoming calls and direct them to different departments in the organization. Complaints calls do not come through these lines but have a dedicated telephone number. However, both falls under the same unit called Stakeholder Relations and Customer Care.

v. Service Delivery and Budget Implementation Plan(SDBIP)

The SDBIP is in place. The six National Key Performance Areas are listed in the SDBIP. Performance Indicators are clearly outlined per KPA as well as the period when it will be performed and completed. The municipality has set out Strategic Objectives to measure performance. Performance is reported on quarterly basis where by portfolio of evidence is produced, and if targets have not been met due to challenges encountered, corrective measures must be made.

The municipality has identified services to be improved and they appear in the table below:



Table 34: Improvement Plan

PROJECT	IMPROVEMENT PLAN
Refuse removal	<p>The municipality has extended its refuse removal to areas previously not receiving this service (rural). Skips have been provided where refuse is stored until collection time.</p> <p>In some areas identified, refuse is collected once a week</p>
Motor licensing	The municipality needs to improve its customer care and minimize complains from the public
Electrical services	The Electrical Master Plan has been developed and is in place. This plan seeks to address those areas that have a backlog in electricity and also it addresses concerns in areas where other types of energy need to be utilized.

4.4.8 Operation Sukuma Sakhe (OSS)

The municipality has partnered with the Ugu District Municipality as well as Provincial Departments in implementing the Sukuma Sakhe flagship programme which is aiming at creating sustainable livelihoods through the provision of integrated services to communities. It must be mentioned that the municipality fully adheres to the Kwa Zulu Natal Provincial Government's Coat of Arms, which means, "Let's stand up and build." This is a call on the people to overcome the issues plaguing their communities such as poverty, unemployment, crime etc. Below is a table indicating wards which have been identified as highly deprived. This information was obtained from war rooms meetings.

WARDS	AREAS	MAIN NEEDS
4	<ol style="list-style-type: none"> 1. Mgolomi 2. Cophela 3. Assissi 4. Othandweni 5. Tribal 	
9	<ol style="list-style-type: none"> 1. Koloni 2. Mhlabalingana 3. Khushkwini' 4. Sodoma' 5. Mankuntshana 	
11	<ol style="list-style-type: none"> 1. Mgangatho 2. Carlifonia 3. Mncadodo 4. Madabalaza 5. Breamer 	



	6. Thundeza	
13	1. Stick farm 2. Fairview 3. Allertone store	
10	1. Inkulu 2. Nomqondo 3. Whoza 4. Brearer 5. Dozaneni 6. Nkoneni	
22	1. Madakane 2. Newtown 3. Nkayezini	
20	1. Mbotsha 2. Mganka 3. Sidikwe	
24	1. Betania 2. Bhomela 3. Nyandezu	
25	1. Khalweni 2. Ntshingini 3. Msikaba 4. Sambulo	
30	1. Gogozi 2. Mdlazi 3. Nyanisweni 4. Bandlana 5. Shobeni	
31	1. Dlovinga 2. Mbeni	
32	1. Sgodaneni 2. Mgawulwane 3. Paddock	
33	1. Mbeni 2. Nkulu 3. Shobashobeni 4. Dlovinga 5. Shobeni	
34	1. Thonjeni 2. Inkulu 3. Wosiyane 4. Blose 5. Nkosana 6. Mahlabathini	
35	1. Hlomendlini 2. Shibe 3. Ndunu 4. Godoza 5. Celebane	



4.4.9 War Rooms

Out of 36 wards within the municipality, 32 wards have functional war rooms and these sit twice a month. The remaining three wards, (Ward 12, 18 & 19) are not functional as there are no designated field workers. Ward 29 is not fully functional due to technicalities.

It must be mentioned that even though war rooms are functional in some wards, there are no sufficient tools of trade to function effectively, such as office equipment. Below are the obstacles that hinder effective functioning of these war rooms:

- Non-attendance by Sector Departments
- Lack of proper training tools on the programme
- No resources e.g. stationery and other equipment since CDW's are not in all wards
- Poor response and non – submission of referral forms to Sector Departments
- High volume of unresolved issues raised in war rooms and non-intervention by the Sector Departments

4.4.10 Amakhosi

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

4.4.11 Governance

The municipality has a transparency in its governance. This is ascertained from all the public engagements it runs whereby all information required by communities at large is made public. Further, the municipal manager has an open door policy depending on his availability. He engages with the members of the community, from Stakeholders, ratepayers, ordinary community members etc. Also, the Mayor and Deputy Mayor have monthly schedules whereby communities are engaged on Council matters. Members of the public are welcome to sit in Council meetings.

4.4.11.1 Budget Transparency

The application of sound financial management principles for the compilation of the Ray Nkonyeni Local Municipality's Budget is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities. Whilst the municipality's budget is closely monitored on a monthly basis by the relevant oversight structures of the council, no overspent or underspending of the operational budget was experienced in the previous financial year. The municipality has managed to spend 100% spending of its capital budget and currently has loans with DBS and Standard Bank that are being paid but does not anticipate in making future loans since it does not afford loans because of an adverse cash coverage.

When budget has been adopted by Council, the Mayor makes public notice to all the municipality's citizens, which is in line with the Batho Pele Principles.

4.4.11.2 Audits and Qualifications

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








Executive Committee (EXCO), MPAC and Audit Committee. The municipality obtained an unqualified Audit Report in the current financial year and controls are in place to address this and ensure that the municipality reclaims its Clean Audit status in the next current financial year. The Ray Nkonyeni Municipality Operation Bounce back action plan for period ended 30 June 2019 has been established to address findings from the previous report by the AG. This action plan list the findings as per the AG and the manager responsible has to come up with corrective measures. These are closely monitored by the Internal Audit manager and reported to the Municipal Manager.



4.4.11.3 Portfolio committees

Each Department has a fully functional Portfolio Committee and each sits once a month on different scheduled dates as per the municipal Calender to deliberate on issues facing their respective departments. Managers compile monthly reports which are submitted to the Head of Department who inturn submit to their respective Portfolio Committee. Each portfolio committee is chaired by the ruling party's representative who is a member of the Executive Committee. These committes do not adopt any issue discussed, but findings made are reported to EXCO.

Below are the portfolio chairs.

Portfolio Chairperson	Portfolio Committee
 Clr L Ntanzi	Good Governance and Public Participation
 Clr NCP Mqwebu (Mayor)	Finance
 Clr MT Lubanyana	Community Services
 Clr H Craig	Development Planning Services
 Clr AM Mpsi	Public Safety and security



 Cllr AS Dlamalala	Technical Services
 Cllr Y Nair Cllr (Deputy Mayor)	Corporate Services

4.4.12 Back to Basics

The municipality has a dedicated official (Manager Performance Monitoring and Evaluation) who ensures that the monthly reports as well as the quarterly reports as per the requirement are compiled, analysed and sent to both Province and National timeously. These reports are further reported during the SDBIP sessions and if there are findings made, the responsible Head of Department ensures that corrective measures are designed to address those issues.

4.4.13 Municipal Policies

To achieve goals and targets set, as well as ensure good governance, the municipality has policies in place that have been adopted by Council and listed below:

Table: Municipal Policies/strategies/plans

Department	Adopted Policy/strategy/plan	Date of adoption
Department of Community Services (DCOMMS)	Waste Management Bylaws	26 October 2007
	Bylaws Relating To Beaches And Launch Sites	2010
	Hall	26 August 2008
	Libraries and Museums	2012
Department of Treasury	Plot clearance	2012
	Rates Policy	Review for 2017/2018
	Consumer Care, Credit Control and Debt Collection	2017/2018
	Policy	2017/2018
	Indigent Policy Review	2017/2018
	Revenue Enhancement Strategy Policy	2017
	Asset Management Policy	2017
	Petty Cash Policy and Procedures Review	2017
	Investment Policy and Procedures Review	2017
	SCM Policy Creditors and Staff Payment Policy	2017/2018
	S & T Payment Policy	2017/2018
	Budget Policy	2017/2018
	Borrowing Policy	2017/2018
	Budget Virement Policy	2017/2018
	Funding and Reserve Policy	2017/2018
	Long Term Financial Planning Policy	2016/2017



Department of Public Safety (DPS)	Public Safety Strategy	2018
Department Development Planning Services (DDPS)	Ward-based Rural Development Plan; SMME & Co-operatives Development Strategy and Plan; Business Retention and Expansion Policy and Plan; Informal Traders Management Plan & Policy Investment Incentives Policy; Investment Protocol Informal Trading By-Laws Ray Nkonyeni Spatial Development Framework 2017-2021 The Urban Development Framework for Hibberdene and Port Edward Review The Development Planning Framework for Shelly Beach, Uvongo and Margate Gcilima and Gamalakhe Local Area Plan Alamein Precinct Plan Margate Airport Master Plan (Feasibility Study) Port Shepstone Urban Renewal Margate Urban Renewal GIS Strategy and GIS Policy Ray Nkonyeni Wall-to-Wall Scheme	2013 2014 2013 2017 2017 2018 31 Aug 2017 28 November 2017 28 November 2017 30 June 2016 30 June 2016 30 June 2016 30 June 2016 August 2012 28 February 2018 adopted 30 June 2018 –In progress
Department of Technical Services (DTS)	Electrification master Plan Human Settlement Sector Plan	2018 2018
Department of Strategic Planning (DSPG)	OPMS/Procedure Manual Risk Management Policy Ward Committee Elections Ward Committee Payments Communications Strategy Bato Pele Strategy	August 2017 2017 2016 2017 2017 2018
Department of Corporate Services (DCS)	HR Strategy Work place skills plan IT Strategy Recruitment and Selection Policy	2017 2017 2017 2017

Further to the above mentioned policies, in terms of Schedule 4B and 5B of the Constitution, the municipality has also adopted a number of promulgated bylaws and have been reviewed.

These include:

- Credit Control by law,
- Fire by law, Beach by laws
- Rates by laws



- Solid Waste bylaws
- Informal Trading bylaws,
- Hiring of halls by laws and
- Environmental Conservative bylaw.

4.4.14 How the municipality has responded to PGDP 2035 Goal 6: Governance and Policy

In response to the Governance and Policy under the following objectives:

- Strengthen policy, strategy coordination and IGR
- Build government capacity
- Eradicate fraud and corruption
- Promote participative, facilitative and accountable governance

Ray Nkonyeni Municipality has ensured that it fully adheres to it. Its policies and strategies talk to the national and provincial levels. The municipality has developed a strong fora for engagement between itself and Government as well as its social partners. Furthermore, the municipality has developed a credible mechanisms to regularly measure the level of alignment between its municipal budget and the PGDP and district and development plans. There are functional IGR Forums, MuniMEC. According to the PGDP 2035, the need to build government capacity to implement policies, strategies and programmes remains one of the most critical priorities of KZN and the country.

Ray Nkonyeni Municipality is proud to announce that all its strategies and policies formulated have been fully implemented. The public is satisfied with the level of service delivery it gets from the municipality, hence no public riots have taken place thus far.. All critical posts have been filled and the municipality received an unqualified audit. The conditional grant the municipality obtained was fully spent in accordance with the business plans in place. The eradication of fraud and corruption is an especially critical objective of the PGDS, and the municipality treats it with a no nonsense stance.

The municipality's governance is run in transparent, fair and accountable manner The anti-fraud and corruption strategy has been adopted. Ethic presentations have been presented by the relevant unit.. There is a hotline running and cases reported are investigated. The municipality also ensures that it fast tracks disciplinary processes for effective consequences of engaging in fraudulent and corrupt activities. The municipality further releases statistics for fraudulent cases.

It must be mentioned that RNM has over the years ensured a swift, fair and efficient action is being taken to conclude all investigations into alleged fraudulent and corrupt activities. The SCM is run in a very transparent and effective manner. The monitoring and auctioning of irregular and unauthorised expenditure has been improved.

As a service delivery entity, RNM aligns to objective 6 which talks to promoting participative, facilitate and accountable governance. The municipality fully accounts to its communities and engages in various platforms as listed earlier in the KPA.

In the case of local economic development being cascaded down, the municipality has leveraged social partnerships in the form of forums where stakeholders and sector departments engage on economic development issues. Ward committees are full functional



and report on monthly basis on community deliberations. The Ugu District has a centralised development agency which is fully functional. The agency is promoting a more conducive environment for existing business and potential to realise the economic potential of each of the four local municipalities.

Table 35: Good Governance and Public Participation SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Ward committees are fully functional • Effective Municipal structures • Excellent task team Management • Internal audit and Risk Management in place <ul style="list-style-type: none"> • Excellent good governance • Strategies and policies adopted • Budget transparency • Functional Portfolio Committees • Operation Sukuma Sakhe fully functional • Amakhosi participate in Council 	<ul style="list-style-type: none"> • Little alignment of IDP and the other Ugu Municipality family • Vacancy rate high • Poor attendance of Sector Departments in War Rooms
Opportunities	Threats
<ul style="list-style-type: none"> • Improved flagship program • Improved functionality of the District's Planners Forum • Excellent Public participation mechanisms • Municipal Structures in place 	<ul style="list-style-type: none"> • Poor participation of sector Departments in IDP Forums • Some wards are deprived and other semi deprived • Service Delivery Improvement Plan not in place

4.5 Basic Service Delivery and Infrastructure

4.5.1 Water

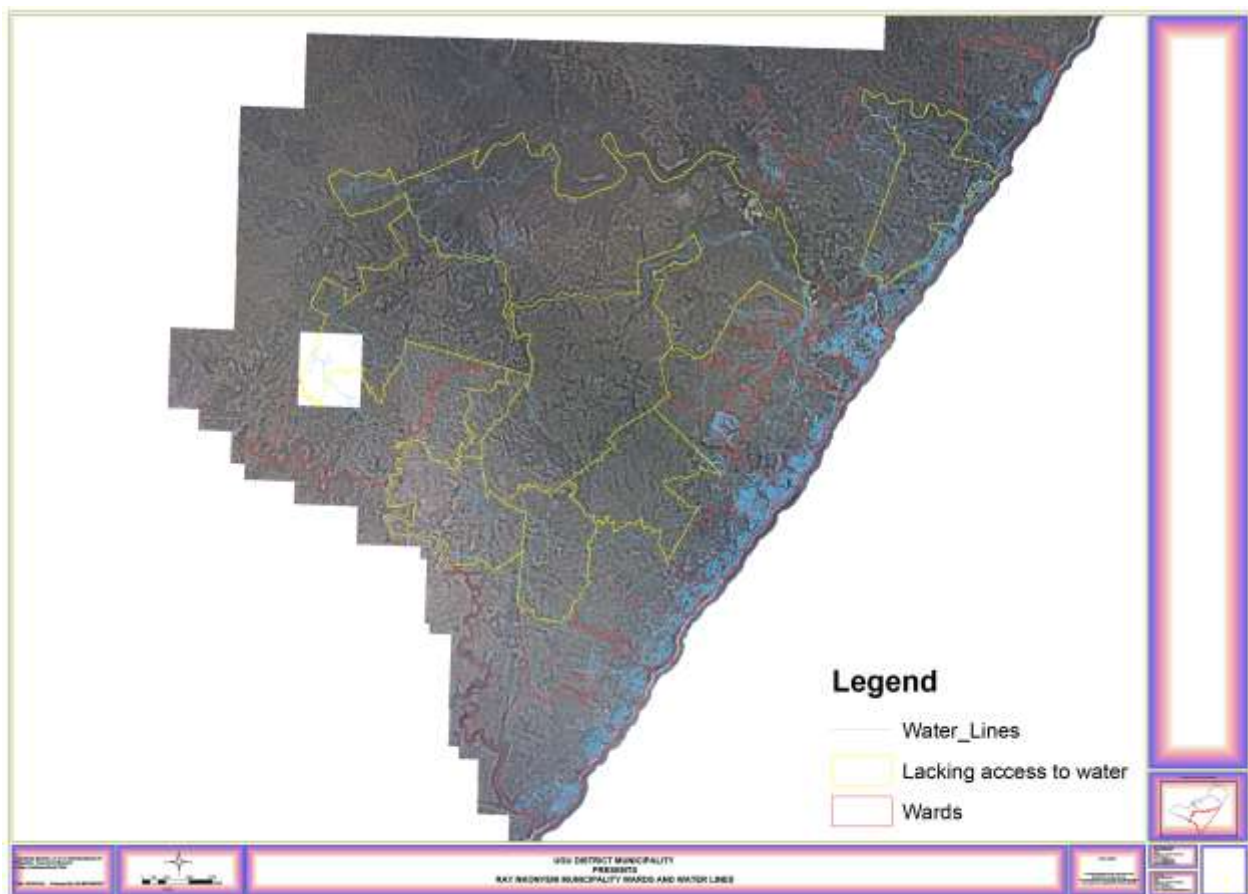
The provision of water services is the responsibility of Ugu District. This includes the delivery of bulk sanitation infrastructure such as the waste water treatment plants. Most of the treatment plant facilities are owned and managed by the Ugu District Municipality other treatment plants are privately owned and managed. There are several pump stations in the reticulated areas whilst waste water treatment plants are generally located inland of the coastal strip. The District does not have the WSDP hence there is no Operations and Maintenance Plan for water and sanitation.

In South Africa, water and sanitization related problems are major causes of hospital admissions and deaths. These diseases include dysentery, cholera, typhoid and acute diarrhea as well as bilharzia. The Ugu District's Environmental Health Department ensures that its waters are not contaminated and is closely monitored.



4.5.1.1 Areas that lack access to water

Within RNM, the number of households without access to water is estimated at 10 873 which makes up 13% of the population. The municipality noted that there are still backlogs in terms of clean water provision to some areas in rural areas. The wards with the biggest clean water backlog is ward 8, 15, 29, 30, 31, 32, 34 and 35. The other wards with hardship in terms of water access are wards 4, 27, 33 and 36. These households use spring, dam and rivers as sources of water and are prone to a number of water borne diseases. The municipality has also made provision of water tankers to supply water to those communities with little or no access to water. In ward 34, reticulation has been done but the taps still stand dry due to the termination of the contractor who was on site and this has resulted in delays. Phae 2 at KwaNyuswa has been completed, but still no water. This is due to drought and power failures. In ward 35 at Mthimude, infrastructure has been completed but the problem is the source where water can be drawn. A large part of KwaXolo and ward 29 is not piped and electricity is erratic hence power failure. Capacity is not sufficient. The infrastructure needs to be upgraded as well. A greater part of wards 30 & 32 infrastructure is there, but there is no capacity and extensions due to population growth, hence no water. There is no capacity and sufficient extensions that will enable to meet the demand in ward 15, hence there is shortage of water supply. The Mhlabashana project is currently on and the supply of water will be restored in ward 4 and surroundings.





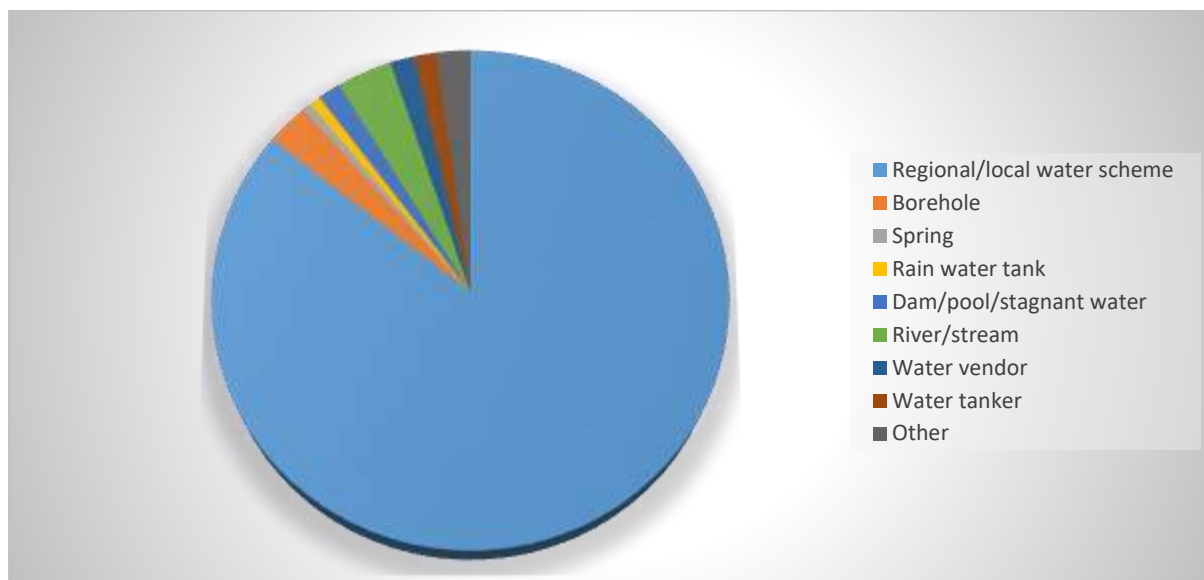
4.5.1.2 Sources of water

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

Ray Nkonyeni Municipality's households' access water using different sources as indicated in the graph below. A large percentage of households within the municipality have access to clean water.

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

Graph 11: Sources of water



Source: Statistics South Africa Community Survey 2016

4.5.1.3 Bulk Water Infrastructure

- The water supply zones in the municipality are defined as below however a further analysis is still required where a number of interconnections exist to allow certain areas to be supplied from more than one bulk supply source. Ugu District Water Services Development Plan (WSDP) was prepared in 2008 and as such is due for review. The water supply to the District is derived from dams, rivers, ground water and bulk purchases from Umgeni Water. The northern coastal strip (i.e. Craigburn, Umzinto and Umtwalume) is serviced by potable water purchased in bulk by Ugu from Umgeni Water. The southern coastal strip is serviced by water extracted from a number of rivers and dams which is then treated at several of treatment plants owned by Ugu before being distributed. This plan noted that the major infrastructure for water that exists within Ugu District includes:
- Dams 4



- Pipelines 3 896 km (estimate)
- Reservoirs 150
- Pump Stations 120
- WTW 16; and
- WWTW 10

Ugu WSDP indicated that the rivers within the District Municipality have sufficient surplus flow to cater for the water demands for the foreseeable future. However some of the infrastructure needs to be upgraded to cater for the demand. The aging infrastructure and rising demands have resulted in Ugu District Municipality embarking on the Non-Revenue Water management programme to reduce water losses and new water project to meet the demand. The Umzimkhulu augmentation and South Coast bulk pipeline are now at implementation stage with other programmes provided for in the next year's indigents. Below is a map showing the bulk water infrastructure.

Map 25: Bulk water Infrastructure



Source: RNM GIS 2018

4.5.1.4 Bulk Sewerage

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



4.5.2 Access to sanitation

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

Table 36: Main Type of toilet facility

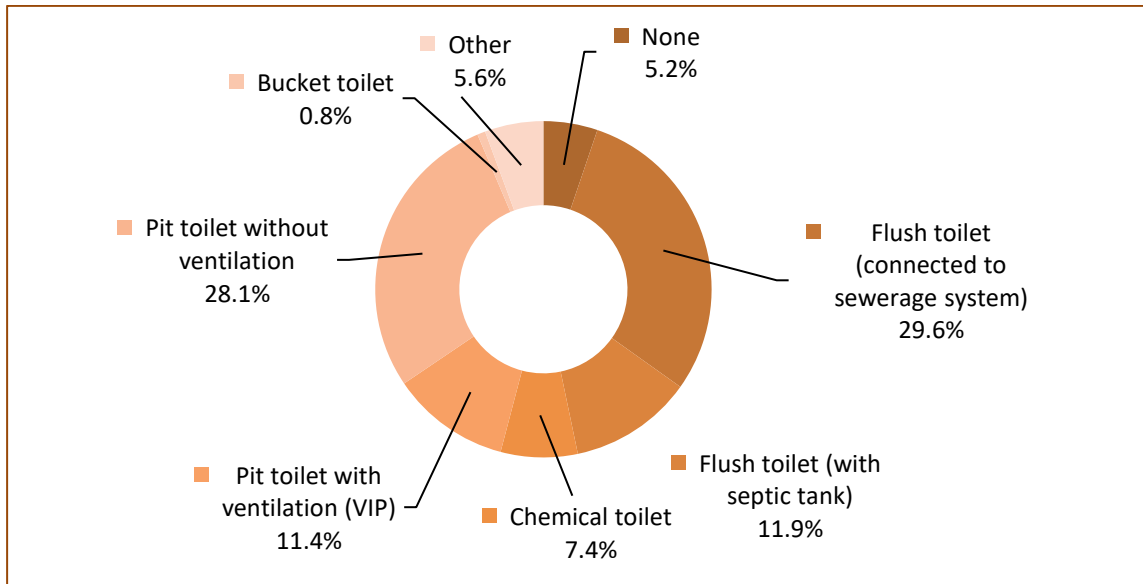
Main type of toilet facility used	Flush	Chemical	Pit / Other	None
Local municipality 2016				
KZN212 : Umdoni	28.1	15.8	51	5
KZN213 : Umzumbe	2.7	15.3	79.4	2.4
KZN214 : uMuziwabantu	9.2	11	78.4	1.5
KZN216 : Ray Nkonyeni	32.9	2.6	59.1	5.3
Ugu	24.3	8.3	63.2	4.3

Source: Statistics South Africa Community Survey 2016

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



Graph 16: Types of sanitation



Statistics South Africa Community Survey 2016

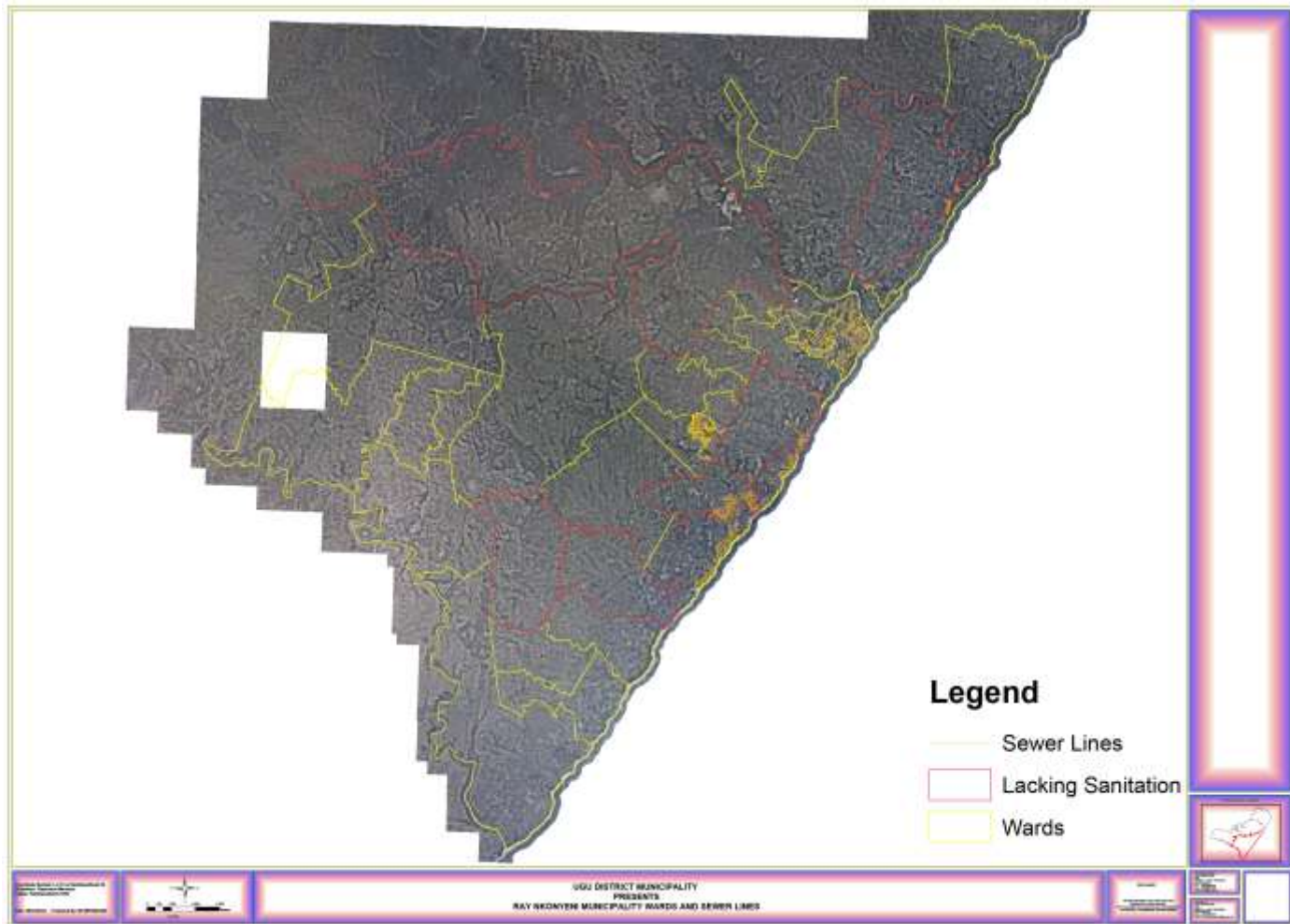
- Ugu Water Services Development Plan estimates that R 2, 1 billion is required to meet the waterborne sanitation backlog between Sezela, Umtentweni, Southbroom and Port Edward. The existing sewerage reticulation, pump stations and treatment works infrastructure was assessed in 2004/2005 to be in need of refurbishment requiring R120 Million. To date a total of R 30 Million has been invested in this area resulting in a number of the beaches retaining their Blue Flag status. The water borne sanitation programme was assessed and a master plan developed for the whole district. The first phase of prioritise areas will be undertaken in the next two years against a R100m loan facility.

4.5.2.1 Areas lacking sanitation

It must be noted that Ray Nkonyeni Municipality as a whole(rural areas) will be covered under the business plan that the District currently has for the roll out of VIP toilets which is at a tender stage, hence many areas are still listed as without proper sanitation.

Approximately 14 493 households do not have access to sanitation facilities within the appropriate standards. This makes up 17% of the total population within Ray Nkonyeni Municipality. Ward 8 and 15 have the highest sanitation backlogs. These are followed by ward 3, 6, 7 and 34.

Below is a map that show the number of households within the above mentioned areas with no access to sanitation.





4.5.3 Solid Waste Management

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

- Reduce, Reuse, Recycle ,Treat and Dispose

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

4.5.3.1 Integrated Waste Management Plan

Ray Nkonyeni has an Integrated Waste Management Plan was reviewed and adopted in 2017. The plan focuses on the management of general waste generated by the major centres of the municipality. The municipality is responsible for waste collection. The Integrated Waste Management Plan (IWMP) focuses on waste recycling and refuse removal of household solid waste, business and industrial waste, as well as development and management of garden refuse stations.

The current status is as follows:

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

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

The IWMP further investigates the number of registered landfill sites and their lifespan, need for new sites, extension of service and rehabilitation. The plan will expose other means of extending the service to rural communities in a cost effective and coordinated manner. Waste disposal methods are alternatives and will be explored and working for waste programmes. Waste minimization, promotion of environmentally friendly waste management practices, efficient waste management and improved service delivery mechanisms are also practised. The IWMP allows for EIA to be conducted where necessary and covers all aspects of environmentally friendly practices. The IWMP covers options that are mainly environmentally friendly. The IWMP is partially being implemented with the available budget.

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

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



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

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

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

It should be noted that there are seven drop off facilities to cater for areas that do not have bag projects. New recycling initiatives within industrial sector and composting are still under investigation. Below is a map indicating the location of these initiatives.

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

4.5.3.2 Refuse removal and landfill

Oatlands Landfill site is the only registered site within the municipality. It has an estimated twenty (20) years airspace remaining. All collected waste within the municipality is disposed off at Oatlands. Waste collection zones are in Hibberden, Port Shepstone, Margate, Ezinqoleni, Sea Park, Port Edward, Sunwhich Port South Port and other coastal settlements. The municipality plans to extend the waste removal service to rural areas. There are two unregistered landfill sites within the municipality and these sites are located at Umtentweni and Hibberdene.

4.5.3.3 Status of waste collection services

The municipality conducts a level 4 service for the coastal areas and a level 3/4 in 21 other wards that are densely populated areas/townships. The combined level of service comprises both awareness campaigns, supervision and provision of refuse bags with recyclable waste collected. Up liftment frequencies range from weekly to quarterly. The coverage of service delivery is thus 69.4% of the municipality. The map on the following page show the level of waste collection in different parts of the municipality.

4.5.3.4 Basic refuse removal service

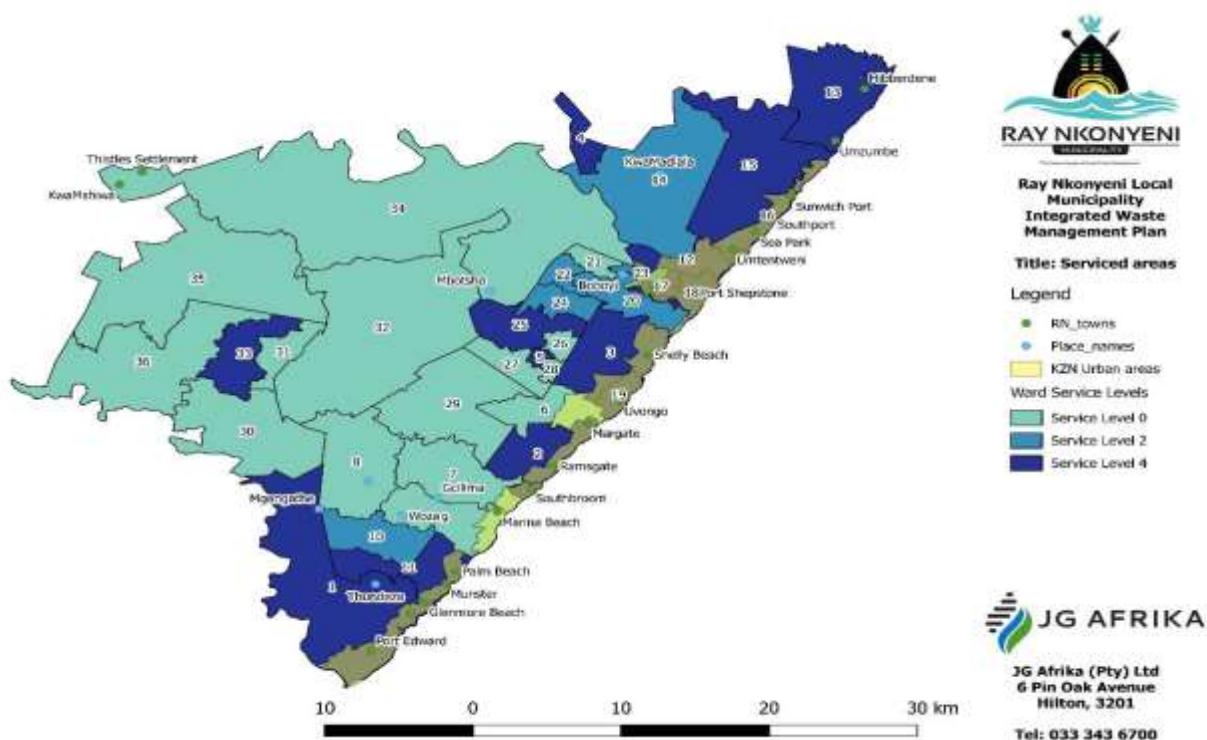
The Basic refuse removal policy give guidance on collection of refuse for households in the jurisdiction of the municipality. It should be noted that on-site disposal is an option where travelling distances and the resulting costs may render regular waste collection services impractical hence the recorded 2393 households with no access to refuse collection services is not a major factor.

4.5.3.5 Waste collection backlog and needs

- Bho bhoyi
- Murchison
- Qina bout and Kwa Xaba
- Gcilima

In rural areas of the municipality, waste and dumping is not controlled and when heavy rains come, the refuse is washed into rivers resulting in diseases for those communities drinking the running water. The number of households which have no refuse removal at all have been increasing throughout the years but saw a decline in the last few years. However, there are programmes that are still underway aimed at addressing rural areas in terms of collecting refuse because currently there is none. This suggests that in-migration is not only from rural to urban, but population growth is rural areas as well.

Map 18: Waste collection in rural areas





4.5.3.7 Waste types and quantities

A study conducted in 2012 at the Oatlands weighbridge data show that:

- Domestic/Commercial waste was 61% of the total waste collected;
- The total recyclable content is 11.6%;
- Industrial waste was highly recoverable at ~22%;
- Industrial waste was dominated by polystyrene, polypropylene nets and K4-cardboard (packaging materials).
- Paper and plastic recyclables dominated the recyclable composition
- Commercial centres have room for improvement (e.g. The South Coast Shopping Centre yielded 100% recoverable waste material)

4.5.3.8 Waste recycling, treatment and disposal

Recycling programmes have been developed by the municipality using a separation at source program and voluntary drop-off centres. The process begins with a two-bag system for kerbside collection. Recyclables are placed in clear bags and collected separately from black non-recyclable bags. Clear bags are sent to Ravine Lane Recycling/Buy-Back Centre where further separation / baling is carried out by a private enterprise. Additionally, seven drop off centres are available for the public to NWMS goals for waste management in South Africa state that waste can be reusable. Ray Nkonyeni fully adheres to these goals.

Re-use of a “waste” removes it from the waste stream for use in a similar or different purpose without changing its form or properties. After re-use comes the recycling of waste, which involves separating articles from the waste stream and processing them as products or raw materials.

It results in the diversion of materials that still have useful physical or chemical properties, out of the waste stream. These can then be used to replace raw, or virgin materials in product manufacturing. The objective of recycling is to save resources and reduce the environmental impact, by reducing the amount of waste disposed at landfills.

The illustration below is a summary of the information above.





4.5.3.9 IWMP Achievements

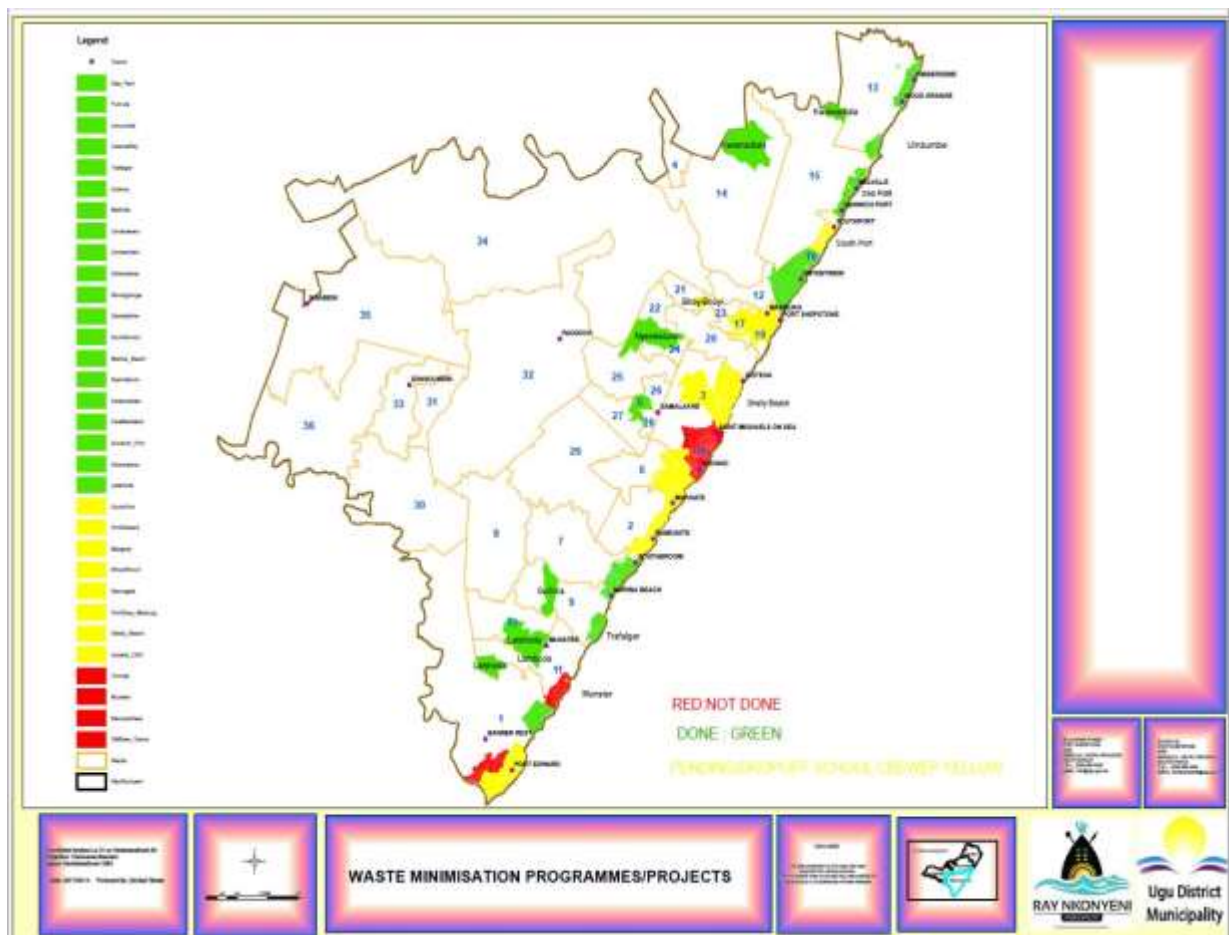
The municipality has expanded on the recycling programme through the

- Two bag project and
- The development of drop off facilities
- Central collection: The municipality deploys skips to various commercial/business areas to facilitate collection of business waste. In total, the Municipality deploys up to 147 skips ex Depot 2.

Wheelie bins are owned by the municipality and are distributed to companies for use. No information has been provided as to the number or placement thereof. A component of this is an education program that relates to controlled disposal and collection.

Below is the Bag project and Drop off facility map (Waste Minimisation Projects)

Map 19: Waste Minimisation Projects





4.5.4 Human Settlement



The Municipality has a Human Settlement Sector Plan([see human settlement sector Plan attachment](#)) which is a 13 year plan (2017-2030). The Human settlement Plan is reviewed / updated annually, which is aligned to the Provincial Human Settlement Spatial Master Plan. It reflects on the policy framework, the democratic profile, the spatial and environmental context, institutional assessments, housing needs and supply, human settlement development strategy and implementation.

The Municipality is accredited in terms of level 1 housing function (subsidy budget planning and allocation) but is also performing the level 2 tasks which involves programme management and contracts administration. The aim is also to have a project pipe line (five year plan) to roll out housing projects to meet its housing need and ensure the creation of integrated, sustainable human settlement development.

In terms of the Implementation Protocol agreement (level 1) concluded between the Provincial Department of Human Settlements and Ray Nkonyeni Municipality, the Municipality is implementing the following housing programmes:

- Rural housing programme,
- Greenfield housing programme,
- Informal settlement upgrading programme
- Finance linked individual subsidy programme,
- Housing rectification programme.

The Municipality is also required to get involved on the following housing programmes:

- Assistance of Military Veterans
- Emergency Assistance (Sukumasakhe / Disaster related housing)
- Social Housing (Rental Stock)
- Community Residential Units
- Catalytic Projects
- Rental Tribunal Information Office
- Prevention of Land Invasions & emergence of new informal settlements
- Site & Services



Masinenge

Ray Nkonyeni Municipality is proud to announce that it fully adheres to the State of the Nation Address (SONA) 2019 pertaining human settlements issues. The Municipality, amongst what it has adhered to from the President's address, are the following:

- It has strategically located land to address human settlements needs in both urban and Peri-urban areas.
- The Municipality is building human settlements in well located areas that bring together economic opportunities and all the services and amenities that people need
- The Municipality is meeting its set targets of building sustainable human settlements

The roll out of housing programmes/ project is largely, dependent on the provision of Human Settlement Grant funding from the Provincial Department of Human Settlement, performance of Implementing Agents, Contractors, developable land & bulk Infrastructure availability. Arising from recent policy directives from the Provincial Department due to fiscal challenges all housing projects approved for implementation will be phased at 500 units at a time (per project) .

The Implementation of this policy directive will result in increased number of projects and thus benefiting more contractors i.e. set targets from both National and Provincial Spheres with regard to Youth, Women and Military Veterans, emerging entrepreneurs would be relatively achieved.

In terms of monitoring and evaluation of human settlement projects, the Municipality has monthly service delivery meetings with Implementing Agents and the meetings are also attended by officials from the PDoHS. Also monitoring takes place at the Technical Services meetings and IDP forum of the Municipality. In terms of establishing its housing need, the Municipality is shortly to roll out its Housing Needs Register which will assist the Municipality for future planning and budgeting.

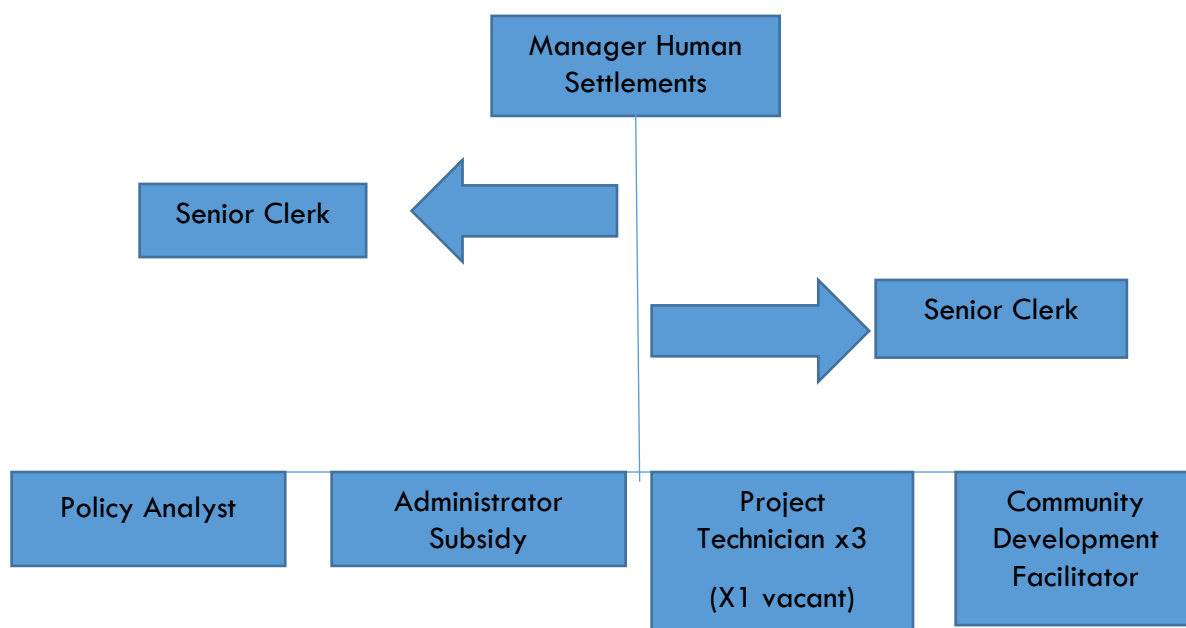
Bulk infrastructure services / funding is provided by Ugu District Municipality via MIG funding whilst internal reticulation services are provided through Human Settlement Development Grant funding from the PDoHS.

4.5.4.1 Human Settlement Organogram

The Human Settlement Unit falls under the Technical Services Department. The Unit is headed by a manager and has a staff of seven (7) with one vacancy. The unit basically ensures that all human settlement projects within the municipality are undertaken to meet the legislation requirement



which stipulates that all people have a right to shelter. Below is the adopted organogram of the Unit.



4.5.4.2 Number of projects in terms of the different housing programmes

PROGRAMMES	TOTAL NUMBER OF PROJECTS	STAGES
Rural Housing Programme	16 projects	6 at planning stage 10 at implementation stage
Informal Settlement Upgrading	3 projects	1 at planning stage 2 at implementation
Greenfield Housing Programme	3 projects	1 at planning stage 2 at implementation
Financed linked individual Subsidy Programme (FLIPS/Gap market)	2 projects	2 at concept/ feasibility stage
Rectification Programme	1 project	1 at implementation stage
Title Deed Restoraton Programme	5 project	comprising of 2546 sites
Integrated Residential Development Programme	8 land parcel	Identified land parcels for further development



4.4.4.3 Human Settlement Projects (Completed / Construction/Planning)

Table 37: Completed Human Settlements Projects

OLD PROJECTS FOR CLOSING OFF WITH TITLE DEED RESTORATION								
PROGRAMME	PROJECT	WARD	CLUSTER	PROJECT SIZE	TARGETS TO ACHIEVE			STATUS
					SERVICE SITES	TOP STRUCTURES	TITLE DEED	
Informal Settlement Upgrade (urban)	Louisiana	15	1	697	0	0	564	697 - sites serviced 564- top structures built. to initiate title deed programme
Greenfield Housing Programme (Urban)	Bhobhoyi Phase 1	20	3	711	0	0	427	711 - sites serviced 699- top structures built. to initiate title deed programme
Greenfield Housing Programme	KwaNzimakwe (PHP) KwaLatshoda	1	7	1 813	0	0	600	1813 sites serviced. 600- top structures built. Remaining units cannot be built due to bulk sanitation challenges/ road expansion (R61), to initiate title deed programme (600 units)
TOTAL				3221	0	0	1591	

4.5.4.4 Projects in Construction Phase

Table 38: Projects in construction Phase

PROJECTS IN THE CONSTRUCTION PHASE								
PROGRAMME	PROJECT	WARD	CLUSTER	PROJECT SIZE	TARGETS TO ACHIEVE			STATUS
					SERVICE SITES	TOP STRUCTURES	TITLE DEED	
Informal settlement upgrading (urban)	Masinenge (urban)	3	5	882	882	882	882	Provision of internal services ongoing. 103 top structures completed to date
Rural Housing Programme	Mthimude Phase 1	36	1	1000	0	1000	0	989 top structures



								completed. 11 sites have challenges to be addressed.
Rural Housing Programme	KwaMadlala	14	2	1000	0	1000	0	750 top structures completed . Balance of 250 still to be completed.
Rural Housing Programme	Oshabeni (Phase (1)	4 and 12	2	502	0	502	0	502 top structures completed
Rural Housing Programme	KwaNdwalane (deep rural)	24 and portions of wards 3, 20, 21, 22, and 23	3	1 000	0	1000	0	979 top structures completed. Balance of of 21 top structures still to be completed.
Rural Housing Programme	KwaNdwalane (Phase 2)	Portions of wards 20, 21, 22, and 23	3	500	0	500	0	110 top structures completed. Balance of 390 still to be completed.
Informal settlement upgrading	Gamalakhe (insitu-upgrade)	Portions of wards 25, 26, 27, and 28	4	500	0	500	0	Construction for Phase 1 approved out of 2000 units. 70 units have be upgraded. Balance of 430 still to be undertaken.
Rural Housing Programme	KwaMavundla	17, 20, 25, 26 & 27	2, 3 & 4	1104	0	4	0	1100- top structures built. Balance of 4 top structures still to be undertaken.
Rural Housing Programme	KwaXolo (Phase 1)	7 and 9	6	1000	0	1000	0	977 top structures completed. 23 sites with challenges
Rural Housing Programme	KwaXolo Phase 2.	5, 8, and 32	6	1000	0	1000	0	920 top structures completed. 180 top structures



								still to be undertaken.
Rural Housing Programme	KwaNzimakwe Phase 1.	8, 10 and 11	7	500	0	500	0	498 top structures completed. Balance of 2 top structures still to be undertaken.
Rectification - Pre- 1994	Gamalakhe Rectification	26 and 28	4	273	0	273	0	177 top structures have been rectified to date.
Mixed income housing	Merlewood			228	228	228	228	137 top structures have been completed. 37 sites unbuildable . Bulk infrastructure challenges to some sites (water) currently being addressed .
TOTAL				8489	1110	11389	1110	

4.5.4.5 Projects in the Planning Phase

Table 39: Projects in the Planning Phase

PROJECTS IN THE PLANNING PHASE						
PROGRAMME	PROJECT	WARD	CLUSTER	PROJECT SIZE	PHASED APPROACH	STATUS
Informal settlement upgrading (urban)	Mkholombe	20	3	1000	Phase 1 (500 units) Phase 2 (500 units)	Mixed housing opportunities to be provided. Detailed studies being carried out. PDoHS has committed funding in 2019/2020 financial year to initiate planning.
Rural Housing Programme	KwaNyuswa Phase 2 - WoSiyane /Nkulu	34	1	1000	Phase 1 (500 units) Phase 2 (500 units)	Implement Agent Appointed. Tranche 1 application submitted to the PDoHS . Decision awaited.
Rural Housing Programme	KwaNyuswa Phase 2 - Bloese	35	1	1000	Phase 1 (500 units) Phase 2 (500 units)	Implementing Agent appointed. Tranche 1 application submitted. Project will be phased (500 units) In the 2019/2020 financial year the PDoHS has committed funding to undertake Tranche 1.
Rural Housing Programme	Mthimude Phase 2- Hlomendlini /Bhosiki	35	1	1000	Phase 1 (500 units) Phase 2 (500 units)	Implementing Agent appointed. Tranche 1 application submitted. Project will be



						phased (500 units). In the 2019/2020 financial year the PDoHS has committed funding to undertake Tranche 1.
Rural Housing Programme	Mthimude Phase 2- Shibe	35	1	1000	Phase 1 (500 units) Phase 2 (500 units)	Implementing Agent appointed. Tranche 1 application submitted. Project will be phased (500 units). In the 2019/2020 financial year the PDoHS has committed funding to undertake Tranche 1.
Rural Housing Programme	Vukuzithathe Phase 3- Ngawusheni / Bdlazi	30	1	1000	Phase 1 (500 units) Phase 2 (500 units)	Implementing Agent appointed. Tranche 1 application submitted. Project will be phased (500 units). In the 2019/2020 financial year the PDoHS has committed funding to undertake Tranche 1.
Rural Housing Programme	Vukuzithathe Phase 3- Bandlana /Shobashobane	30,31 and 33	1	1000	Phase 1 (500 units) Phase 2 (500 units)	Implementing Agent appointed. Tranche 1 application Package is currently being finalised for submission to the PDoHS. Project will be phased (500 units)
Greenfield housing programme	Merlewood middle income housing	17	2	187	n/a	Provision of mixed income housing opportunities with different housing typologies and densities. Still under planning.
Greenfield housing programme	Lot 7 Albersville	12	2	40	n/a	Provision of mixed income housing opportunities with different housing typologies and densities. Project is currently on hold due to land dispute between beneficiary community
Greenfield housing programme	Bhobhoi Phase 2			1098	n/a	Awaiting bulk infrastructure provision by Ugu district Municipality.
IRDP- Mixed Income Housing	Marburg settlement (5344)	20	6	144	n/a	Provision of mixed income housing with 20 sites reserved for Military Veteran. Consultants busy will programme
FLIP/ individual subsidy programme	Disposal of Council owned Serviced Sites in various areas	12,17 and 18	6 & 7	350	n/a	Provision of mixed income housing opportunities with different housing typologies and densities. Consultants busy will programme
IRDP-Mixed Income Housing	Sunrise Bay- Lot 1561- Shelly Beach	3	4	300	n/a	Provision of mixed income housing opportunities with different housing typologies and densities. Busy with land acquisition.
IRDP Mixed income Housing	Portion 15 (of 17) Portion 16 (of 7) and the remainder of 7 of the farm Success no 7108	22	5	281	n/a	Provision of mixed income housing opportunities with different housing typologies and densities. Land was acquired by the PDOHS for the Municipality. Land in ownership of the Municipality.



Social and Rental Housing	Marburg (erven 4939 & 4941). Uvongo (erf 1675)	12,17,18 &19	2	2000	Will follow a phased approach	Identified Area has been gazetted as restructuring zones. Provision of approximately mixed income housing opportunities with different typology & densities. Land portion 4939 (500 units)– feasibility study is currently being undertaken by consultants appointed by SHRA.
TOTAL				11577		Housing opportunities to be created.

4.5.5 Energy

Ray Nkonyeni Municipality holds an electricity distribution licence, number NER/D/KZ216 from NERSA. There has been a sectoral alignment between the municipality and Eskom as the National Service Provider was achieved. Eskom supplies electricity to most areas within the licensed distribution area which includes Port Shepstone, Albersville, Oslo Beach, Marburg Industrial, Mbango, Newtown and Mbango Valley areas, which is supplied by Ray Nkonyeni Municipality. Census data reveals that approximately 96% of the municipality's population has access to electricity. Other sources of energy include candles, paraffin, solar and gas.

KwaZulu Natal has thirty municipalities who are licensed electricity distributors, and Ray Nkonyeni Municipality is one of them. There are two Eskom bulk supply points at the Eskom Marburg switching station located in Marburg and the Eskom Port Shepstone 1X20MVA 132/11kV substation located in Albersville; with a total installed capacity of 25 MVA. It must be noted that Port Shepstone area is exceeding the maximum demand and an application is in process to increase notified maximum demand.

4.5.5.1 Electricity Infrastructure Master Plan

The Council Meeting of 27 March 2018, approved the Electricity Master Plan which details the implementation of the short-term to medium-term projects. The electricity infrastructure master plan contains the technical and financial findings of the status quo of the electricity network operations and condition assessment of the network infrastructure. The short to medium term master plan was formulated. For the long-term, municipal SDF vs. environmental sensitive information – works involved and costs involved should take into consideration increase the municipal areas of supply, engagements to take place between all relevant stakeholders, including NERSA, Eskom and Ray Nkonyeni.

4.5.5.2 Overview of Electricity Network Infrastructure

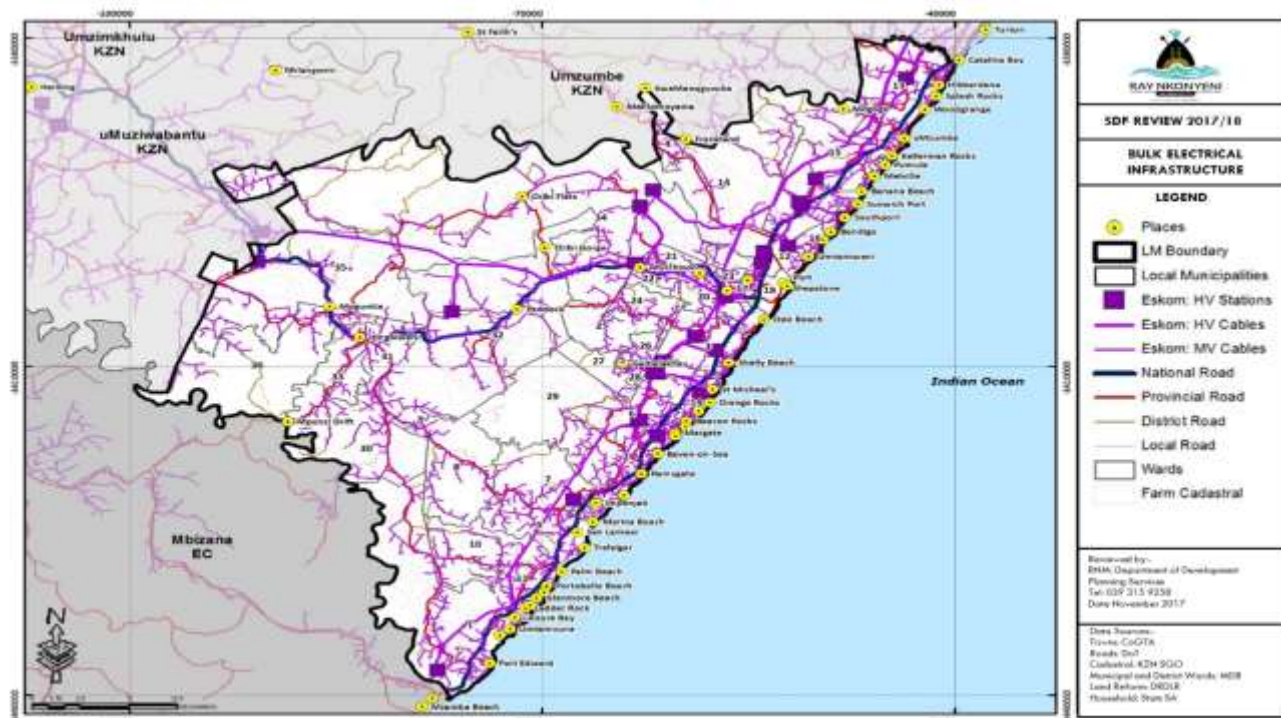
Ray Nkonyeni Local Municipality's electrical reticulation network consists of the following:

- Two major 11kV switch stations, that is, Reynolds and Memorial switch stations housing 11kV switchboard and switchgear equipment, power factor equipment, DC batteries and battery tripping units.
- Medium-voltage network is mainly underground cabling network
- 11kV built substations buildings
- 11kV/400V mini-substations
- Low-voltage cabling network
- Interconnector between Port Shepstone Substation and Marburg Switching Station is currently not operational, this link is required to provide redundancy on the distribution network and allow for back feeding.



4.5.5.3 Bulk Electric Infrastructure

Map 30: Bulk Infrastructure



Source:RNM GIS 2018

4.5.5.4 Electricity supply points to Ray Nkonyeni distribution network

Ray Nkonyeni Municipality purchases electricity in bulk from Eskom at supply voltage of 11kV, there are two Eskom supply points, Port Shepstone Substation and Marburg. The Port Shepstone electricity network is constrained, with future load requirements in Port Shepstone and the surrounding areas increasing rapidly as a result of new office and commercial developments that are taking place in the area. New customer applications and new developments within the Port Shepstone distribution areas require additional capacity up to 10MVA in the short to medium-term.

4.5.5.5 Short-term to Medium-term Projects Implementation

The electricity master plan identified projects for short-term to medium-term implementation, as follows:

- Notified maximum demand increase at the Port Shepstone Substation
The project objectives and benefits of increasing the notified maximum demand at the Port Shepstone substation is to eliminate Eskom penalties due to exceedance of the actual maximum demand. In the medium-term, to supply electricity to new developments that are underway in Port Shepstone.
- Memorial and Reynolds Switching Stations Refurbishments
The project objective is to refurbish the ageing electricity infrastructure assets, the main switching stations.



- iii. Re-instatement of Power Factor Correction on network
The objective of this project is to design and re-instate the power factor correction equipment, to introduce capacitance in order to correct the power factor to be within acceptable range of 0,96.
- iv. Electricity Tariff Re-design
The aims of this project will be to optimize the electricity tariff structure for the municipality to be aligned to Nersa benchmark tariffs.
- v. Electricity Meters audit and Land-Use Audit
The project objectives will be to decrease non-technical system losses and result in increased revenue for the municipality.
- vi. Memorial and Reynolds Switch-board Refurbishment
The project objectives is the replacement of old, obsolete switchboard at Memorial and Reynolds switching stations with new technology switchboards and switchgear.
- vii. Establish 11kV Interconnector between Marburg Switching Station and Port Shepstone Substation and Replacement
The project objectives is to link the two points of supply on 11kV side, this will create redundancy in supply and thus increase reliability of electricity supply for municipal customers. The interconnector can also allow for switching of loads between the two substations.
- viii. Billing Audit
The objectives of this project will be to ensure that each consumer is classified by consumer type and the correct electricity tariff can be applied, thus likely to result in increased revenue.
- ix. Electricity network infrastructure replacement
The objectives of this project is to replace old, ageing network infrastructure with new equipment, to ensure reliability of supply.
- x. Centralized Network Control Centre
The objectives of this project is to establish a centralized control room for electrical network control and monitoring.
- xi. Electrification Projects Implementation
The projects objective is to eliminate the electrification backlog within the municipal wards.
- xii. Establishment of new Oslo Beach Sub-station

4.5.5.6 Operations and Maintenance Plan

The municipality does not have an Operations Plan. It still has to find out if it must be developed by the Department of Energy. When it comes to schedule 5B projects, the municipality's area of supply (Port Shepstone area) is fully connected. The entire municipality except Port Shepstone is supplied by Eskom. Some rural areas are still not yet connected, so the municipality liaises with those communities and report back to Eskom their findings, in terms of number of households. If Eskom has the capacity, the municipality is given a go ahead to design and adopt. In that case the programme of electricity supply commences. All its development is coordinated with Eskom as well contractors and service providers hired by the municipality.



4.5.5.7 Electricity Plan and Backlog

The municipality has a municipal wide electricity master plan which aims at eliminating the electrification backlog. Some rural communities still have an infrastructure backlog and there is an infills backlog. The municipality has rolled out a plan to ensure that all wards with backlog infills are attended to. There has been a budget allocated for projects implementation from pre-engineering up to project construction.

Below is a list of wards and an indication of projects under planning and design and those under construction. Electrification is funded via the Integrated National Electrification Programme (INEP) Grant Funding from the National Department of Energy. The grant funding allocation for 2017/18 is R14 million.

Pre-marketing and site investigations were done and it was identified that there is a total backlog of 8 772 infills and new electricity connections for households within the Ray Nkonyeni Municipality wards. Of these, 754 connections are on constrained networks and depend on Eskom network upgrades and strengthening projects, and these have been handed over to Eskom for implementation. Designs have been completed and are approved for a total of 2 355 connections, and projects are ready for construction. Electrification projects are under construction for 1 728 connections. Below is a list of wards with the total number of connections, and it must be noted that RNM has electrification backlogs in rural areas only.



Table 40: Electrification Plan and Backlog:

WARD NO.		AREAS	TOTAL NO. CONNECTIONS	PROJECT STATUS
3		Masinenge Phase 1	354	Under construction by Eskom
3		Masinenge Phase 2	535	To be implemented by Eskom
4		Oshabeni	293	Design stage
5		KwaNzimakwe	267	Ready for construction
7		Gcilima	144	Ready for construction
8		Enkuthameni, Emphelele, Ibhazabhaza. Okhalweni, Bulalinja	442	Ready for construction
9		Various areas	175	Ready for construction
10		Braemar, Nompondo, Enkulu, Woza, Enkomeni, Dozameli	210	Ready for construction
11		Califonia , Ebuthongweni , Umgangathi, Thundeza, Ithongasi	188	Ready for construction
12		Various areas	28	Design stage
13		Stickfarm, Fairview	257	Ready for construction
14		KwaSilwane	250	Ready for construction
14		Denver, KwaMadlala	321	Ready for construction
15		Various areas (Chibini)	100	Ready for construction



		Louisiana	300	S1 connections by Eskom
17		Merlewood Phase	359	On hold – houses not ready
20		Bhobhoyi	176	Network constrained
21		Mdlanzi	113	Network constrained
22		Murchison	51	Network constrained
23		Dujazana	351	Network constrained
24		Bhomela	63	Network constrained
25		Qinabout , Madwaleni , Goso , Mavundla, Msikaba, Mveveni, Nsangwini, Nkulu, KwaXaba Okhalweni	700	Under construction
26		Ethangeni Ezitendeni Mthini Sideni	155	Under construction
27		Mqolombeni Mbhoshongweni College KwaXaba Nositha Sgedleni	280	Under construction
28		Tintown Besters	16	Planning stage
29		Mlonde, Bhashise, Mthombothi, Thelawayeka, Dingeton , Sunduza	244	Under construction
30		Mdlazii, Bandlane, Mdlazi, Goqosi Shoba, Dlovinga	551	Design stage
31		Mshweshwe, Izingolweni, Mbeni, Magidigidi	440	Design stage
32		Shibase Manzamhlophe Kwezi Phezulu Shobeni Sgundaneni Phansi Mgawulane Mthini Kheni	395	Design stage



33		Mbeni, Nkulu, KwaShoba, Shobashobane	276	Design stage
34		kwaNyuswa	131	Design stage
35		Shibe, Ndunu, Godloza, Celebane, Thuvukezi, Maromeni, Nteleni, Hlomendlini	312	Design stage
36		Mnikwe, Mlozane, Mthavuna, Phosheni, Mahlubini	295	Design stage
		TOTAL NO. CONNECTIONS	8 772	

Source: RNM Electricity unit

4.5.5.8 Eskom Schedule 6B electrification projects/progress is as follows:

PROJECTS FOR 2018/19

Project name	Ward Number	Project Type	Planned conns	Actual Conns	Project Status
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Mahlabathini #2(KwaNyusv	24	househo lds	59	20	Construction is 70% complete. Contractor will go back to site before end July to complete the balance of 39 connections outstanding. Delay of the project was due to additional funds required
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Current projects for 2019/20

Project name	Ward Number	Project type	Estimated costs		
Ward 27 Mqolombeni Ward 27 Mqolombeni Extension	4	Households	763	0	Awaiting design
Bulk extensions	Various extensions	Extensions	760	0	Awaiting design
TOTAL			153		

PROPOSED IDENTIFIED PROJECTS 2020/21

Project name	Project type	Ward number	Estimated conns
Masinenge #2	Household	5	230
extensions 2	Household extention	Various extensions	345
Ward 24 Bomela Extension	Households	24	206
TOTAL			781



IDENTIFIED PROJECTS

Project name	Project type	Ward number	Estimated conns
Latshoda	Household	1	558
Oshabeni Extension extension	Infills	4	310
Qinabout / Ezitendeni	Household	26	181
TOTAL			1049

SCHEDULE 5B PROGRESS

Project Name	BudgetYear	Estimated conns	Project status
Mntengwane	2016/17	51	Outage stage
Ward 5 Infills	2016/17	607	
Ward 1314&15 infills	2016/17	526	In construction phase
Nhlokoyenkomo, Nqabeni & Pi	2016/17	618	In construction phase
Qinabout/emthini	2016/17	526	In construction phase
Ward 27 infills (Nositha)	2016/17	264	In construction phase
	2016/17	231	



Nzimakwe			In construction phase
Oshabeni	2016/17	100	In construction phase
Ward 25&26 infills	2016/17	63	In construction phase
Bhobhoyi	2016/17	12	Outage Stage
GG Murchison	2016/17	100	Outage Stage
Kwamadlala/Denver	2016/17	321	In construction phase
Mlonde/Bhashibhe/Thelwayeka	2016/17	264	In construction phase
TOTAL		3683	

Challenges and way forward

- Electrification projects delayed due to lack of funds and designs readiness i.e. marketing.
- Funding challenges on Eskom infrastructure projects.
- Municipality to assist with marketing information with GPS coordinates where possible to fast track the program.
- Municipalities future electrification is mainly infills type 2 & 3, as well as new developments.
- Municipality and council to prioritize infills per ward and the office of the municipality to submit the electrification plan to Eskom

4.5.5.9 Alternative Energy

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



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

i. Service delivery priority areas

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

4.5.5.10 Community Facilities

The municipality boasts of the following community facilities which are fully functional:

- Community halls in all 36 wards
- 35 Sports fields and 4 Sports Complexes: The municipality has ensured that these sports fields have facilities, (changing rooms) are fenced.
- MPCCs and 10 Thusong centers
- 12 Operational Libraries : There are twelve (12) operational libraries in the urban areas including Gamalakhe Township, one (1) library at Kwa-Ndwalane Traditional Authority and five in land of the municipality are five mobile libraries with one fully fledged library at Kwa Ndwalane Tribal Authority and one at Izingolweni and Vukuzithathe Tribal Authority.
- 17 Recreational Parks
- 4 Public cemeteries and one private cemetery: The municipality has four public cemeteries, namely
 - Oslo Beach Cemetery
 - Port Shepstone Cemetery
 - Kwa Nositha Cemetery and
 - Margate Cemetery

All the cemeteries have either been closed as they have reached capacity or close to reaching capacity. Only KwaNositha is still having ample space. There is one private Cemetery within the municipality at Izotsha. There are no formal cemeteries in the rural areas hence the prevalence of on-site burials. There is a need to identify cemetery sites in the rural areas in line with the principle of environmental sustainability. The municipality does not have land to provide for more public cemeteries.

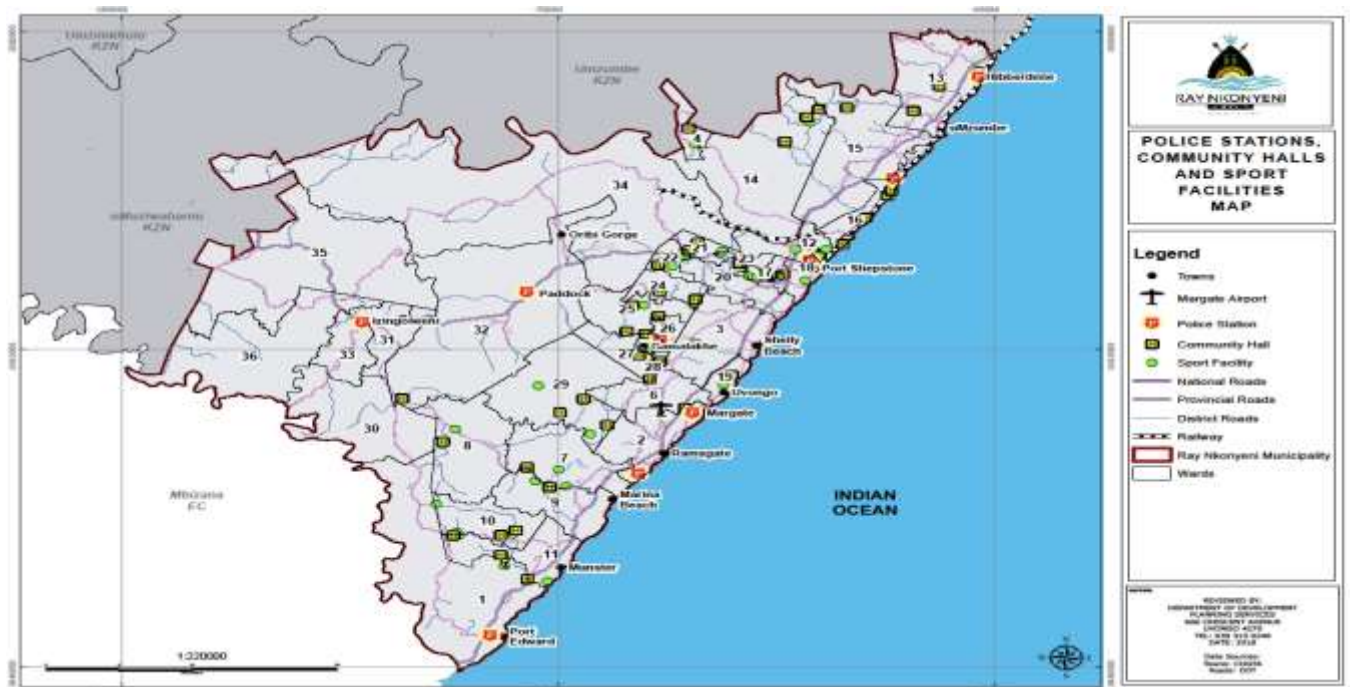
- 5 Mobile libraries

Both maps below show community facilities.





Map 32: Community Facilities

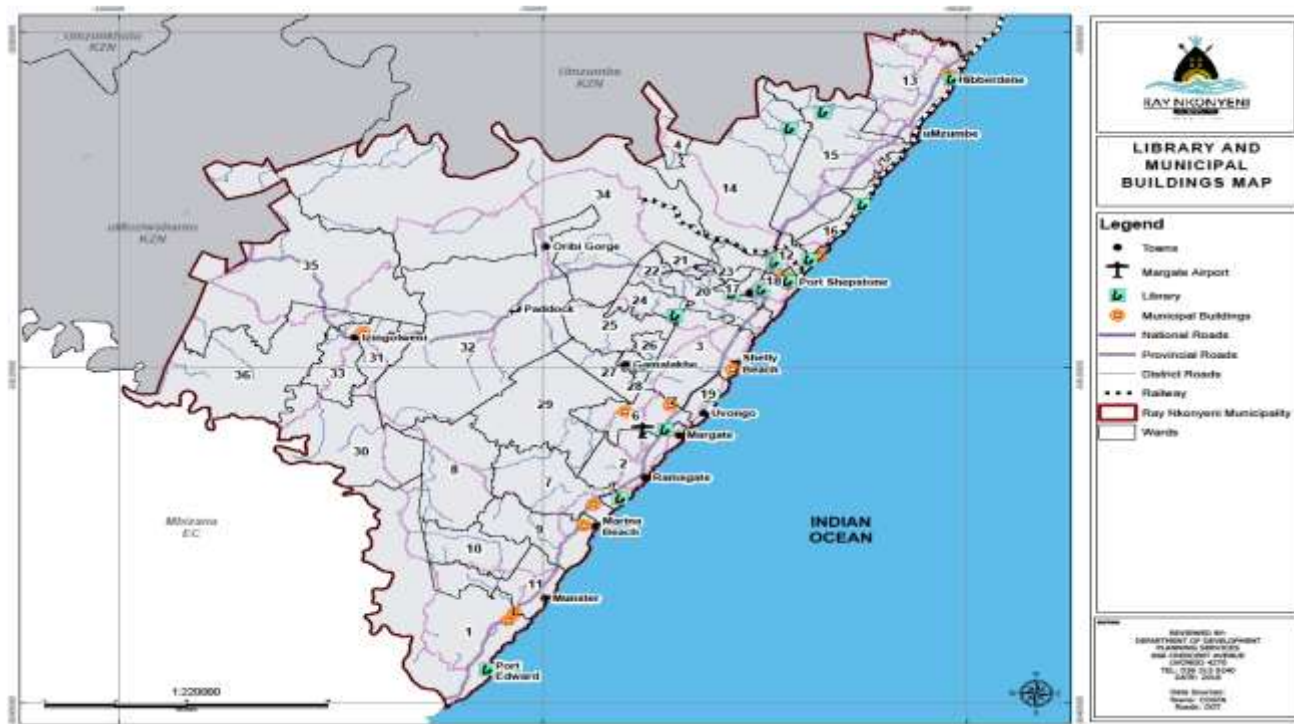




Source: RNM GIS 2018

Map 33: Community Facilities





Source: RNM GIS 2018

4.5.6 Transportation Infrastructure

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

Ray Nkonyeni Municipality only maintains the existing road networks in terms of potholes, black top and re-gravelling. It is not the mandate of the municipality to build roads from scratch, hence there is no Road Maintenance Plan. It must be noted that the road work maintenance covered by the municipality is based on complaints received from communities, and depend on the availability of budget. Other than complaints received from communities, the municipality does have a road work plan/ operational and maintenance plan as shown in the SDBIP.

As a requirement to have the Local Integrated Transport Plan, the municipality is currently engaging with the Department of Transport and sourcing funds to carry out the project. Probably in the 2020/2021 financial year, the municipality will be in a position to roll out the first phase of the project a sit requires huge funding.



The municipality is fairly covered with sound tarred and physical infrastructure and as areas utmost services are easily accessible to all residents albeit at varying scales with rural residents struggling to some extent. The point is, compared to other rural areas in the region and the other sister municipalities of Ugu, accessibility of RNM rural population fairs well. However, the maintenance of such infrastructure is what poses most challenges. There is also a serious problem of aging infrastructure especially on roads manifests itself in too much potholes. However, effective programmes to ensure that all roads are in safe driving conditions and are carried out appear in the SDBIP.

i. National Corridor: N2 and R61

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

ii. Primary Tourism Corridor: R102 and R602

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

iii. Secondary Corridors

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

iv. Tertiary Corridors

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

The following roads have been identified as the tertiary corridors:

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





v. Arterial Roads

- vi. There are arterial roads within the municipality that feed the main roads and mostly are predominately surfaced (black-top). From Port Shepstone to Margate along the sea is the Marine Drive road and it also runs parallel the R61 which runs down to Port Edward. A number of arterial roads link the coast to the hinterlands as well. Three arterial roads join the R102 before Port Shepstone, and the rest join the R61 and Marine Drive after Port Shepstone respectively. There are no arterial roads that join the N2. Following is a summary of main arterial roads that link the hinterland and the coastal towns.
- vii. The Station Road cuts through the hilly inland through Umzumbe, and join the R102 above the Umzumbe River
- viii. The Rathman Drive road runs from hilly inland and joins the R102 at Ntwentweni.
- ix. -Stephen Road cuts through KwaMadlala and joins R102 just before Mayville.
- x. The Izotsha road runs from St Michaels through the Izotsha corridor up through KwaNdwalane and further inland
- xi. -P200 road offramps from the N2 at Marburg past Gamalakhe into South Broom. This road is also a link to a number of farms doted along that area.
- xii. Louis Botha Avenue road off ramps from the R61 at Mpenjati through Kwa Nzimakwe tribal authority joining D869 further up.
- xiii. D 869 runs from Port Edward to Izingolweni
- xiv. Roads along the Coast belt are in a good state as compared to those in the interior, however, the biggest challenge is potholes, but they are currently being addressed. The rail road is dysfunctional. Modes of transport consist of public mini taxis, which are very dominant and highly used by the public; there are also buses which ferry commuters from their residential areas which are predominantly in rural area to towns where many are employed. Another mode of transport is the small cabs which operate between towns and the urban edge areas.
- xv. Most roads are in a deteriorating state both provincial and local roads, this can be contributed to lifespan of the existing road networks and somehow can be contributed to the lack of regular maintenance of the road network and the original substandard designs of these roads especially



access roads.

- xvi. Ray Nkonyeni Municipality talks to the SPLUMA principle of efficiency. There is optimization of the existing infrastructure resources. Inland is a proposed activity route that will run parallel the N2 from inland Hibberdene, cuts across the hinterland and join the connector route from Port Edward to Ezingoleni
- xvii. Most roads in the interior are gravel and make 1200km. There are very few tarred roads there. The gravel roads are timeously maintained by being graded though it has proven very costly for the Municipality. It should be noted that the Lower South Coast is prone to flooding, so during the rainy seasons most low level bridges are washed away and big pot holes appear on the roads, and this is quite expensive to repair.
- xviii. All Tarred roads make 750km altogether throughout the municipality, and most of these roads are found along the Coastal belt. New roads and bridges in rural areas need to be constructed and those that already exist need maintenance as most of them are in undesirable conditions and some are inaccessible during rainy days.

The map below illustrates the existing road infrastructure within Ray Nkonyeni Municipality

Map 34: Existing Road Infrastructure





Source: Department of Transport

Source:RNM GIS 2018

Transport Infrastructure

- i. **Air infrastructure:** the municipality has a vibrant air infrastructure situated at Margate. It was reopened in November 2013 and is fully operational. It currently is home to two airline companies, flying between the municipality, OR Tambo and Plattenberbay.
- ii. **Rail way Line infrastructure:**The railway infrastructure linking RNM to Umdoni is non-functional due to its dilapidated state.. Also the Banana express rail linking the southern part with Ezingoleni town is dysfunctional as well. In conclusion, the railway infrastructure has aged and being the second major transportation infrastructure to road infrastructure, talks between the municipality and PRASSA will commence to pave ways on how best to address the issue. The map below show the existing road infrastrure within the municipality.

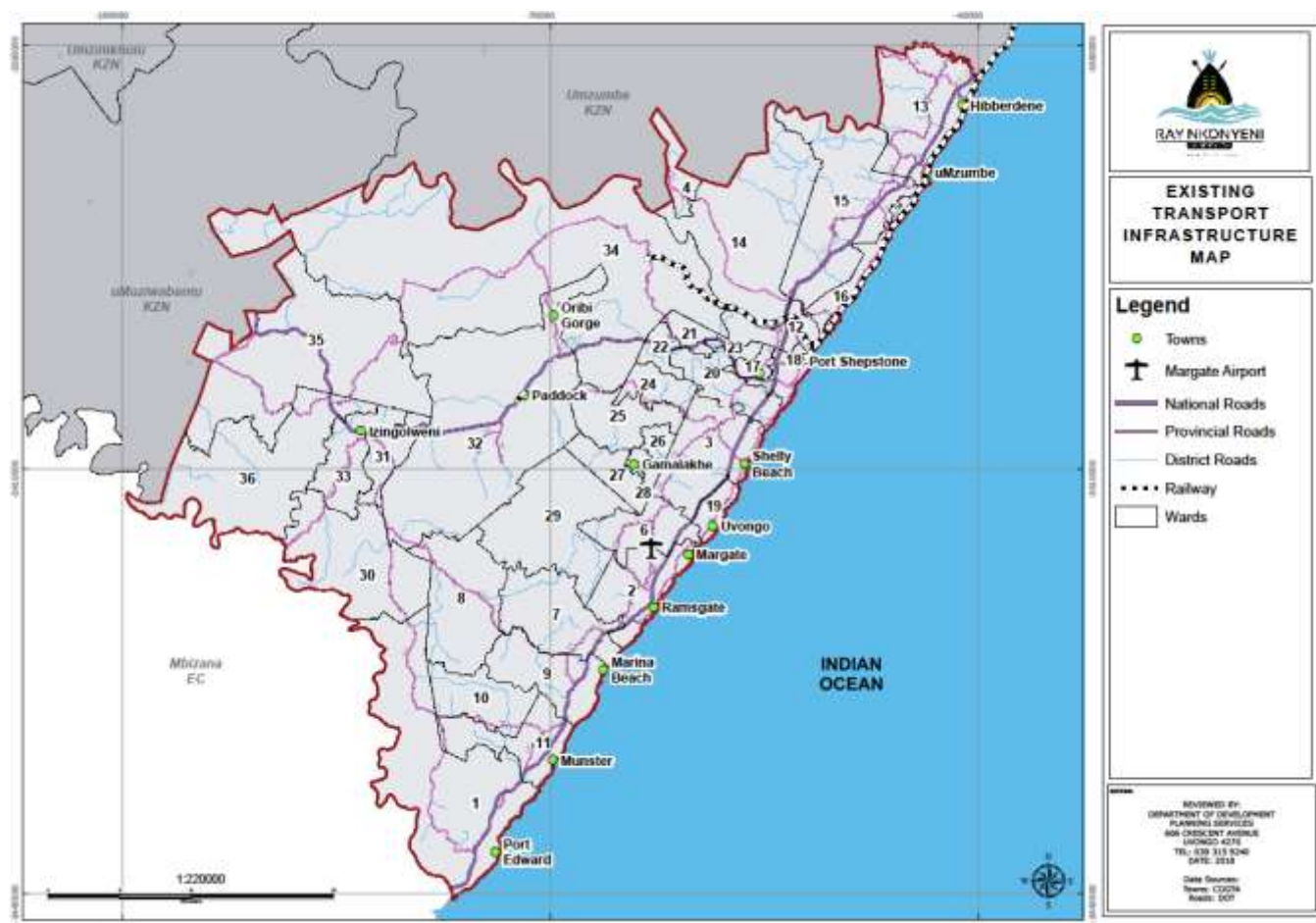




- iii. **lii. Road infrastructure:** An extensive road network exists in Ray Nkonyeni, providing a large number of households with access to road transport. While the national and provincial roads are in a generally good condition state, the quality of district and local roads is poor.

Below is a map illustrating the types of existing infrastructure within the municipality.

Map 35: Existing Transport Infrastructure



Source: RNM GIS 2018



4.5.6.1 How the municipality has responded to Goal 4 of the PDGP 2035

Goal 4 of the PGDS 2035 talks to strategic infrastructure with reference to:

- Development of airports and seaports
- Development of road and rail networks
- Develop ICT Infrastructure
- Ensure availability and sustainability of water and sanitation for all
- Ensure access to affordable, reliable, sustainable and modern energy for all
- Enhance KZN Waste management capacity

Below is how RNM has responded to the above goal:

i. Development of airports and seaports

In terms of developing seaports, the municipality is looking at Hiberdene as potential future harbour to create an environment conducive for the development of small craft harbour. The municipality being the second largest tourist attraction in the province after Ethekeini, it needs to promote a seaport that is desirable for international cruise liners, as in Durban. Margate airport is in full swing with a number of scheduled domestic connection flights. The airport opened its doors in November 2013 and has seen more connecting routes as far as Plattenbergbay. The municipality's road infrastructure is sound though the rail infrastructure has aged and closed down. Future intervention talks on this issue are at hand.

ii. Development of road and rail networks

The increasing connectivity by road, rail, airport and harbours is fundamental to the realization of provincial industrial hubs, agri parks, new urban spaces etc. There is a need for the municipality to develop multi modal facilities that cater for fast moving consumer goods as well as bulk minerals and lighter manufactured goods. In the case of RNM, road has provided job opportunities through its EPWP programme, this should continue to provide at least temporary employment for youth and female headed households.





iii. *Development of ICT Infrastructure*

The municipality has developed an ICT Infrastructure for sufficient information and communications for the growth and development of its citizens. However, it must be mentioned the broad band coverage is limited to rural areas.

The municipality needs to expand the number of public wi-fi hotspots and expand the community access to broadband services.

iv. *sustainability of water and sanitation for all*

Ray Nkonyeni has more than 95% of households with clean water and sanitation. In as much there are backlogs in some areas in the hinterland, the district as the entity for both has plans in place on how to address the issue. It still needs to develop policies that will talk to these and also develop programmes for water resources as mentioned in the 2035 strategy. Ray Nkonyeni still needs to develop strategies that talk to adaptation and response to climate change. According to the PGDP, KZN is able to effectively anticipate, respond and mitigate the effects of climate change. There is a need to assess the mainstreaming of climate change adaptations strategies in local planning, such as the IDP reporting and Sector Plans, so the strategy mentions. These relate to inter alia and strategies need to address both the immediate and longer term threats to the health and well-being of communities.

v. *Access to affordable, reliable, sustainable and modern energy*

According the PGDP 2035, there must be sufficient electricity available for the growth and development needs of KZN. Ray Nkonyeni Municipality has 85% of households with electricity supply. The recently adopted electrification Master Plan details how the backlogs will be addressed. The municipality has a light industry and so there are no harmful emissions.

vi. *Waste management capacity*

Ray Nkonyeni Municipality has an updated Disaster Management plan and the centers are fully functional. There is a capacitated dedicated disaster management team. The indicators listed under this section in the strategy, the municipality fully adheres to it. (*see disaster management sector plan attachment*)



Table 41: Basic Service Delivery and Infrastructure SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • The municipal area is generally covered with well-developed bulk infrastructure and networks • Relative high levels of service provision with relatively low backlogs to RDP standards. • Partnering with Government in enhancing EPWP and CWP • The implementation of the IWMP 	<ul style="list-style-type: none"> • Staff and skills shortages in key positions. • Overstretched technical services / PMU • An ageing fleet of vehicles • An ageing infrastructure • Absence of a multi-wide building maintenance plan in line with the asset register • No transport plan and roads maintenance plan • Backlog is electricity provision in some areas (peripheries).
Opportunities	Threats
<ul style="list-style-type: none"> • The existence of a number of sector plans. • Ensuring there lease of public land for low and affordable housing. • Reviving the Airport through LED projects. • Proximity to the N2 corridor. • Vast undeveloped land in urban corridor as well as rural hinterland 	<ul style="list-style-type: none"> • The need to reduce electricity revenue losses due to technical losses, illegal connections, tampering leading to unbilled usage. • Backlog in accessibility to roads by the general public in the rural areas of the municipality. • Storm water backlog caused by densities not considered original infrastructure layout • Most roads are in a deteriorating state, provincial and local • Illegal waste dumping



4.6 Municipal Financial Viability And Management Analysis

4.6.1 Capital Funding and Expenditure to address Service Delivery

The municipality has a 3-year synopsis of funds received as shown in the table below. Below the table are explanatory notes.

Table 42:MBRR A5-Budgeted Capital Expenditure by vote, standard classification and funding source

Capital Expenditure - Functional											
Governance and administration		-	-	1,490	880	1,095	57,493	1,490	1,183	867	867
Executive and council		-	-	1,084	100	90	-	1,084	96	96	96
Finance and administration		-	-	406	780	1,005	57,493	406	1,088	771	771
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	16,704	141,171	151,015	-	68,729	15,896	7,771	4,742
Community and social services		-	-	16,484	17,050	19,145	-	18,669	14,018	5,894	2,865
Sport and recreation		-	-	0	-	-	-	1,937	130	130	130
Public safety		-	-	206	-	-	-	206	1,739	1,739	1,739
Housing		-	-	13	124,121	131,870	-	47,916	8	7	7
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	54,982	54,107	48,622	-	65,154	79,282	32,664	34,076
Planning and development		-	-	21,490	14,679	14,311	-	21,588	38,468	11,497	7,193
Road transport		-	-	33,367	39,428	34,311	-	43,442	40,118	20,471	26,188
Environmental protection		-	-	124	-	-	-	124	696	696	696
Trading services		-	-	-	-	-	-	-	31,272	37,768	40,838
Energy sources		-	-	-	-	-	-	-	28,857	36,096	39,601
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	2,415	1,672	1,237
Other		-	-	-	-	-	-	-	7,161	-	-
Total Capital Expenditure - Functional	3	-	-	73,176	196,159	200,733	57,493	135,373	134,794	79,070	80,523
Funded by:											
National Government		-	-	71,952	57,301	57,301	57,301	57,301	88,013	49,887	56,073
Provincial Government		-	-	745	124,862	124,862	-	77,907	6,435	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	-	72,697	182,163	182,163	57,301	135,208	94,448	49,887	56,073
Borrowing	6	-	-	-	-	-	-	-	6,087	16,567	13,123
Internally generated funds		-	-	479	13,995	18,569	192	165	34,259	12,616	11,326
Total Capital Funding	7	-	-	73,176	196,159	200,733	57,493	135,373	134,794	79,070	80,523

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding



sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.

Single-year capital expenditure has been appropriated at R155 million for the 2019/20 financial year.

Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

The capital programme is funded from capital and provincial grants and transfers and internally generated funds.

Capital Projects

All projects identified for the priority year have been identified, have funding, the source identified and mentions the progress of the project.

These projects fall under the Technical Services Department.

Table 43: SA 36 List of Capital Projects: SA 36 List of Capital Projects



RAY NKONYENI MUNICIPALITY'S FINAL INTEGRATED DEVELOPMENT PLAN



KZN216 Ray Nkonyeni - Supporting Table SA36 Detailed capital budget

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	2019/20 Medium Term Revenue & Expenditure Framework				
						Audited Outcome 2017/18	Current Year 2018/19 Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Parent municipality:										
List all capital projects grouped by Function										
Transport and Roads		Shibase Road					1,478			
Transport and Roads		Kaw useni Pedestrian Bridge (Shibe to Mvolomi School)					834	2,000	750	1,000
Transport and Roads		Kaw useni Pedestrian Bridge (Godloza to Mbomvini School)					-			
Transport and Roads		Kaw useni Vehicular Bridge (Mgudlwa School)					150			
Transport and Roads		Kaw useni Vehicular Bridge (Bhuka School)					150			
Transport and Roads		Khandalesizwe to Ntshabeni Pedestrian Bridge					28			
Transport and Roads		Gadlogadla to Makhanya Road vehicular Bridge					228			
Transport and Roads		Qashela to Munga Pedestrian Bridge					228	2,500	1,000	-
Transport and Roads		Shibase Pedestrian Bridge (Near Sima's House)					228			
Transport and Roads		Ntshomela Pedestrian Bridge (Sgodaneni)					228	2,000	700	-
Transport and Roads		Esidilini Pedestrian Bridge (Dlovina)					228	1,500	1,000	1,324
Transport and Roads		Mjweni Pedestrian Bridge					228	1,200	500	1,000
Transport and Roads		Nyanisweni & Dumezweni Pedestrian Bridge					228			
Transport and Roads		Maqobo Pedestrian Bridge					228	2,000	500	1,000
Transport and Roads		Mbhele Vehicular Bridge					-			
Transport and Roads		Nonganjana Pedestrian Bridge					-			
Transport and Roads		Nsebesha Pedestrian Bridge					-			
Transport and Roads		Vulindlela Vehicular Bridge					-			
Transport and Roads		Ngqumbela Road and Causeway					-	300	1,200	250
Transport and Roads		Mahlal Vehicular Bridge					-			
Transport and Roads		Mbewu Pedestrian Bridge					-			
Transport and Roads		Manqoba Pedestrian Bridge					-			
Transport and Roads		Sodoma Pedestrian Bridge					-			
Transport and Roads		Marine Drive/ Knox Gore Traffic Signal					100			
Transport and Roads		Smith Street Upgrade					323	3,000	1,000	-
Transport and Roads		Mkanti Road					1,500	1,500	-	-
Transport and Roads		Thongazi Pedestrian Bridge					823	900	-	-
Transport and Roads		William Connor Street Steel Structures					-			
Transport and Roads		Rehabilitation of College Road Southbroom					-			
Transport and Roads		Tarring of Nosiha Main Road					4,993	4,000	2,500	2,000
Transport and Roads		Mpakeni Road Upgrade & bridge					1,361			
Transport and Roads		Masele Pedestrian Bridge					27			
Transport and Roads		Mthin'Owomile Pedestrian Bridge					-			
Transport and Roads		Danca Pedestrian Bridge					-			
Transport and Roads		Nzama Pedestrian Bridge					-			
Transport and Roads		Ethangeni Pedestrian Bridge					-			
Transport and Roads		Fezile Mkhwanazi Stormwater					-	1,800	-	-
Transport and Roads		Dressing Pedestrian Bridge					365	300	-	-
Transport and Roads		Kwasithole Pedestrian / Vehicular Bridge					228	1,500	500	-
Transport and Roads		Mazubane Pedestrian Bridge					228	300	500	-
Transport and Roads		Bar to Ngwemabala Pedestrian Bridge					-	250	1,000	500
Transport and Roads		Madala to Mdlungwana Vehicular Bridge					-	1,000	500	-
Transport and Roads		Mbili Pedestrian Bridge					285	1,000	500	-
Transport and Roads		Tarring of Jesus Road					2,005	3,000	800	-
Transport and Roads		Bheki Gatsheni Pedestrian Bridge					-			
Transport and Roads		Mbili Pedestrian Bridge					-			
Transport and Roads		Shozi Pedestrian Bridge					-			
Transport and Roads		Mnganka Vehicular Bridge					56	1,200	500	-
Transport and Roads		Nqwane Pedestrian Bridge					56	300	500	-
Transport and Roads		Mazubane/Dikwe Pedestrian Bridge					-			
Transport and Roads		Port Shepstone CBD Pedestrian Crossings					500			
Transport and Roads		Acacia Road Stormwater - Seapark					300	2,000	-	-
Transport and Roads		Tarring of George Mbhele High Road					273	1,800	-	-
Transport and Roads		Louisiana Housing Storm water and ring road					911	2,045	3,000	5,000
Transport and Roads		Chibini Pedestrian Bridge					-			
Transport and Roads		Ntshambili Vehicular Bridge					-			
Transport and Roads		Banana Beach Pedestrian Bridge					182	500	1,000	500
Transport and Roads		Road Rehabilitation Piet Relief					7,746			
Transport and Roads		Road Rehabilitation Phase 7 (Tarred)					-			
Transport and Roads		Road Rehabilitation Phase 7 (Gravel)					4,557	7,000	4,000	10,000
Transport and Roads		Stormwater - Urban					400	1,500	1,500	1,500
Transport and Roads		Rural Stormwater					311	1,500	1,500	3,500
Transport and Roads		Bhosiki Hall Phase 2 - Parking and Stormwater					550	1,500	-	-
Transport and Roads		Bhobhoyi Organic Storage Facility					-			
Transport and Roads		Mvuzane road and Vehicular Bridge					223	500	2,000	3,000
Transport and Roads		Mbhecuka Vehicular Bridge Ward 29					-	300	-	-
Transport and Roads		Mcadodo to Thundeza Walkway/Pedestrian Bridge Ward 11					-	300	-	-
Transport and Roads		Concreting of Chibini Road (Ward 26)					-	300	-	-
Transport and Roads		Msikaba Vehicular(Ward 25)					-	300	-	-
Community Services		Community Hall ward 30					3,445	2,650	1,000	-
Community Services		Community Hall ward 33					373	2,500	2,500	500
Community Services		Nkulu Community Hall Ward 36					228	350	1,500	1,000
Community Services		Community Hall Ward 34					911	2,500	2,000	-
Community Services		Community Hall Ward 9					3,645	2,500	500	-
Community Services		Dumezulu Community Hall Phase 2					200	200	1,500	2,000
Community Services		Community Hall Ward 5					734	3,000	500	500
Community Services		Community Hall Ward 3 (Masinenge)					228			



Investment register

The municipality has an investment register, see table on the following page.

Table 48: Investment Register

KZN216 Ray Nkonyeni - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
INVESTEC - 1400-190309-500		Call Deposits < 90 Days	Call Deposits	No	Variable	4,5% - 6,5%			Call Deposits < 90 Days	5,321	874	-	-	6,196
STD BANK - 89111/366985		Call Deposits < 90 Days	Call Deposits	No	Variable	4,5% - 6,5%			Call Deposits < 90 Days	15,845	2,543	-	-	16,388
ABSA - 20-7296-0343		Call Deposits < 90 Days	Call Deposits	No	Variable	4,5% - 6,5%			Call Deposits < 90 Days	16,196	189	-	-	16,385
FNB		Call Deposits < 90 Days	Call Deposits	No	Variable	0,048			Call Deposits < 90 Days	11,438	4,770	146,068	146,068	308,344
NEDBANK		Call Deposits < 90 Days	Call Deposits	No	Variable	0,048			Call Deposits < 90 Days	11,516	-	-	-	11,516
														-
														-
Municipality sub-total										60,317		146,068	146,068	360,828
Entities														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									60,317		146,068	146,068	360,828

Table:49 Capital expenditure by funding source

Funded by:											
National Government		-	-	71,952	57,301	57,301	57,301	57,301	88,013	49,887	56,073
Provincial Government		-	-	745	124,862	124,862	-	77,907	6,435	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	-	72,697	182,163	182,163	57,301	135,208	94,448	49,887	56,073
Borrowing	6	-	-	-	-	-	-	-	6,087	16,567	13,123
Internally generated funds		-	-	479	13,995	18,569	192	165	34,259	12,616	11,326
Total Capital Funding	7	-	-	73,176	196,159	200,733	57,493	135,373	134,794	79,070	80,523

The main source of funding of the 2019/20 Capital budget of R 134 million is transfers recognized capital from National and provincial departments, followed by internally generated funds from reserves of R 34.2



million. Capital projects are group per cluster, municipal wide and departmental. Ray Nkonyeni Municipality has 7 clusters.

Table 5044: Summary of operating expenditure by standard classification item.

KZN216 Ray Nkonyeni - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Expenditure By Type											
Employee related costs	2	-	-	358,167	359,939	378,898	334,747	30,096	382,859	427,055	455,631
Remuneration of councillors		-	-	25,954	30,943	28,856	25,647	4,551	28,922	30,658	32,497
Debt impairment	3	-	-	36,465	3,200	5,989	3,545	395	8,989	9,768	10,617
Depreciation & asset impairment	2	-	-	134,674	62,000	58,900	-	-	53,900	57,550	60,989
Finance charges		-	-	-	-	-	1,625	-	2,500	2,650	2,809
Bulk purchases	2	-	-	87,168	86,620	86,620	82,707	10,578	100,159	106,169	112,539
Other materials	8	-	-	6,444	5,556	5,889	4,408	611	5,437	5,772	6,120
Contracted services		-	-	285,449	392,399	301,822	243,600	38,535	423,661	466,457	600,458
Transfers and subsidies		-	-	39,126	4,705	5,570	4,282	973	8,001	7,758	4,795
Other expenditure	4, 5	-	-	-	-	-	-	-	4,750	5,225	9,264
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Expenditure		-	-	973,447	945,363	872,544	700,561	85,738	1,019,178	1,119,061	1,295,718

Table 45: Employee related cost details and Councillors



KZN216 Ray Nkonyeni - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		-	-	21,438	27,872	24,351	21,642	26,026	27,587	29,242
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	2,600	-	-	-	-	-	-
Cellphone Allowance		-	-	1,916	3,071	4,505	4,006	2,897	3,071	3,255
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		-	-	25,954	30,943	28,856	25,647	28,922	30,658	32,497
% increase	4		-	-	19.2%	(6.7%)	(11.1%)	12.8%	6.0%	6.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		-	-	10,017	9,775	9,775	-	10,271	11,442	12,243
Pension and UIF Contributions		-	-	16	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	114	84	84	-	114	128	137
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	245	398	398	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		-	-	10,392	10,257	10,257	-	10,385	11,570	12,380
% increase	4		-	-	(1.3%)	-	(100.0%)	-	11.4%	7.0%
Other Municipal Staff										
Basic Salaries and Wages		-	-	285,503	291,065	306,356	-	307,627	336,335	359,126
Pension and UIF Contributions		-	-	1,888	2,087	1,936	-	1,945	2,242	2,397
Medical Aid Contributions		-	-	16,192	19,027	16,858	-	9,903	18,642	19,630
Overtime		-	-	18,909	14,030	19,030	-	16,211	17,182	18,200
Performance Bonus		-	-	18,903	18,176	16,707	-	20,274	20,520	21,927
Motor Vehicle Allowance	3	-	-	13,537	13,339	14,819	-	13,431	16,962	18,123
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	3,236	2,095	3,191	-	3,083	3,603	3,848
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	120	-	-	-	-	-
Sub Total - Other Municipal Staff		-	-	358,167	359,939	378,898	-	372,474	415,485	443,251
% increase	4		-	-	0.5%	5.3%	(100.0%)	-	11.5%	6.7%
Total Parent Municipality		-	-	394,513	401,140	418,011	25,647	411,781	457,713	488,128



The budgeted allocation for employee related costs, senior management and councillors for the 2019/20 financial year totals R 411.7 million, which equals 40 per cent of the total operating expenditure. The salary increases have been factored into this budget at a percentage increase of 6.5 per cent for the 2019/20 financial year and also it must be noted that there are other line items which are excluded in employee costs e.g. overtime, standby allowances, salaries temps, pension funds contributions which were not kept at 6.5 per cent increase as compared to basic salary increase.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R 52.5 million for the 2019/20 financial. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (Cost of capital). Finance charges make up R 2.5 million of operating expenditure budget excluding annual redemption.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The increase is 7.32 per cent as per NERSA Guidelines.

4.6.2 Social and Economic Redress via Indigent Management

4.6.2.1 Free Basic Services: Basic Social Service Package

The social package assists households that are poor or face circumstances that limit their ability to pay for services. To receive these free services, the households are required to register in terms of the Municipality's Indigent Policy and the policy is reviewed annually. The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

4.6.2.1.1 The Indigent Policy

Ray Nkonyeni Municipality has an Indigent policy and is reviewed yearly alongside the budget. (See attachment 17)



i. Purpose of the Indigent Policy

(a) Provides basic services to the community within the financial and administrative capacity of the municipality;

(b) Provides procedures and guidelines for the subsidisation of basic service charges to indigent households using the equitable share allocation received from National Treasury and other budgetary provisions; and

(c) Ensures affordability by subsidizing tariffs calculated in terms of the municipality's tariff policy and by setting appropriate service levels in terms of the municipality's service delivery plan. Subsidies will be determined during the compilation of the annual budget.

The source of funding of the indigent subsidy is that portion of the equitable share contribution by National Treasury and any additional provisions made by council as provided for in the annual operating budget.

The subsidy will only be credited to the qualifying customer's accounts until the amount provided on the budget by the municipality has been exhausted whereupon no further credits will be made.

In respect of electricity, a 100% subsidy up to 50 kWh per month will apply.

If consumption exceeds any of the norms stated in (7) and (8) per metering period (month), the consumer will be charged normal tariffs on the quantity exceeding the above-mentioned limits.

If a customer's consumption or use of municipal service is less than the subsidised service, the unused portion may not be accrued and the customer will not be entitled to a cash rebate in respect of the unused portion.

Annual service charges on the indigent's account will automatically be converted to monthly instalments.

Reporting Requirements

(1) The Chief Financial Officer shall report on a monthly basis to the Finance & Budget Portfolio Committee for the month concerned.

4.6.2.1.3 The Indigent register

The municipality has an indigent register that it reviews on yearly basis. (See attachment 18)

4.6.2.3 Revenue Raising/Enhancement Strategy





Ray Nkonyeni has an Investment Raising/Enhancement Strategy reviewed and adopted in 2017, (See attachment 19). The strategy clearly indicates the mechanisms employed to enhance revenue. To increase or improve the collection rate from debtors is an obvious strategy to improve revenue enhancement but revenue enhancement is more than just that, it also requires other departments to identify possible options which could result in savings or additional revenue. To effectively deal with the current challenges, the municipality must plan and implement effective and integrated revenue enhancement strategies. Revenue enhancement is a process focused on the holistic improvement of the municipal business model.

4.6.3 Sources of revenue

4.6.3.1 Transfers and Grant Receipts

The municipality has various revenue sources. Below are the listed sources.

Table: 52 Operating Transfers and Grant Receipts



KZN216 Ray Nkonyeni - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		-	-	208,752	212,985	212,985	-	212,513	224,456	243,076
Local Government Equitable Share		-	-	175,566	185,324	185,324	-	205,608	222,456	241,076
Finance Management		-	-	3,600	3,600	3,600	-	2,500	2,000	2,000
EPWP Incentive		-	-	3,306	4,061	4,061	-	4,405	-	-
Energy Efficiency and Demand Management		-	-	4,000	6,000	6,000	-	-	-	-
Integrated National Electrification Programme		-	-	14,000	14,000	14,000	-	-	-	-
		-	-	-	-	-	-	-	-	-
Municipal Demarcation Transition Grant		-	-	8,280	-	-	-	-	-	-
Provincial Government:		-	-	52,900	19,953	19,953	-	125,527	105,427	99,347
Housing		-	-	34,926	-	-	-	107,153	86,316	79,400
Housing		-	-	5,082	4,337	4,337	-	4,520	4,520	4,520
Sport and Recreation		-	-	11,292	12,600	12,600	-	13,854	14,591	15,427
		-	-	-	-	-	-	-	-	-
MIG - Operational		-	-	1,600	3,016	3,016	-	-	-	-
District Municipality:		-	-	-	144	144	-	-	-	-
Ugu Grant		-	-	-	144	144	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	683	1,225	2,725	-	2,749	1,377	1,459
Mandatory Grant /WSP		-	-	683	1,225	2,725	-	1,299	1,377	1,459
EDTEA GRANT		-	-	-	-	-	-	400	-	-
TETA GRANT		-	-	-	-	-	-	1,050	-	-
Total Operating Transfers and Grants	5	-	-	262,335	234,307	235,807	-	340,789	331,260	343,882
Capital Transfers and Grants										
National Government:		-	-	62,615	57,301	57,301	-	107,040	84,464	97,375
Municipal Infrastructure Grant (MIG)		-	-	62,615	57,301	57,301	-	80,040	64,964	69,875
Neighbourhood Development Partnership		-	-	-	-	-	-	10,000	2,500	3,500
Integrated National Electrification Programme		-	-	-	-	-	-	9,000	9,000	15,000
Energy Efficiency and Demand Management		-	-	-	-	-	-	8,000	8,000	9,000
		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert desc]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	20,147	124,862	139,286	-	10,000	3,174	3,349
Human Settlement		-	-	20,147	121,862	136,286	-	7,000	-	-
Margate Airport Grant		-	-	-	3,000	3,000	-	3,000	3,174	3,349
District Municipality:		-	-	-	-	-	-	-	-	-
Ugu Grant		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	1,000	-	-
DBSA GRANT		-	-	-	-	-	-	1,000	-	-
		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	-	-	82,762	182,163	196,587	-	118,040	87,638	100,724
TOTAL RECEIPTS OF TRANSFERS & GRANTS		-	-	345,097	416,470	432,394	-	458,829	418,898	444,606



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

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement etc.

The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

4.6.3.1.2 Property Rates

National Treasury's MFMA Circular No. 58 and 59 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

The first R15 000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA). In addition to this rebate, a further R85 000 and R50 000 reduction on the market value of a property for residential and vacant land categories respectively, will be granted in terms of the municipality's own Property Rates Policy;



100 per cent rebate will be granted to registered indigents and child headed household in terms of the Indigent Policy;

For pensioners, physically and mentally disabled persons whose household income equal 2 state pensions, 4 state pensions and 6 state pensions will receive a rebate of 75%, 50% and 25 % respectively in terms of Rates policy.

Indigents, in terms of the indigent policy are exempt from paying rates if the value of the property is less than R320 000.00.

The categories of rate-able properties for purposes of levying rates the proposed rates increase for the 2019/20 financial year is 6 per cent and the table below reflect individual municipality tariff for rates since the new valuation and new tariffs will be implemented in 2019/20 budget year.





Table :53 Proposed rated increase for the 2017/18 financial year





KZN216 Ray Nkonyeni - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2015/16	2016/17	2017/18	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
							Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Property rates <i>(rate in the Rand)</i>	1								
Residential properties				0.0254	0.0103	0.0108	0.0121	0.0128	0.0136
Residential properties - vacant land				0.0109	0.0205	0.0216	0.0241	0.0255	0.0270
Formal/informal settlements				-	-	-	-	-	-
Small holdings				0.0205	0.0205	0.0215	0.0241	0.0255	0.0270
Farm properties - used				0.0031	0.0026	0.0027	0.0031	0.0033	0.0035
Farm properties - not used				0.0023	-	-	-	-	-
Industrial properties				0.0304	0.0175	0.0183	0.0205	0.0217	0.0230
Business and commercial properties				0.0304	0.0175	0.0183	0.0205	0.0217	0.0230
Communal land - residential				0.0005	0.0010	0.0011	0.0012	0.0012	0.0013
Communal land - small holdings				-	-	-	-	-	-
Communal land - farm property				0.0010	0.0026	0.0027	0.0031	0.0033	0.0035
Communal land - business and commercial				-	-	-	-	-	-
Communal land - other				0.0005	0.0051	0.0054	0.0059	0.0063	0.0067
State-owned properties				0.0050	0.0175	0.0183	0.0205	0.0217	0.0230
Municipal properties				-	-	-	-	-	-
Public service infrastructure				0.0038	0.0026	0.0027	0.0031	0.0033	0.0035
Privately owned towns serviced by the State trust land				0.0205	-	-	-	-	-
Restitution and redistribution properties									
Protected areas									
National monuments properties									
Exemptions, reductions and rebates <i>(Rands)</i>									
Residential properties									
R15 000 threshold rebate			15,000	15,000	15,000	15,000	15,000	15,000	15,000
General residential rebate									
Indigent rebate or exemption									
Pensioners/social grants rebate or exemption									
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption									
Other rebates or exemptions	2								
Water tariffs									
Domestic									
Basic charge/fee (Rands/month)									
Service point - vacant land (Rands/month)									
Water usage - flat rate tariff (c/kl)									
Water usage - life line tariff		(describe structure)							
Water usage - Block 1 (c/kl)		(fill in thresholds)							
Water usage - Block 2 (c/kl)		(fill in thresholds)							
Water usage - Block 3 (c/kl)		(fill in thresholds)							
Water usage - Block 4 (c/kl)		(fill in thresholds)							
Other	2								
Waste water tariffs									
Domestic									
Basic charge/fee (Rands/month)									
Service point - vacant land (Rands/month)									
Waste water - flat rate tariff (c/kl)									
Volumetric charge - Block 1 (c/kl)		(fill in structure)							
Volumetric charge - Block 2 (c/kl)		(fill in structure)							
Volumetric charge - Block 3 (c/kl)		(fill in structure)							
Volumetric charge - Block 4 (c/kl)		(fill in structure)							
Other	2								
Electricity tariffs									
Domestic									



4.6.4 Revenue Protection (Debt Management)

4.6.4.1 Tariffs

i. Sale of Electricity and Impact of Tariff Increases

Considering the Eskom increases of 15%, the consumer tariff had to be increased by 6 per cent to offset the additional bulk purchase cost from 1 July 2019. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Table: 54 SA 13b Service Tariffs by Category

KZN216 Ray Nkonyeni - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2015/16	2016/17	2017/18	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
							Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Exemptions, reductions and rebates (Rands)									
<i>[Insert lines as applicable]</i>				10,652,831	22,525,449	22,449,157	23,661,411	24,962,789	26,460,556
				2,645,860	-	-	-	-	-
				25,845,000	26,098,493	-	-	-	-
				7,314,629	38,440,018	40,090,927	42,255,837	44,579,908	47,254,703

Table 55: SA 14 Household bills

KZN216 Ray Nkonyeni - Supporting Table SA14 Household bills

Glenelg City Council - Supporting Public Works - Household Bills											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20 % incr.	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates			21,075,684.07	21,813,333.01	21,813,333.01	21,813,333.01	0.05	2,212,946,800.0%	23,324,459.00	24,607,305.00	26,083,743.30
Electricity : Basic levy											-
Electricity : Consumption			267,640.36	277,007.78	277,007.78	277,007.78	0.07	29,584,431.0%	311,819.90	328,969.99	348,708.19
Water: Basic levy											-
Water: Consumption											-
Sanitation											-
Refuse removal			2,651,131.90	2,743,921.51	2,743,921.51	2,743,921.51	0.05	288,660,543.0%	3,042,482.12	3,209,818.64	3,402,407.76
Other											-
sub-total		-	23,994,456.33	24,834,262.30	24,834,262.30	24,834,262.30	0.17	7.4%	26,678,761.02	28,146,093.63	29,834,859.25
VAT on Services											
Total large household bill:		-	23,994,456.33	24,834,262.30	24,834,262.30	24,834,262.30	0.17	7.4%	26,678,761.02	28,146,093.63	29,834,859.25

ii. Waste Removal and Impact of Tariff Increases



The municipality has implemented a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to solid waste are maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. Currently solid waste removal is operating at a surplus.

iii. Other Tariff of Charges

Other tariff of charges such licenses and permits, town planning, fines and other revenue have been increased by 5.2 per cent and tariff of charges is attached as annexure.

The Municipality's expenditure framework for the 2018/19 budget and MTREF is informed by the following:

Budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;

Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;

Operational gains and efficiencies will be directed to funding the capital budget and other core services

4.6.5 Financial Management

4.6.5.1 Supply Chain Management

Projects appearing in the SDBIP are aligned to the procurement plan of the municipality. (see attached SDBIP). The unit does experience challenges such as time delays due to the user departments and the procurement plan is not properly executed at times due to little support from end user departments. It must be noted that the municipality has not faced any deviations in the last current financial year. The Supply Chain Management Policy which was reviewed and adopted in May 2017 does not make provision for the disabled to qualify for tenders, however, there is a separate policy that the municipality has drafted and will be adopted in due course that caters for this group of people. Within the Budget and Treasury Department, there is an indication of skills shortages as listed below:

Financial Statements : Outsource consultants

VAT :Outsource consultants

Asset Management :Outsource consultants

Credit Control: Some cases are handed to outsourced attorneys

Consultants' costs are paid according to the tariffs per contract of the awarded tender, hourly tender. MOAs are signed between financial consultants and the municipality with needs analysis which indicate shortage of capacity.



4.6.6 Assets and infrastructure

The municipality has a clear record of assets as well as a policy for implementation and maintenance, acquisitions, disposals and depreciation.

Table: 56 MBRR Table 9-Asset Management

RAY NKONYENI MUNICIPALITY'S FINAL INTEGRATED DEVELOPMENT PLAN



KZN216 Ray Nkonyeni - Table A9 Asset Management

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	-	-	106,826	201,581	201,214	-	114,333	72,461	67,827
Roads Infrastructure		-	-	9,678	22,364	18,119	-	35,043	14,739	9,195
Storm water Infrastructure		-	-	8,850	4,123	1,923	-	7,691	5,217	8,696
Electrical Infrastructure		-	-	13,970	24,323	25,138	-	26,626	34,323	37,828
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	1,739	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	32,497	50,809	45,180	-	71,100	54,280	55,718
Community Facilities		-	-	32,712	19,498	17,691	-	21,029	8,696	3,478
Sport and Recreation Facilities		-	-	4,907	1,828	1,233	-	1,739	435	-
Community Assets		-	-	37,619	21,325	18,924	-	22,768	9,130	3,478
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	1,082	2,295	2,035	-	11,611	3,913	3,478
Housing		-	-	33,799	123,225	130,654	-	-	-	-
Other Assets		-	-	34,881	125,520	132,689	-	11,611	3,913	3,478
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	1,600	730	730
Intangible Assets		-	-	-	-	-	-	1,600	730	730
Computer Equipment		-	-	422	1,069	1,769	-	2,736	1,967	1,968
Furniture and Office Equipment		-	-	639	1,487	1,399	-	1,936	1,205	1,219
Machinery and Equipment		-	-	767	1,370	1,253	-	2,581	1,236	1,236
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	12,156	11,502	14,203	-	8,870	5,739	10,957
Roads Infrastructure		-	-	11,250	8,402	12,303	-	6,087	3,478	8,696
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	635	1,800	1,200	-	1,565	1,565	1,565
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	271	1,300	700	-	696	696	696
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	12,156	11,502	14,203	-	8,348	5,739	10,957
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	522	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	522	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	-	-	4,023	11,348	12,978	-	11,591	870	1,739
Roads Infrastructure		-	-	779	1,303	1,753	-	261	-	-

RAY NKONYENI MUNICIPALITY'S FINAL INTEGRATED DEVELOPMENT PLAN



ASSET REGISTER SUMMARY - PPE (WDV)	5	-	1,477,265	1,471,096	223,130	230,753	230,753	130,094	69,593	75,758
Roads Infrastructure			892,450	874,341	63,013	63,013	63,013	81,815	50,170	62,784
Storm water Infrastructure										
Electrical Infrastructure										
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		-	892,450	874,341	63,013	63,013	63,013	81,815	50,170	62,784
Community Assets			482,713	501,582	30,671	30,671	30,671	29,883	10,500	4,000
Heritage Assets										
Investment properties										
Other Assets			565	581	125,520	132,689	132,689	13,000	4,500	4,500
Biological or Cultivated Assets										
Intangible Assets								800	848	899
Computer Equipment			5,480	4,513	1,069	1,737	1,737	1,328	1,137	1,137
Furniture and Office Equipment			4,676	3,613	1,487	1,390	1,390	1,705	1,121	1,121
Machinery and Equipment			6,863	5,113	1,370	1,253	1,253	1,564	1,317	1,317
Transport Assets			14,732	11,567	-	-	-	-	-	-
Land			69,785	69,785	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	-	1,477,265	1,471,096	223,130	230,753	230,753	130,094	69,593	75,758
EXPENDITURE OTHER ITEMS										
Depreciation	7	-	-	134,674	62,000	59,100	-	90,119	95,325	101,217
Repairs and Maintenance by Asset Class	3	-	-	1	-	200	-	40,269	42,325	44,878
Roads Infrastructure		-	-	-	-	-	-	23,150	24,185	25,636
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	1	-	-	-	2,687	2,849	3,020
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	1	-	-	-	25,837	27,034	28,656
Community Facilities		-	-	-	-	-	-	355	376	399
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	355	376	399
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	5,469	5,785	6,149
Housing		-	-	-	-	200	-	-	-	-
Other Assets		-	-	-	-	200	-	5,469	5,785	6,149
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	66	70	74
Machinery and Equipment		-	-	-	-	-	-	2,114	2,240	2,373
Transport Assets		-	-	-	-	-	-	6,427	6,821	7,226
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		-	-	134,674	62,000	59,100	-	90,119	95,325	101,217
Renewal and upgrading of Existing Assets as % of total capex	0.0%	0.0%	13.2%	10.2%	11.9%	0.0%	15.2%	8.4%	15.8%	
Renewal and upgrading of Existing Assets as % of deprecn	0.0%	0.0%	12.0%	36.9%	46.1%	0.0%	41.0%	12.5%	22.5%	
R&M as a % of PPE	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	49.1%	180.6%	209.2%	
Renewal and upgrading and R&M as a % of PPE	0.0%	0.0%	1.0%	10.0%	12.0%	0.0%	47.0%	70.0%	76.0%	



Explanatory notes to Table A9 - Asset Management

Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

National Treasury has recommended that municipalities should allocate at least 40 per cent of the capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. However due to the fact that there is a lack of infrastructure in the municipality major part of funds are injected to new capital projects, it does not meet this recommendation and funds are directed to new and renewal of capital asset and 3.2% to repairs and maintenance.

4.6.7 Repairs and Maintenance

Repairs and maintenance comprises of amongst others the purchase of fuel, diesel, materials for maintenance, potholes, cleaning materials and chemicals. This group of expenditure has been prioritized to ensure sustainability of the municipality's infrastructure especially potholes.

The budget for contracted services increased from 392.4 million to R 423 million for 2019/20. This is due to budgeting for housing projects under operating expenditure in the 2019/20 financial year

4.6.7.1 Technical Organogram

Refer to attachment 22





4.6.8. Financial Viability/Sustainability

Table 58: Financial ratios

RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	%
Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None		27%	27%
				Internally generated funds	28 330 089	
				Borrowings	-	
				Total Capital Expenditure	104 948 224	
			None		27%	27%



Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR		Internally generated funds	28 330 089
				Total Capital Expenditure	104 948 224

Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None		81%	81%
				Total Revenue	623 163 418	
				Government grant and subsidies	183 183 513	
				Public contributions and Donations	-	



	Operating Revenue (including agency services) x 100			Capital Grants	76 618 135
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Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months		1 Month	1 Month
				Cash and cash equivalents	93 557 090	
				Unspent Conditional Grants	26 475 234	
				Overdraft	-	
				Short Term Investments		
				Total Annual Operational Expenditure	714 621 700	

Current Ratio			1.5 - 2:1		1,44	1,44
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	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR		Current Assets	339 698 072
				Current Liabilities	235 207 528

Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 100	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%		0%	0%
				Interest Paid	3 129 629	
				Redemption	-	
				Total Operating Expenditure	714 621 700	
				Taxation Expense	-	

Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance	Statement of Financial Position, Statement of Financial Performance	45%		6%	6%
				Total Debt	28 440 874	
				Total Operating Revenue	692	



	Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	ce, Budget, IDP and AR			435 676
				Operational Conditional Grants	183 183 513

Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		13%	13%
				Total Operating Expenditure	714 621 700	
				Taxation Expense	-	
				Total Capital Expenditure	104 948 224	

			25% - 40%		38%	38%
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Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR		Employee/personnel related cost	324 169 755
				Councillors Remuneration	22 043 919
				Total Operating Expenditure	902 489 400
				Taxation Expense	-

Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%		-45%
				Number of units purchased and/or generated	20 000
				Number of units sold	29 005

-45



4.6.9 Loans and Borrowings and Grant Dependency

The municipality currently has loans with DBS and Standard Bank that are being paid but does not anticipate in making future loans. The municipality does not afford loans because of an adverse cash coverage.

Table 59:SA17 Borrowings

KZN216 Ray Nkonyeni - Supporting Table SA17 Borrowing

Borrowing - Categorised by type R thousand	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Parent municipality										
Annuity and Bullet Loans								7,000	19,052	15,092
Long-Term Loans (non-annuity)				21,159	21,577	21,577		11,164		
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	21,159	21,577	21,577	-	18,164	19,052	15,092
Entities										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	-	21,159	21,577	21,577	-	18,164	19,052	15,092

4.6.10 Auditor General's Opinion

Ray Nkonyeni Municipality obtained a unqualified audit in the last financial year. The municipality has made available an action plan to sustain the clean audit (See attachment 20). This plan is closely monitored by the AG.



4.6.11 Financial Plan

Executive Summary

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

Ray Nkonyeni Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items. The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 89 and 91 were used to guide the compilation of the 2019/20 MTREF which indicates the following amongst other things: guidance on budgeting for municipalities affected by redetermination of boundaries.

MFMA Circulars

National Treasury sent out MFMA Circular No. 89 and 91 providing guidance to municipalities on their 2018/19 budgets and Medium Term Revenue and Expenditure Framework (MTREF). It is essential reading material in order to understand the background to this budget.

National Treasury has also set out the requirements for funding the budget and producing a credible budget.

4.12.11.1 Funding the Budget

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

Realistically anticipated revenues to be collected;

Cash-backed accumulated funds from previous years' surpluses not

Committed for other purposes; and

Borrowed funds, but only for the capital budget referred to in section 17(2).

Achievement of this requirement in totality effectively means that a Council has surplus in its budget by ensuring that a budgeted outflow does not exceed planned inflows.

Under old budget formats income generated approach was a key objective and this assisted in ensuring that outflows were matched by inflows, provided revenue collections were realistic. However, GRAP compliant budgets necessitate that budget 'balancing' be much more comprehensive.

New budgeting and accounting formats demand that the budgeted Statement of Financial Performance, the Budgeted Statement of Financial Position and the Budgeted Statement of Cash Flows must be considered simultaneously to ensure effective financial management and sustainability.





4.6.11.2 A Credible Budget

Amongst other things, a credible budget is a budget that:

Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality;

Is achievable in terms of agreed service delivery and performance targets; Contains revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions;

Does not jeopardize the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and

Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

A budget sets out certain service delivery levels and associated financial implications. Therefore the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic.

Furthermore, budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget.

The main challenges experienced during the compilation of the Budget 2019/20 MTREF can be summarized as follows:

The ongoing difficulties in the national and local economy;

Aging and poorly maintained roads and electricity infrastructure;

The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;

The increased cost and electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;

Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;

The following budget principles and guidelines directly informed the compilation of the 2018/19 Budget for RNM:

The 2018/19 Adjustments Budget priorities and targets for Ray Nkonyeni municipality, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the 2018/19 budget;





Audited AFS for 2017/18 for Ray Nkonyeni municipality were also used as a guide for the compilation of the 2019/20 Budget.

Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;

The 2019 Division of Revenue Bill issued on February 2019 details the allocations that the municipality need to be reflected in the budget

Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazette as required by the annual Division of Revenue Act;

The relevant policy developments in the different sectors proposals from the National Energy Regulator of South Africa (NERSA)

Macroeconomics forecast has been taken into account when preparing the salaries budget, the current CPI plus 1.7 percent for 2018/19 financial year.

The upper limit was set for the following items and allocations to these items had to be supported by a list and/or motivation setting out the intention and cost of the expenditure which was used to priorities expenditures:

Special Projects;

Consultant Fees;

Furniture and office equipment;

Special Events;

Refreshments and entertainment;

Ad-hoc travelling; and

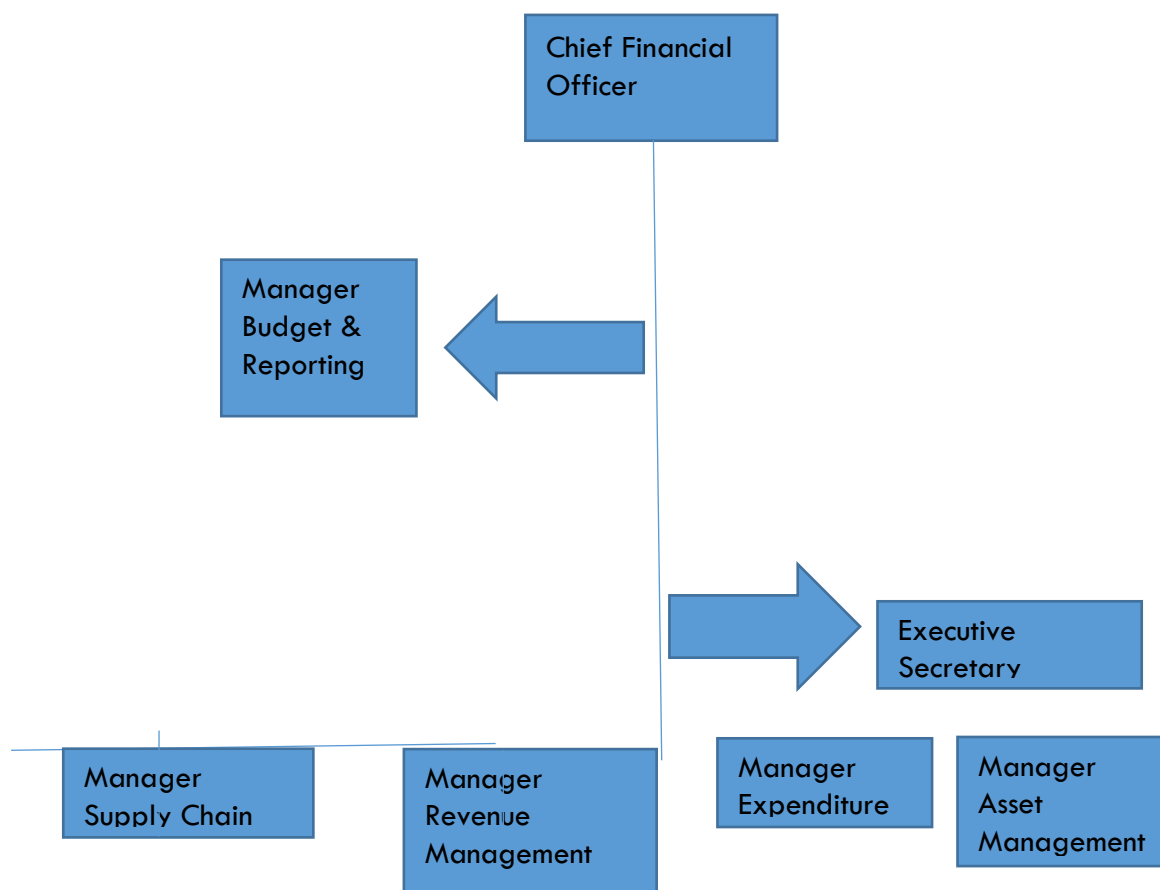
Subsistence, Travelling & Conference fees

In view of the aforementioned, the following table is a consolidated overview of the proposed 2018/19 Medium-term Revenue and Expenditure Framework.





Budget and Treasury Department Organogram (See attachment 22 for full organogram structure)





4.6.11.2 PART 2 MAIN BUDGET TABLES

Annual Budget Tables

The following are the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations.

Table 6046: 8MBRR Table A1-Budget Summary



KZN216 Ray Nkonyeni - Table A1 Budget Summary

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands										
Financial Performance										
Property rates	-	-	389,818	404,757	405,289	445,337	117,532	424,591	450,067	477,071
Service charges	-	-	163,162	189,052	189,052	166,460	36,339	215,231	228,144	241,833
Investment revenue	-	-	3,618	20,192	4,703	3,183	(14,100)	4,985	5,284	5,601
Transfers recognised - operational	-	-	258,802	218,970	221,763	194,844	87,009	340,389	331,260	343,882
Other own revenue	-	-	42,962	139,193	73,449	78,850	25,062	64,616	68,502	72,657
Total Revenue (excluding capital transfers and contributions)	-	-	858,362	972,164	894,255	888,675	251,841	1,049,811	1,083,256	1,141,044
Employee costs	-	-	358,167	359,939	378,898	334,747	30,096	382,859	427,055	455,631
Remuneration of councillors	-	-	25,954	30,943	28,856	25,647	4,551	28,922	30,658	32,497
Depreciation & asset impairment	-	-	134,674	62,000	58,900	-	-	51,250	54,900	58,339
Finance charges	-	-	-	-	-	1,625	-	2,500	2,650	2,809
Materials and bulk purchases	-	-	93,612	92,177	92,509	87,114	11,189	105,597	111,941	118,659
Transfers and grants	-	-	39,126	5,903	5,579	5,767	973	12,701	12,983	14,059
Other expenditure	-	219,349	321,914	537,318	457,183	404,733	38,929	435,349	420,860	431,580
Total Expenditure	-	219,349	973,447	1,088,280	1,021,924	859,633	85,738	1,019,178	1,061,046	1,113,574
Surplus/(Deficit)	-	(219,349)	(115,085)	(116,116)	(127,669)	29,041	166,103	30,633	22,210	27,470
Transfers and subsidies - capital (monetary allocation)	-	-	86,798	197,500	207,587	50,908	42,030	117,440	87,638	94,026
Contributions recognised - capital & contributed assets	-	-	-	-	-	50,979	-	1,000	-	-
Surplus/(Deficit) after capital transfers & contributions	-	(219,349)	(28,287)	81,384	79,918	130,929	208,134	149,073	109,848	121,496
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	(219,349)	(28,287)	81,384	79,918	130,929	208,134	149,073	109,848	121,496
Capital expenditure & funds sources										
Capital expenditure	-	-	73,176	196,159	200,733	57,493	135,373	134,794	79,070	80,523
Transfers recognised - capital	-	-	72,697	182,163	182,163	57,301	135,208	94,448	49,887	56,073
Borrowing	-	-	-	-	-	-	-	6,087	16,567	13,123
Internally generated funds	-	-	479	13,995	18,569	192	165	34,259	12,616	11,326
Total sources of capital funds	-	-	73,176	196,159	200,733	57,493	135,373	134,794	79,070	80,523
Financial position										
Total current assets	-	-	341,068	63,171	60,545	484,365	486,742	55,383	82,935	92,625
Total non current assets	-	-	1,903,704	161,131	168,753	1,801,312	1,696,567	83,544	24,170	22,184
Total current liabilities	-	-	199,975	-	-	173,210	152,867	(19,646)	(24,445)	(24,589)
Total non current liabilities	-	-	139,377	-	-	139,305	139,305	9,500	21,702	17,901
Community wealth/Equity	-	(219,349)	1,681,219	81,384	79,918	1,812,452	1,889,505	149,073	109,848	121,496
Cash flows										
Net cash from (used) operating	-	-	165,998	366,015	355,812	179,348	120,602	179,347	137,428	151,934
Net cash from (used) investing	-	-	(514,022)	(223,131)	(227,653)	178,294	74,077	(133,794)	(79,070)	(80,523)
Net cash from (used) financing	-	-	40,886	-	-	(1,692)	74	(4,124)	8,078	4,277
Cash/cash equivalents at the year end	-	-	(307,138)	(17,504)	(205,258)	420,956	259,760	41,429	107,865	183,553
Cash backing/surplus reconciliation										
Cash and investments available	-	-	65,006	(174,761)	(97,652)	133,515	153,349	23,492	58,902	67,866
Application of cash and investments	-	-	(19,125)	(265,331)	(172,697)	(164,210)	(96,120)	(42,787)	(40,631)	(41,481)
Balance - surplus (shortfall)	-	-	84,132	90,570	75,045	297,726	249,470	66,279	99,533	109,347
Asset management										
Asset register summary (WDV)	-	1,477,265	1,471,096	223,130	230,753	230,753	230,753	130,094	69,593	75,758
Depreciation	-	-	134,674	62,000	58,900	-	-	49,850	53,000	56,339
Renewal and Upgrading of Existing Assets	-	-	16,179	22,850	27,181	-	-	20,461	6,609	12,696
Repairs and Maintenance	-	-	1	-	200	-	-	40,269	42,325	44,878
Free services										
Cost of Free Basic Services provided	-	-	250	4,544	4,544	-	4,381	4,381	4,673	4,980
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	2	2	2	2
Refuse:	-	-	-	-	-	-	23	23	23	23



Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (financial performance, capital expenditure and funding sources, financial position, cash flow, MFMA funding compliance and asset management).

The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

Table 61: MBRR Table A2-Budgeted Financial Performance (revenue and expenditure by standard classification Classification)



KZN216 Ray Nkonyeni - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
Revenue - Functional										
Governance and administration		-	-	666,356	618,666	617,298	990,562	661,644	705,204	752,669
Executive and council		-	-	176,037	185,468	186,523	-	205,608	222,456	241,076
Finance and administration		-	-	490,319	433,198	430,775	990,562	456,036	482,748	511,593
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	46,866	140,130	150,815	-	126,645	103,112	100,603
Community and social services		-	-	11,595	13,631	13,870	-	14,399	15,169	16,040
Sport and recreation		-	-	-	100	100	-	106	112	119
Public safety		-	-	1,271	200	560	-	466	494	524
Housing		-	-	34,000	126,199	136,286	-	111,673	87,336	83,920
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	40,822	191,427	116,552	-	137,870	108,561	113,267
Planning and development		-	-	28,703	27,189	31,573	-	31,688	15,886	14,019
Road transport		-	-	11,674	163,979	84,719	-	105,906	92,382	98,938
Environmental protection		-	-	446	260	260	-	276	292	310
Trading services		-	-	187,845	209,252	209,437	-	234,193	245,634	266,352
Energy sources		-	-	133,025	146,417	146,602	-	161,988	169,521	185,672
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	54,821	62,835	62,835	-	72,205	76,113	80,680
Other	4	-	-	3,270	10,188	7,740	-	7,900	8,384	2,180
Total Revenue - Functional	2	-	-	945,160	1,169,664	1,101,842	990,562	1,168,251	1,170,894	1,235,070
Expenditure - Functional										
Governance and administration		-	-	372,450	319,007	309,499	700,561	320,407	348,044	369,964
Executive and council		-	-	150,404	122,226	117,372	-	111,504	117,362	124,642
Finance and administration		-	-	203,709	166,702	159,564	700,561	172,331	192,098	204,366
Internal audit		-	-	18,336	30,079	32,562	-	36,572	38,584	40,956
Community and public safety		-	-	124,108	87,224	92,782	-	180,802	171,915	171,399
Community and social services		-	-	19,230	26,284	28,828	-	31,355	31,914	33,884
Sport and recreation		-	-	10,259	4,821	5,149	-	5,369	8,984	6,797
Public safety		-	-	48,132	42,402	46,399	-	30,275	38,515	40,990
Housing		-	-	46,487	13,717	12,405	-	113,803	92,502	89,728
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	205,918	258,804	184,748	-	218,513	230,790	241,978
Planning and development		-	-	26,965	34,317	33,928	-	57,790	59,524	59,650
Road transport		-	-	158,408	201,657	130,787	-	136,438	145,524	155,041
Environmental protection		-	-	20,546	22,830	20,033	-	24,285	25,742	27,287
Trading services		-	-	259,894	267,796	274,107	-	288,359	297,685	316,568
Energy sources		-	-	121,295	105,714	107,091	-	122,781	128,290	136,096
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	138,599	162,082	167,016	-	165,578	169,394	180,471
Other	4	-	-	11,076	12,532	11,408	-	11,097	12,612	13,665
Total Expenditure - Functional	3	-	-	973,447	945,363	872,544	700,561	1,019,178	1,061,046	1,113,574
Surplus/(Deficit) for the year		-	-	(28,287)	224,301	229,298	290,001	149,073	109,848	121,497

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.



Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that both Electricity function and Waste management function are able to finance its services. As both service charges are reflecting a surplus.

Other functions that show a deficit between revenue and expenditure are being financed from rates revenues, other revenue sources and transfers recognized operational from both National and provincial departments.

Table 62: MBRR Table A3-Budgeted Financial Performance (revenue and expenditure by vote)

**KZN216 Ray Nkonyeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Revenue by Vote	1									
Vote 1 - BUDGET AND TREASURY		-	-	488,132	429,778	427,354	482,919	450,915	475,219	503,736
Vote 2 - STRATEGIC PLANNING AND GOVERNANCE		-	-	176,037	185,468	189,523	185,306	205,608	222,456	241,076
Vote 3 - ECONOMIC DEVELOPMENT AND TOWN PLANNING		-	-	31,973	37,377	36,313	10,571	18,714	18,802	19,955
Vote 4 - CORPORATE SERVICES		-	-	2,187	129,619	139,706	60,920	1,299	-	-
Vote 5 - COMMUNITY SERVICES		-	-	5,358	3,101	3,340	15,308	92,614	78,831	83,574
Vote 6 - TECHNICAL SERVICES		-	-	167,025	206,734	206,919	165,435	255,311	261,060	264,197
Vote 7 - PUBLIC SAFETY		-	-	74,448	177,587	98,687	67,790	25,350	26,890	28,506
Vote 8 - NULL		-	-	-	-	-	-	-	-	-
Vote 9 - NULL		-	-	-	-	-	-	-	-	-
Vote 10 - NULL		-	-	-	-	-	-	-	-	-
Vote 11 - NULL		-	-	-	-	-	-	-	-	-
Vote 12 - NULL		-	-	-	-	-	-	-	-	-
Vote 13 - NULL		-	-	-	-	-	-	-	-	-
Vote 14 - NULL		-	-	-	-	-	-	-	-	-
Vote 15 - NULL		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	-	945,160	1,169,664	1,101,842	988,248	1,049,810	1,083,258	1,141,044
Expenditure by Vote to be appropriated	1									
Vote 1 - BUDGET AND TREASURY		-	-	123,066	84,317	71,159	60,441	68,318	71,124	74,645
Vote 2 - STRATEGIC PLANNING AND GOVERNANCE		-	-	177,414	157,703	155,400	85,401	265,995	276,922	290,632
Vote 3 - ECONOMIC DEVELOPMENT AND TOWN PLANNING		-	-	33,952	41,661	39,996	22,266	119,643	124,558	130,724
Vote 4 - CORPORATE SERVICES		-	-	83,181	94,579	99,528	88,854	85,711	89,232	93,650
Vote 5 - COMMUNITY SERVICES		-	-	127,053	147,338	153,051	133,019	50,536	52,612	55,216
Vote 6 - TECHNICAL SERVICES		-	-	232,448	169,706	175,695	161,887	252,461	262,831	275,843
Vote 7 - PUBLIC SAFETY		-	-	195,652	249,214	177,117	148,120	176,515	183,766	192,864
Vote 8 - NULL		-	-	-	-	-	-	-	-	-
Vote 9 - NULL		-	-	-	-	-	-	-	-	-
Vote 10 - NULL		-	-	-	-	-	-	-	-	-
Vote 11 - NULL		-	-	-	-	-	-	-	-	-
Vote 12 - NULL		-	-	-	-	-	-	-	-	-
Vote 13 - NULL		-	-	-	-	-	-	-	-	-
Vote 14 - NULL		-	-	-	-	-	-	-	-	-
Vote 15 - NULL		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	-	972,766	944,518	871,945	699,988	1,019,179	1,061,046	1,113,574
Surplus/(Deficit) for the year	2	-	-	(27,606)	225,146	229,896	288,260	30,631	22,212	27,470

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 473: MBRR Table A4-Budgeted Financial Performance (revenue and expenditure)


KZN216 Ray Nkonyeni - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework			
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
Revenue By Source													
Property rates	2		–	–	389,818	404,757	405,289	445,337	117,532	424,591	450,067	477,071	
Service charges - electricity revenue	2		–	–	114,466	126,417	126,417	110,327	21,373	143,638	152,256	161,391	
Service charges - water revenue	2		–	–	–	–	–	–	–	–	–	–	
Service charges - sanitation revenue	2		–	–	–	–	–	–	–	–	–	–	
Service charges - refuse revenue	2		–	–	48,696	62,635	62,635	56,133	14,966	71,593	75,889	80,442	
Rental of facilities and equipment			–	–	2,662	3,533	3,533	2,736	8,061	2,762	2,942	3,132	
Interest earned - external investments			–	–	3,618	20,192	4,703	3,183	(14,100)	4,985	5,284	5,601	
Interest earned - outstanding debtors			–	–	12,578	468	12,887	17,971	2,920	18,839	19,868	21,064	
Dividends received			–	–	–	–	–	–	–	–	–	–	
Fines, penalties and forfeits			–	–	8,199	86,587	12,591	2,012	286	13,521	14,352	15,231	
Licences and permits			–	–	6,024	11,100	1,901	6,886	1,488	2,305	2,442	2,574	
Agency services			–	–	3,429	6,000	8,985	3,597	793	9,524	10,096	10,701	
Transfers and subsidies			–	–	258,802	218,970	221,763	194,844	87,009	340,389	331,260	343,882	
Other revenue	2		–	–	10,070	31,506	33,552	45,648	11,514	17,664	18,802	19,955	
Gains on disposal of PPE			–	–	–	–	–	–	–	–	–	–	
Total Revenue (excluding capital transfers and contributions)				–	–	858,362	972,164	894,255	888,675	251,841	1,049,811	1,083,256	1,141,044
Expenditure By Type													
Employee related costs	2		–	–	358,167	359,939	378,898	334,747	30,096	382,859	427,055	455,631	
Remuneration of councillors			–	–	25,954	30,943	28,856	25,647	4,551	28,922	30,658	32,497	
Debt impairment	3		–	–	36,465	3,200	5,989	3,545	395	8,989	9,768	10,617	
Depreciation & asset impairment	2		–	–	134,674	62,000	58,900	–	–	51,250	54,900	58,339	
Finance charges			–	–	–	–	–	1,625	–	2,500	2,650	2,809	
Bulk purchases	2		–	–	87,168	86,620	86,620	82,707	10,578	100,159	106,169	112,539	
Other materials	8		–	–	6,444	5,556	5,889	4,408	611	5,437	5,772	6,120	
Contracted services			–	–	285,449	392,399	301,822	243,600	38,535	274,218	254,823	255,046	
Transfers and subsidies			–	–	39,126	5,903	5,579	5,767	973	12,701	12,983	14,059	
Other expenditure	4, 5		–	219,349	–	141,719	149,372	157,587	–	152,143	156,269	165,917	
Loss on disposal of PPE			–	–	–	–	–	–	–	–	–	–	
Total Expenditure				–	219,349	973,447	1,088,280	1,021,924	859,633	85,738	1,019,178	1,061,046	1,113,574
Surplus/(Deficit)				–	(219,349)	(115,085)	(116,116)	(127,669)	29,041	166,103	30,633	22,210	27,470
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			–	–	86,798	197,500	207,587	50,908	42,030	117,440	87,638	94,026	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher	6		–	–	–	–	–	50,979	–	1,000	–	–	
Transfers and subsidies - capital (in-kind - all)			–	–	–	–	–	–	–	–	–	–	
Surplus/(Deficit) after capital transfers & contributions				–	(219,349)	(28,287)	81,384	79,918	130,929	208,134	149,073	109,848	121,496
Taxation			–	–	–	–	–	–	–	–	–	–	
Surplus/(Deficit) after taxation				–	(219,349)	(28,287)	81,384	79,918	130,929	208,134	149,073	109,848	121,496
Attributable to minorities			–	–	–	–	–	–	–	–	–	–	
Surplus/(Deficit) attributable to municipality				–	(219,349)	(28,287)	81,384	79,918	130,929	208,134	149,073	109,848	121,496
Share of surplus/ (deficit) of associate	7		–	–	–	–	–	–	–	–	–	–	
Surplus/(Deficit) for the year				–	(219,349)	(28,287)	81,384	79,918	130,929	208,134	149,073	109,848	121,496

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

Total operating revenue is R 1,049 billion and total capital revenue is R 118 million in 2018/20



Total revenue for 2018/19 financial year is R 1.1 billion.

Revenue to be generated from property rates is R424 million in the 2019/20 financial year therefore remains a main funding source for the municipality.

Transfers recognized – operating includes the local government equitable share and other operating grants from national and provincial government amounts to R415 million. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF. The municipality is not grant dependent since major part of revenue is own funding however we still has to ensure that we collect every single cent that is due to us.

Table: 64 Consolidated Overview

KZN216 Ray Nkonyeni - Table A1 Budget Summary

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands										
Financial Performance										
Property rates	–	–	389,818	404,757	405,289	445,337	117,532	424,591	450,067	477,071
Service charges	–	–	163,162	189,052	189,052	166,460	36,339	215,231	228,144	241,833
Investment revenue	–	–	3,618	20,192	4,703	3,183	(14,100)	4,985	5,284	5,601
Transfers recognised - operational	–	–	258,802	218,970	221,763	194,844	87,009	340,389	331,260	343,882
Other own revenue	–	–	42,962	139,193	73,449	78,850	25,062	64,616	68,502	72,657
Total Revenue (excluding capital transfers and contributions)	–	–	858,362	972,164	894,255	888,675	251,841	1,049,811	1,083,256	1,141,044
Employee costs	–	–	358,167	359,939	378,898	334,747	30,096	382,859	427,055	455,631
Remuneration of councillors	–	–	25,954	30,943	28,856	25,647	4,551	28,922	30,658	32,497
Depreciation & asset impairment	–	–	134,674	62,000	58,900	–	–	51,250	54,900	58,339
Finance charges	–	–	–	–	–	1,625	–	2,500	2,650	2,809
Materials and bulk purchases	–	–	93,612	92,177	92,509	87,114	11,189	105,597	111,941	118,659
Transfers and grants	–	–	39,126	5,903	5,579	5,767	973	12,701	12,983	14,059
Other expenditure	–	219,349	321,914	537,318	457,183	404,733	38,929	435,349	420,860	431,580
Total Expenditure	–	219,349	973,447	1,088,280	1,021,924	859,633	85,738	1,019,178	1,061,046	1,113,574
Surplus/(Deficit)	–	(219,349)	(115,085)	(116,116)	(127,669)	29,041	166,103	30,633	22,210	27,470
Transfers and subsidies - capital (monetary allocation)	–	–	86,798	197,500	207,587	50,908	42,030	117,440	87,638	94,026
Contributions recognised - capital & contributed assets	–	–	–	–	–	50,979	–	1,000	–	–
Surplus/(Deficit) after capital transfers & contributions	–	(219,349)	(28,287)	81,384	79,918	130,929	208,134	149,073	109,848	121,496
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	–	(219,349)	(28,287)	81,384	79,918	130,929	208,134	149,073	109,848	121,496



Capital expenditure & funds sources										
Capital expenditure	-	-	73,176	196,159	200,733	57,493	135,373	134,794	79,070	80,523
Transfers recognised - capital	-	-	72,697	182,163	182,163	57,301	135,208	94,448	49,887	56,073
Borrowing	-	-	-	-	-	-	-	6,087	16,567	13,123
Internally generated funds	-	-	479	13,995	18,569	192	165	34,259	12,616	11,326
Total sources of capital funds	-	-	73,176	196,159	200,733	57,493	135,373	134,794	79,070	80,523
Financial position										
Total current assets	-	-	341,068	63,171	60,545	484,365	486,742	55,383	82,935	92,625
Total non current assets	-	-	1,903,704	161,131	168,753	1,801,312	1,696,567	83,544	24,170	22,184
Total current liabilities	-	-	199,975	-	-	173,210	152,867	(19,646)	(24,445)	(24,589)
Total non current liabilities	-	-	139,377	-	-	139,305	139,305	9,500	21,702	17,901
Community wealth/Equity	-	(219,349)	1,681,219	81,384	79,918	1,812,452	1,889,505	149,073	109,848	121,496
Cash flows										
Net cash from (used) operating	-	-	165,998	366,015	355,812	179,348	120,602	179,347	137,428	151,934
Net cash from (used) investing	-	-	(514,022)	(223,131)	(227,653)	178,294	74,077	(133,794)	(79,070)	(80,523)
Net cash from (used) financing	-	-	40,886	-	-	(1,692)	74	(4,124)	8,078	4,277
Cash/cash equivalents at the year end	-	-	(307,138)	(17,504)	(205,258)	420,956	259,760	41,429	107,865	183,553
Cash backing/surplus reconciliation										
Cash and investments available	-	-	65,006	(174,761)	(97,652)	133,515	153,349	23,492	58,902	67,866
Application of cash and investments	-	-	(19,125)	(265,331)	(172,697)	(164,210)	(96,120)	(42,787)	(40,631)	(41,481)
Balance - surplus (shortfall)	-	-	84,132	90,570	75,045	297,726	249,470	66,279	99,533	109,347
Asset management										
Asset register summary (WDV)	-	1,477,265	1,471,096	223,130	230,753	230,753	230,753	130,094	69,593	75,758
Depreciation	-	-	134,674	62,000	58,900	-	-	49,850	53,000	56,339
Renewal and Upgrading of Existing Assets	-	-	16,179	22,850	27,181	-	-	20,461	6,609	12,696
Repairs and Maintenance	-	-	1	-	200	-	-	40,269	42,325	44,878
Free services										
Cost of Free Basic Services provided	-	-	250	4,544	4,544	-	4,381	4,381	4,673	4,980
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	2	2	2	2
Refuse:	-	-	-	-	-	-	23	23	23	23

Table:65 Employee related cost details and Councillors

KZN216 Ray Nkonyeni - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		-	-	21,438	27,872	24,351	21,642	26,026	27,587	29,242
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	2,600	-	-	-	-	-	-
Cellphone Allowance		-	-	1,916	3,071	4,505	4,006	2,897	3,071	3,255
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors	4	-	-	25,954	30,943	28,856	25,647	28,922	30,658	32,497
% increase			-	-	19.2%	(6.7%)	(11.1%)	12.8%	6.0%	6.0%



Senior Managers of the Municipality	2									
Basic Salaries and Wages		-	-	10,017	9,775	9,775	-	10,271	11,442	12,243
Pension and UIF Contributions		-	-	16	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	114	84	84	-	114	128	137
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	245	398	398	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		-	-	10,392	10,257	10,257	-	10,385	11,570	12,380
% increase	4		-	-	(1.3%)	-	(100.0%)	-	11.4%	7.0%
Other Municipal Staff										
Basic Salaries and Wages		-	-	285,503	291,065	306,356	-	307,627	336,335	359,126
Pension and UIF Contributions		-	-	1,888	2,087	1,936	-	1,945	2,242	2,397
Medical Aid Contributions		-	-	16,192	19,027	16,858	-	9,903	18,642	19,630
Overtime		-	-	18,909	14,030	19,030	-	16,211	17,182	18,200
Performance Bonus		-	-	18,903	18,176	16,707	-	20,274	20,520	21,927
Motor Vehicle Allowance	3	-	-	13,537	13,339	14,819	-	13,431	16,962	18,123
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	3,236	2,095	3,191	-	3,083	3,603	3,848
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	120	-	-	-	-	-
Sub Total - Other Municipal Staff		-	-	358,167	359,939	378,898	-	372,474	415,485	443,251
% increase	4		-	-	0.5%	5.3%	(100.0%)	-	11.5%	6.7%
Total Parent Municipality		-	-	394,513	401,140	418,011	25,647	411,781	457,713	488,128

The budgeted allocation for employee related costs, senior management and councillors for the 2019/20 financial year totals R 411.8 million, which equals 40 per cent of the total operating expenditure. The salary increases have been factored into this budget at a percentage increase of 6.5 per cent for the 2019/20 financial year and also it must be noted that there are other line items which are excluded in employee costs e.g. overtime, standby allowances, salaries temps, pension funds contributions which were not kept at 7 per cent increase as compared to basic salary increase.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R51 million for the 2018/19 financial and equates to 7.3 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (Cost of capital). Finance charges make up 0.35 per cent (R2.5 million) of operating expenditure budget excluding annual redemption.



Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The increase is 7.32 per cent as per NERSA Guidelines.

PART 2 MAIN BUDGET TABLES

Annual Budget Tables

The following are the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations.

Table:66 MBRR Table A3-Budgeted Financial Performance (revenue and expenditure by vote)

KZN216 Ray Nkonyeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Revenue by Vote	1									
Vote 1 - BUDGET AND TREASURY		-	-	488,132	429,778	427,354	482,919	450,915	475,219	503,736
Vote 2 - STRATEGIC PLANNING AND GOVERNANCE		-	-	176,037	185,468	189,523	185,306	205,608	222,456	241,076
Vote 3 - ECONOMIC DEVELOPMENT AND TOWN PLANNING		-	-	31,973	37,377	36,313	10,571	18,714	18,802	19,955
Vote 4 - CORPORATE SERVICES		-	-	2,187	129,619	139,706	60,920	1,299	-	-
Vote 5 - COMMUNITY SERVICES		-	-	5,358	3,101	3,340	15,308	92,614	78,831	83,574
Vote 6 - TECHNICAL SERVICES		-	-	167,025	206,734	206,919	165,435	255,311	261,060	264,197
Vote 7 - PUBLIC SAFETY		-	-	74,448	177,587	98,687	67,790	25,350	26,890	28,506
Vote 8 - NULL		-	-	-	-	-	-	-	-	-
Vote 9 - NULL		-	-	-	-	-	-	-	-	-
Vote 10 - NULL		-	-	-	-	-	-	-	-	-
Vote 11 - NULL		-	-	-	-	-	-	-	-	-
Vote 12 - NULL		-	-	-	-	-	-	-	-	-
Vote 13 - NULL		-	-	-	-	-	-	-	-	-
Vote 14 - NULL		-	-	-	-	-	-	-	-	-
Vote 15 - NULL		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	-	945,160	1,169,664	1,101,842	988,248	1,049,810	1,083,258	1,141,044
Expenditure by Vote, to be appropriated	1									
Vote 1 - BUDGET AND TREASURY		-	-	123,066	84,317	71,159	60,441	68,318	71,124	74,645
Vote 2 - STRATEGIC PLANNING AND GOVERNANCE		-	-	177,414	157,703	155,400	85,401	265,995	276,922	290,632
Vote 3 - ECONOMIC DEVELOPMENT AND TOWN PLANNING		-	-	33,952	41,661	39,996	22,266	119,643	124,558	130,724
Vote 4 - CORPORATE SERVICES		-	-	83,181	94,579	99,528	88,854	85,711	89,232	93,650
Vote 5 - COMMUNITY SERVICES		-	-	127,053	147,338	153,051	133,019	50,536	52,612	55,216
Vote 6 - TECHNICAL SERVICES		-	-	232,448	169,706	175,695	161,887	252,461	262,831	275,843
Vote 7 - PUBLIC SAFETY		-	-	195,652	249,214	177,117	148,120	176,515	183,766	192,864
Vote 8 - NULL		-	-	-	-	-	-	-	-	-
Vote 9 - NULL		-	-	-	-	-	-	-	-	-
Vote 10 - NULL		-	-	-	-	-	-	-	-	-
Vote 11 - NULL		-	-	-	-	-	-	-	-	-
Vote 12 - NULL		-	-	-	-	-	-	-	-	-
Vote 13 - NULL		-	-	-	-	-	-	-	-	-
Vote 14 - NULL		-	-	-	-	-	-	-	-	-
Vote 15 - NULL		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	-	972,766	944,518	871,945	699,988	1,019,179	1,061,046	1,113,574
Surplus/(Deficit) for the year	2	-	-	(27,606)	225,146	229,896	288,260	30,631	22,212	27,470



Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table: 67 MBRR Table A4-Budgeted Financial Performance (revenue and expenditure)



KZN216 Ray Nkonyeni - Table A4 Budgeted Financial Performance (revenue and expenditure)

MZN210 Ray Nkhosho - Table A4 Budgeted Financial Performance (Revenue and expenditure)											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source											
Property rates	2	–	–	389,818	404,757	405,289	445,337	117,532	424,591	450,067	477,071
Service charges - electricity revenue	2	–	–	114,466	126,417	126,417	110,327	21,373	143,638	152,256	161,391
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	–	–	48,696	62,635	62,635	56,133	14,966	71,593	75,889	80,442
Rental of facilities and equipment		–	–	2,662	3,533	3,533	2,736	8,061	2,762	2,942	3,132
Interest earned - external investments		–	–	3,618	20,192	4,703	3,183	(14,100)	4,985	5,284	5,601
Interest earned - outstanding debtors		–	–	12,578	468	12,887	17,971	2,920	18,839	19,868	21,064
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	–	8,199	86,587	12,591	2,012	286	13,521	14,352	15,231
Licences and permits		–	–	6,024	11,100	1,901	6,886	1,488	2,305	2,442	2,574
Agency services		–	–	3,429	6,000	8,985	3,597	793	9,524	10,096	10,701
Transfers and subsidies		–	–	258,802	218,970	221,763	194,844	87,009	340,389	331,260	343,882
Other revenue	2	–	–	10,070	31,506	33,552	45,648	11,514	17,664	18,802	19,955
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		–	–	858,362	972,164	894,255	888,675	251,841	1,049,811	1,083,256	1,141,044
Expenditure By Type											
Employee related costs	2	–	–	358,167	359,939	378,898	334,747	30,096	382,859	427,055	455,631
Remuneration of councillors		–	–	25,954	30,943	28,856	25,647	4,551	28,922	30,658	32,497
Debt impairment	3	–	–	36,465	3,200	5,989	3,545	395	8,989	9,768	10,617
Depreciation & asset impairment	2	–	–	134,674	62,000	58,900	–	–	51,250	54,900	58,339
Finance charges		–	–	–	–	–	1,625	–	2,500	2,650	2,809
Bulk purchases	2	–	–	87,168	86,620	86,620	82,707	10,578	100,159	106,169	112,539
Other materials	8	–	–	6,444	5,556	5,889	4,408	611	5,437	5,772	6,120
Contracted services		–	–	285,449	392,399	301,822	243,600	38,535	274,218	254,823	255,046
Transfers and subsidies		–	–	39,126	5,903	5,579	5,767	973	12,701	12,983	14,059
Other expenditure	4, 5	–	219,349	–	141,719	149,372	157,587	–	152,143	156,269	165,917
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Expenditure		–	219,349	973,447	1,088,280	1,021,924	859,633	85,738	1,019,178	1,061,046	1,113,574
Surplus/(Deficit)		–	(219,349)	(115,085)	(116,116)	(127,669)	29,041	166,103	30,633	22,210	27,470
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		–	–	86,798	197,500	207,587	50,908	42,030	117,440	87,638	94,026
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher	6	–	–	–	–	–	50,979	–	1,000	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		–	(219,349)	(28,287)	81,384	79,918	130,929	208,134	149,073	109,848	121,496
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		–	(219,349)	(28,287)	81,384	79,918	130,929	208,134	149,073	109,848	121,496
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		–	(219,349)	(28,287)	81,384	79,918	130,929	208,134	149,073	109,848	121,496
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		–	(219,349)	(28,287)	81,384	79,918	130,929	208,134	149,073	109,848	121,496

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)



Total operating revenue is R 1,049 billion and total capital revenue is R117 million in 2019/20

Total revenue for 2019/20 financial year is R 1.1 billion.

Revenue to be generated from property rates is R424 million in the 2018/19 financial year therefore remains a main funding source for the municipality.

Transfers recognized – operating includes the local government equitable share and other operating grants from national and provincial government amounts to R340 million. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF. The municipality is not grant dependent since major part of revenue is own funding however we still has to ensure that we collect every single cent that is due to us.

Table 68: MBRR Table A6-Budgeted financial position

KZN216 Ray Nkonyeni - Table A6 Budgeted Financial Position

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
ASSETS											
Current assets											
Cash		–	–	(8,226)	(174,761)	(97,652)	71,012	80,117	23,492	58,902	67,866
Call investment deposits	1	–	–	73,233	–	–	62,503	73,233	–	–	–
Consumer debtors	1	–	–	183,005	129,893	140,043	268,294	248,315	15,351	16,033	16,731
Other debtors		–	–	74,436	108,039	18,153	71,962	75,816	17,219	8,680	8,708
Current portion of long-term receivables		–	–	3,453	–	–	3,453	3,453	(680)	(680)	(680)
Inventory	2	–	–	15,168	–	–	7,141	5,810	–	–	–
Total current assets		–	–	341,068	63,171	60,545	484,365	486,742	55,383	82,935	92,625
Non current assets											
Long-term receivables		–	–	6,655	–	–	6,655	6,655	–	–	–
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		–	–	–	–	–	–	–	–	–	–
Investment in Associate		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	–	–	1,472,577	161,131	168,753	1,605,973	1,501,229	81,944	23,439	21,453
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		–	–	–	–	–	–	–	–	–	–
Other non-current assets		–	–	424,472	–	–	188,684	188,684	1,600	730	730
Total non current assets		–	–	1,903,704	161,131	168,753	1,801,312	1,696,567	83,544	24,170	22,184
TOTAL ASSETS		–	–	2,244,771	224,301	229,298	2,285,676	2,183,310	138,927	107,105	114,809
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	–	–	9,995	–	–	7,902	9,995	(7,252)	(7,252)	(7,252)
Consumer deposits		–	–	23,108	–	–	23,580	23,255	200	200	200
Trade and other payables	4	–	–	161,882	–	–	136,737	114,628	(12,594)	(17,393)	(17,537)
Provisions		–	–	4,990	–	–	4,990	4,990	–	–	–
Total current liabilities		–	–	199,975	–	–	173,210	152,867	(19,646)	(24,445)	(24,589)
Non current liabilities											
Borrowing		–	–	11,236	–	–	11,164	11,164	9,500	21,702	17,901
Provisions		–	–	128,141	–	–	128,141	128,141	–	–	–
Total non current liabilities		–	–	139,377	–	–	139,305	139,305	9,500	21,702	17,901
TOTAL LIABILITIES		–	–	339,352	–	–	312,515	292,172	(10,146)	(2,743)	(6,688)
NET ASSETS	5	–	–	1,905,419	224,301	229,298	1,973,161	1,891,137	149,073	109,848	121,497
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		–	(219,349)	1,568,302	81,384	79,918	1,699,534	1,776,588	149,073	109,848	121,496
Reserves	4	–	–	112,917	–	–	112,917	112,917	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	–	(219,349)	1,681,219	81,384	79,918	1,812,452	1,889,505	149,073	109,848	121,496



Explanatory notes to Table A6 - Budgeted Financial Position

Table A6 is consistent with international standards of good financial management practice, and improves understand ability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).

This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

Call investments deposits;

Consumer debtors;

Property, plant and equipment;

Trade and other payables;

Provisions non -current;

Changes in net assets; and

Reserves

The statement of financial position shows that the municipality is financially healthy as assets exceed liabilities.

Table69: MBRR A8-Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN216 Ray Nkonyeni - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash and investments available											
Cash/cash equivalents at the year end	1	–	–	(307,138)	(17,504)	(205,258)	420,956	259,760	41,429	107,865	183,553
Other current investments > 90 days		–	–	372,144	(157,257)	107,606	(287,441)	(106,411)	(17,936)	(48,963)	(115,687)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		–	–	65,006	(174,761)	(97,652)	133,515	153,349	23,492	58,902	67,866
Application of cash and investments											
Unspent conditional transfers		–	–	8,787	–	–	16,986	0	–	(10,000)	(10,000)
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	–	–	(27,912)	(265,331)	(172,697)	(181,196)	(96,120)	(42,787)	(30,631)	(31,481)
Other provisions		–	–	–	–	–	–	–	–	–	–
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		–	–	(19,125)	(265,331)	(172,697)	(164,210)	(96,120)	(42,787)	(40,631)	(41,481)
Surplus(shortfall)		–	–	84,132	90,570	75,045	297,726	249,470	66,279	99,533	109,347

Explanatory notes to Table A7 - Budgeted Cash Flow Statement



KZN216 Ray Nkonyeni - Table A7 Budgeted Cash Flows

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	247,704	386,158	372,050	374,602	57,371	433,000	459,219	487,036
Service charges		–	–	117,122	292,528	296,388	151,906	31,190	191,471	202,959	215,137
Other revenue		–	–	30,384	138,726	60,562	60,879	22,141	28,557	39,953	42,886
Government - operating	1	–	–	258,802	218,970	221,763	194,844	87,009	340,389	331,260	343,882
Government - capital	1	–	–	86,798	197,500	207,587	101,887	42,030	117,440	87,638	94,026
Interest		–	–	16,196	20,659	17,589	21,154	(11,180)	23,824	25,152	26,665
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		–	–	(551,882)	(883,821)	(814,557)	(723,861)	(106,986)	(944,883)	(998,345)	(1,050,094)
Finance charges		–	–	–	–	–	(1,625)	–	(2,500)	(2,650)	(2,809)
Transfers and Grants	1	–	–	(39,126)	(4,705)	(5,570)	(439)	(973)	(7,951)	(7,758)	(4,795)
NET CASH FROM/(USED) OPERATING ACTIVITIES											
		–	–	165,998	366,015	355,812	179,348	120,602	179,347	137,428	151,934
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	1,000	–	–
Decrease (Increase) in non-current debtors		–	–	(6,655)	–	–	–	–	–	–	–
Decrease (increase) other non-current receiv ables		–	–	(424,472)	–	–	235,788	235,788	(1,600)	(730)	(730)
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		–	–	(82,896)	(223,131)	(227,653)	(57,493)	(161,710)	(133,194)	(78,339)	(79,792)
NET CASH FROM/(USED) INVESTING ACTIVITIES											
		–	–	(514,022)	(223,131)	(227,653)	178,294	74,077	(133,794)	(79,070)	(80,523)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	(3,453)	–	–	–	–	680	680	680
Borrowing long term/refinancing		–	–	21,231	–	–	–	–	(7,252)	(7,252)	(7,252)
Increase (decrease) in consumer deposits		–	–	23,108	–	–	472	146	200	200	200
Payments											
Repayment of borrowing		–	–	–	–	–	(2,164)	(72)	2,248	14,450	10,649
NET CASH FROM/(USED) FINANCING ACTIVITIES											
		–	–	40,886	–	–	(1,692)	74	(4,124)	8,078	4,277
NET INCREASE/ (DECREASE) IN CASH HELD											
		–	–	(307,138)	142,884	128,158	355,949	194,754	41,429	66,436	75,688
Cash/cash equivalents at the year begin:	2	–	–	–	(160,388)	(333,417)	65,006	65,006	–	41,429	107,865
Cash/cash equivalents at the year end:	2	–	–	(307,138)	(17,504)	(205,258)	420,956	259,760	41,429	107,865	183,553

The budgeted cash flow statement is the first measurement in determining if the budget is funded.

It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

It can be seen that the cash levels of the Municipality are not stabilized over the MTREF and prior years.

It can be seen that in 2019/20 the cash flow start to turn around and improves again.

The 2018/19 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

Cash flow reflect a positive balance of R41 million after defraying all the expenditure for the financial year.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.



In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

From the table it can be seen that for the municipality is operating at a surplus.

Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2018/19 MTREF was funded as it reflect a positive balance in funding measurement.

This reflects that the budget will be able to pay it expenditure for the current year and also be able to pay it obligations. It is assumed that all grants will be spend 100% and if not it is cash backed since our budget reflect a positive after all the current years expenditure paid and it liabilities.

As part of the budgeting and planning guidelines that informed the compilation of the 2018/19 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Basic Service Delivery Measurement

1. Basic Service Delivery Measurement provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The municipality does not provide services such as water, sanitation, energy.
3. Water and sanitation is provided by Ugu District municipality, energy is supplied both by municipality and Eskom.
4. Refuse removal is done in urban area the rural part of the municipality uses it own dump site, however, the municipality has started some programmes (skips) in some areas.

Assumptions used in preparation of the budget over the MTREF

Table 70: Collection and Expenditure rates





Property rates	98%
Penalties and Collection Charges	95%
Electricity	95%
Refuse Removal	95%
Rental of facilities	95%
Interest earned in investment	100%
Interest earned on outstanding debts	95%
Fines	7.2%
Licenses and Permits	95%
Agency Fees	100%
Transfers and Grants – operational	100%
Transfers and Grants – Capital	100%
Other revenue	80%
Expenditure	
Employee related cost	100%
Remuneration of councilors	100%
Debt impairment	100%
Bulk Purchases	95%
Finance Charges	100%
Contracted services	95%
Transfers and Grants	100%
Other Expenditure	90%
Other Material	98%





Capital performance	=100%
Year-end accruals	=10% of total operating budget =15% of capital budget
Provisions	=10%

Supporting Documentation

4.6.14 Overview of the annual budget process

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

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

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritized in the allocation of resources.

4.6.14.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2011) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 25 August 2011. Key dates applicable to the process were:

July 2018 – Prepare joint process plan for IDP, PMS and Budget

August 2018–Submit process plan to IDP forum, portfolio committees and council. Liaise with national and provincial governments for planning and budgeting process;



September 2018– Assessment of objectives, strategies and projects against cross cutting issues. Assessment of alignment of IDP strategies & projects for medium term in relation to NSDP and PGDF.

Determine funding availability & requirements per sector plan and where relevant prepare business plan/terms of reference and roll out accordingly;

October 2018 – Review and confirm objectives, strategies and projects at IDPRF workshop. Review capital, institutional, operational, maintenance projects. Estimate available resources and provide guidance for way forward for budgeting;

November 2017–Submit revised projects to Treasury. Submit first Draft IDP to IDP steering committee/Rep Forum for in principle approval

December 2017 – Submit budget instructions and 2016/17 budget framework to all relevant persons. Preparation of summary of available funds (internal and external);

January 2018 - Council considers the 2015/2016 Mid-year Review and Adjustments Budget;

February 20178– Assess financial feasibility of proposed new projects based on existing and potential funds. Consideration of draft budget;

March 2018 - Tabling in Council of the draft 2018/19 IDP and 2017/18 Draft MTREF for public consultation;

April 2018– Public consultation;

June 2018–Finalisation and adoption of the 2018/19 IDP and 2017/18 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and tabling of the 2017/18 MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council. These are the IDP and Budget process schedule for individual municipalities and both municipality did not deviate from processes.

4.6.14.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fifth revision cycle included the following key IDP processes and deliverables:

Registration of community needs;

Compilation of departmental business plans including key performance indicators and targets;

Financial planning and budgeting process;

Public participation process;



Compilation of the SDBIP, and

The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2018/19 budget, based on the approved 2017/18 Budget, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2018/19 budget, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2018/19 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

Financial Modelling and Key Planning Drivers

As part of the compilation of the 2018/19 budget, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2018/19 budget:

Municipality growth

Policy priorities and strategic objectives

Asset maintenance

Economic climate and trends (i.e. inflation)

Performance trends

The approved 2017/18 adjustments budget and performance against the SDBIP

Cash Flow Management Strategy

Debtor payment levels

Investment possibilities

The need for tariff increases versus the ability of the community to pay for services;

Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 89 and 91 has been taken into consideration in the planning and prioritisation process.

4.6.16 Community Consultation



The Table 2018/19 Budget as tabled before Council on 27 March 2018 for community consultation has been published on the municipality's website and hard copies has been made available at municipal offices and other community centres. In addition budget road shows will held in different municipal clusters. Inputs were also collected via suggestion box and e-mails.

All documents in the appropriate format (electronic and printed) will provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process during April. The applicable dates and venues were published in the local newspapers. Imbizo's will be held to further ensure transparency and interaction. Other stakeholders involved in the consultation will include churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects will be addressed, and where relevant considered as part of the 2018/19 final budget.

4.6.15.1 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents.

The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality's strategically complies with the key national and provincial priorities.





The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

Green Paper on National Strategic Planning of 2009;

Government Programme of Action;

Development Facilitation Act of 1995;

Provincial Growth and Development Strategy (GGDS);

National and Provincial spatial development perspectives;

Relevant sector plans such as transportation, legislation and policy;

National Key Performance Indicators (NKPis);

Accelerated and Shared Growth Initiative (ASGISA);

National Development Plan (NDP)

National Spatial Development Perspective (NSDP) and

The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's six strategic objectives for the 2018/19 Budget and further planning refinements that have directly informed the compilation of the budget.

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity.





It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

The 2018/19 Budget has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.



Table 71:SA4 Reconciliation of IDP Strategic Objectives and Budget

KZN216 Ray Nkonyeni - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

KENYA RAY KIRINYI - Supporting Table 5A: Reconciliation of RDI Strategic Objectives and Budget (Revenue)													
Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
R thousand													
Good Governance and Public Participation	Clean administration & sound public participation					105,758	120,850	127,376		120,704	120,978	127,608	
						-							
						-							
Basic Service delivery and Infrastructure	Electricity, Roads , Housing and accelerate capital expenditure					225,018	226,684	238,925		226,410	226,922	239,360	
						10,443	6,698	7,060		6,690	6,705	7,073	
Local Economic Development	Youth empowerment,LED strategy, supporting SMMEs					8,272	7,550	7,958		7,541	7,558	7,972	
						-							
						-							
						-							
Municipal Financial Viability and Management	Sound financial management					404,440	404,757	426,614		404,268	405,183	427,391	
						-							
Spatial and Environment	Health hygienically safe environment					64,059	22,814	24,046		22,786	22,838	24,090	
	Public Safety					22,978	221,783	94,138		221,515	222,016	234,185	
	Community Facilities					12,575	26,493	27,924		26,461	26,521	27,974	
Cross Cutting Issues	Combating climate change and ensuring sustainable development and resilient communities					91,617	132,034	147,801		131,875	132,173	139,417	
	Facilitating Spatial Integration and Development of Sustainable Human Settlements												
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	-	-	945,160	1,169,664	1,101,841	-	1,168,251	1,170,894	1,235,070



Table 72: SA 8 Performance Indicators

KZN216 Ray Nkonyeni - Supporting Table SA8 Performance indicators and benchmarks

KZN2 to Ray Nkonyeni - Supporting Table SA6 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.1%	0.0%	-1.1%	-0.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	-1.6%	-1.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	0.0%	0.0%	174.3%	0.0%	0.0%	0.0%	0.0%	-16.3%	-22.5%	-26.9%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	10.0%	0.0%	0.0%	9.9%	9.9%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	-	-	1.7	-	-	2.8	3.2	(2.8)	(3.4)	(3.8)
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	-	-	1.7	-	-	2.8	3.2	(2.8)	(3.4)	(3.8)
Liquidity Ratio	Monetary Assets/Current Liabilities	-	-	0.3	-	-	0.8	1.0	(1.2)	(2.4)	(2.8)
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	-12.0%	114.3%	112.5%	124.6%	210.8%	97.4%	97.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	66.0%	114.3%	112.5%	86.1%	57.6%	97.6%	97.6%	97.7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0.0%	0.0%	31.2%	24.5%	17.7%	39.4%	132.7%	3.0%	2.2%	2.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		0.0%	0.0%	-47.9%	0.0%	0.0%	27.0%	41.8%	-30.4%	-6.9%	-4.1%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	0.0%	0.0%	41.7%	37.0%	42.4%	37.7%	12.0%	36.5%	39.4%	39.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	46.0%	41.3%	46.7%	2.9%		39.2%	42.3%	42.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		3.8%	3.9%	3.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	0.0%	15.7%	6.4%	6.6%	0.2%	0.0%	5.1%	5.3%	5.4%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	-	-	29.0	42.8	42.8	42.8	7.6	66.3	47.0	49.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services (Available cash + Investments)/monthly fixed operational expenditure	0.0%	0.0%	47.0%	39.8%	26.5%	55.9%	202.3%	5.0%	3.5%	3.4%
iii. Cost coverage		-	-	(4.6)	(0.2)	(2.8)	6.7	37.0	0.6	1.4	2.3



Table 73: SA 15 Investment particulars

KZN216 Ray Nkonyeni - Supporting Table SA15 Investment particulars by type

GENERAL INFORMATION: Supporting Table 2 - Investment portfolio by type										
Investment type	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank			66,888	37,144	37,144	37,144	60,317	146,068	110,126	117,432
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	-	66,888	37,144	37,144	37,144	60,317	146,068	110,126	117,432
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	66,888	37,144	37,144	37,144	60,317	146,068	110,126	117,432



Table 7448: SA19 Grants and subsidies Expenditure

KZN216 Ray Nkonyeni - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		–	–	208,752	212,985	212,985	–	212,513	224,456	243,076
Local Government Equitable Share				175,566	185,324	185,324	–	205,608	222,456	241,076
Finance Management				3,600	3,600	3,600	–	2,500	2,000	2,000
EPWP Incentive				3,306	4,061	4,061	–	4,405	–	–
Energy Efficiency and Demand Management				4,000	6,000	6,000	–	–	–	–
Integrated National Electrification Programme				14,000	14,000	14,000	–	–	–	–
				–	–	–	–	–	–	–
Municipal Demarcation Transition Grant				8,280	–	–	–	–	–	–
Provincial Government:		–	–	52,900	19,953	19,953	–	125,527	105,427	99,347
Housing				34,926	–	–	–	107,153	86,316	79,400
Housing				5,082	4,337	4,337	–	4,520	4,520	4,520
Sport and Recreation				11,292	12,600	12,600	–	13,854	14,591	15,427
				–	–	–	–	–	–	–
MIG - Operational				1,600	3,016	3,016	–	–	–	–
District Municipality:		–	–	–	144	144	–	–	–	–
Ugu Grant				–	144	144	–	–	–	–
Other grant providers:		–	–	683	1,225	2,725	–	2,749	1,377	1,459
Mandatory Grant /WSP				683	1,225	2,725	–	1,299	1,377	1,459
EDTEA GRANT				–	–	–	–	400	–	–
TETA GRANT				–	–	–	–	1,050	–	–
Total operating expenditure of Transfers and Grants		–	–	262,335	234,307	235,807	–	340,789	331,260	343,882
Capital expenditure of Transfers and Grants										
National Government:		–	–	62,615	57,301	57,301	–	107,040	84,464	97,375
Municipal Infrastructure Grant (MIG)				62,615	57,301	57,301	–	80,040	64,964	69,875
Neighbourhood Development Partnership				–	–	–	–	10,000	2,500	3,500
Integrated National Electrification Programme				–	–	–	–	9,000	9,000	15,000
Energy Efficiency and Demand Management				–	–	–	–	8,000	8,000	9,000
				–	–	–	–	–	–	–
Other capital transfers/grants [insert desc]				–	–	–	–	–	–	–
Provincial Government:		–	–	20,147	121,862	136,286	–	10,000	3,174	3,349
Human Settlement				20,147	121,862	136,286	–	7,000	–	–
Margate Airport Grant				–	3,000	3,000	–	3,000	3,174	3,349
District Municipality:		–	–	–	–	–	–	–	–	–
Ugu Grant				–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	1,000	–	–
DBSA GRANT				–	–	–	–	1,000	–	–
Total capital expenditure of Transfers and Grants		–	–	82,762	179,163	193,587	–	118,040	87,638	100,724
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		–	–	345,097	413,470	429,394	–	458,829	418,898	444,606

Table: 75 SA20 Table 49: SA 20 Reconciliation of transfers, grant and unspent funds



KZN216 Ray Nkonyeni - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts				208,752	212,985	212,985	-	212,513	224,456	243,076
Conditions met - transferred to revenue		-	-	208,752	212,985	212,985	-	212,513	224,456	243,076
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year				-	6,524	6,524	-	-	-	-
Current year receipts				52,900	19,953	19,953	-	125,527	105,427	99,347
Conditions met - transferred to revenue		-	-	52,900	26,477	26,477	-	125,527	105,427	99,347
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts				-	144	144	-			
Conditions met - transferred to revenue		-	-	-	144	144	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts				683	1,225	2,725	-	2,749	1,377	1,459
Conditions met - transferred to revenue		-	-	683	1,225	2,725	-	2,749	1,377	1,459
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		-	-	262,335	240,831	242,331	-	340,789	331,260	343,882
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts				62,615	57,301	57,301	-	107,040	84,464	97,375
Conditions met - transferred to revenue		-	-	62,615	57,301	57,301	-	107,040	84,464	97,375
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts				20,147	124,862	139,286	-	10,000	3,174	3,349
Conditions met - transferred to revenue		-	-	20,147	124,862	139,286	-	10,000	3,174	3,349
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts				-	-	-	-	1,000	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	1,000	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		-	-	82,762	182,163	196,587	-	118,040	87,638	100,724
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		-	-	345,097	422,994	438,918	-	458,829	418,898	444,606
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-



Table 506:SA21 Grant and subsidy made by the Municipality



KZN216 Ray Nkonyeni - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
Cash Transfers to other municipalities											
<i>Insert description</i>	1	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
<i>Insert description</i>	3	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
<i>Insert description</i>		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Groups of Individuals											
<i>Insert description</i>		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other municipalities											
<i>Ugu S C Tourism & HC Development Agency, africa bike, Ugu Jazz, Doughty South Coast Tourism</i>	1	-	-	39,126	-	-	-	973	8,025	7,988	8,768
<i>Adhoc grant in applic</i>					2,653	2,796	2,950		2,006	2,120	2,247
<i>NGO's</i>					200	211	222		200	212	225
<i>South Coast Bike Festival</i>					400	422	445		470	498	528
<i>Ugu Jazz Festival</i>					1,000	500	500		500	500	500
<i>Masikandi Festival</i>					500	500	500		300	300	300
<i>South African Womens Open Golf & Golf Academy</i>					250	250	250		250	265	281
					900	900	900		950	1,100	1,210
Total Non-Cash Transfers To Municipalities:		-	-	39,126	5,903	5,579	5,767	973	12,701	12,983	14,059
Non-Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
<i>Insert description</i>	3	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
<i>Insert description</i>	4	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals											
<i>Insert description</i>	5	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	39,126	5,903	5,579	5,767	973	12,701	12,983	14,059
TOTAL TRANSFERS AND GRANTS	6	-	-	39,126	5,903	5,579	5,767	973	12,701	12,983	14,059



Table 77: SA 22 Councillors and Staff Benefits

KZN216 Ray Nkonyeni - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		-	-	21,438	27,872	24,351	21,642	26,026	27,587	29,242
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	2,600	-	-	-	-	-	-
Cellphone Allowance		-	-	1,916	3,071	4,505	4,006	2,897	3,071	3,255
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		-	-	25,954	30,943	28,856	25,647	28,922	30,658	32,497
% increase	4		-	-	19.2%	(6.7%)	(11.1%)	12.8%	6.0%	6.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		-	-	10,017	9,775	9,775	-	10,271	11,442	12,243
Pension and UIF Contributions		-	-	16	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	114	84	84	-	114	128	137
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	245	398	398	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		-	-	10,392	10,257	10,257	-	10,385	11,570	12,380
% increase	4		-	-	(1.3%)	-	(100.0%)	-	11.4%	7.0%
Other Municipal Staff										
Basic Salaries and Wages		-	-	285,503	291,065	306,356	-	307,627	336,335	359,126
Pension and UIF Contributions		-	-	1,888	2,087	1,936	-	1,945	2,242	2,397
Medical Aid Contributions		-	-	16,192	19,027	16,858	-	9,903	18,642	19,630
Overtime		-	-	18,909	14,030	19,030	-	16,211	17,182	18,200
Performance Bonus		-	-	18,903	18,176	16,707	-	20,274	20,520	21,927
Motor Vehicle Allowance	3	-	-	13,537	13,339	14,819	-	13,431	16,962	18,123
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	3,236	2,095	3,191	-	3,083	3,603	3,848
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	120	-	-	-	-	-
Sub Total - Other Municipal Staff		-	-	358,167	359,939	378,898	-	372,474	415,485	443,251
% increase	4		-	-	0.5%	5.3%	(100.0%)	-	11.5%	6.7%
Total Parent Municipality		-	-	394,513	401,140	418,011	25,647	411,781	457,713	488,128



Explanatory notes to Table SA22 Councillors and Staff Benefits

1. The remuneration of councillors and staff are as per the councillor's upper limit approved by the MEC and staff as per SALGA respectively.

4.12.19.1 Capital projects

Capital projects within the municipality have been budgeted for and fall under the Technical Services Department

Table 78: SA 36 List of Capital Projects



KZN216 Ray Nkonyeni - Supporting Table SA36 Detailed capital budget					2019/20 Medium Term Revenue & Expenditure Framework		
R thousand							
Function	Project Description	Project Number	Audited Outcome 2017/18	Current Year 2018/19 Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Parent municipality:							
<i>List all capital projects grouped by Function</i>							
Transport and Roads	Shibase Road			1,477,827.00			
Transport and Roads	Kaw useni Pedestrian Bridge (Shibe to Mvolomi School)			833,900.00	2,000,000.00	750,000.00	1,000,000.00
Transport and Roads	Kaw useni Pedestrian Bridge (Godloza to Mbomvini School)			-			
Transport and Roads	Kaw useni Vehicular Bridge (Mgudiwa School)			150,000.00			
Transport and Roads	Kaw useni Vehicular Bridge (Bhuka School)			150,000.00			
Transport and Roads	Khandalesizwe to Ntshabeni Pedestrian Bridge			27,824.00			
Transport and Roads	Gadlogadla to Makhanya Road vehicular Bridge			227,825.00			
Transport and Roads	Qashela to Munga Pedestrian Bridge			227,825.00	2,500,000.00	1,000,000.00	-
Transport and Roads	Shibase Pedestrian Bridge (Near Sima's House)			227,825.00			
Transport and Roads	Ntshomela Pedestrian Bridge (Sgodaneni)			227,825.00	2,000,000.00	700,000.00	-
Transport and Roads	Esididini Pedestrian Bridge (Dlovina)			227,825.00	1,500,000.00	1,000,000.00	1,324,003.00
Transport and Roads	Mweni Pedestrian Bridge			227,825.00	1,200,000.00	500,000.00	1,000,000.00
Transport and Roads	Nyanisweni & Dumezweni Pedestrian Bridge			227,825.00			
Transport and Roads	Maqobo Pedestrian Bridge			227,825.00	2,000,000.00	500,000.00	1,000,000.00
Transport and Roads	Mbhele Vehicular Bridge			-			
Transport and Roads	Nonganjana Pedestrian Bridge			-			
Transport and Roads	Nsebesha Pedestrian Bridge			-			
Transport and Roads	Vulindlela Vehicular Bridge			-			
Transport and Roads	Ngqumbela Road and Causeway			-	300,000.00	1,200,000.00	250,000.00
Transport and Roads	Mahlal Vehicular Bridge			-			
Transport and Roads	Mbewu Pedestrian Bridge			-			
Transport and Roads	Manqoba Pedestrian Bridge			-			
Transport and Roads	Sodoma Pedestrian Bridge			-			
Transport and Roads	Marine Drive/ Knox Gore Traffic Signal			100,000.00			
Transport and Roads	Smith Street Upgrade			322,600.00	3,000,000.00	1,000,000.00	-
Transport and Roads	Mkanti Road			1,500,000.00	1,500,000.00	-	-
Transport and Roads	Thongazi Pedestrian Bridge			822,600.00	900,000.00	-	-
Transport and Roads	William Connor Street Steel Structures			-			
Transport and Roads	Rehabilitation of College Road Southbroom			-			
Transport and Roads	Tarring of Nostha Main Road			4,992,628.00	4,000,000.00	2,500,000.00	2,000,000.00
Transport and Roads	Mpakani Road Upgrade & bridge			1,361,300.00			
Transport and Roads	Masele Pedestrian Bridge			27,339.00			
Transport and Roads	Mhlin'Omile Pedestrian Bridge			-			
Transport and Roads	Danca Pedestrian Bridge			-			
Transport and Roads	Nzama Pedestrian Bridge			-			
Transport and Roads	Ethangeni Pedestrian Bridge			-			
Transport and Roads	Fezile Mkhwanazi Stormwater			-	1,800,000.00	-	-
Transport and Roads	Dressing Pedestrian Bridge			364,520.00	300,000.00	-	-
Transport and Roads	Kwasithole Pedestrian / Vehicular Bridge			227,825.00	1,500,000.00	500,000.00	-
Transport and Roads	Mazubane Pedestrian Bridge			227,825.00	300,000.00	500,000.00	-
Transport and Roads	Bar to Ngwemabala Pedestrian Bridge			-	250,000.00	1,000,000.00	500,000.00
Transport and Roads	Madala to Mdlungwana Vehicular Bridge			-	1,000,000.00	500,000.00	-
Transport and Roads	Mbili Pedestrian Bridge			285,358.00	1,000,000.00	500,000.00	-
Transport and Roads	Tarring of Jesus Road			2,004,860.00	3,000,000.00	800,000.00	-
Transport and Roads	Bheki Gatshehi Pedestrian Bridge			-			
Transport and Roads	Mbili Pedestrian Bridge			-			
Transport and Roads	Shozi Pedestrian Bridge			-			
Transport and Roads	Mnganka Vehicular Bridge			55,650.00	1,200,000.00	500,000.00	-
Transport and Roads	Nqwane Pedestrian Bridge			55,650.00	300,000.00	500,000.00	-
Transport and Roads	Mazubane/Dikwe Pedestrian Bridge			-			
Transport and Roads	Port Shepstone CBD Pedestrian Crossings			500,000.00			
Transport and Roads	Acacia Road Stormwater - Seapark			300,000.00	2,000,000.00	-	-
Transport and Roads	Tarring of George Mbhele High Road			273,390.00	1,800,000.00	-	-
Transport and Roads	Louisiana Housing Storm water and ring road			911,300.00	2,045,000.00	3,000,000.00	5,000,000.00



4.6.21 Debt Management

The following tables and graph show the different types of debtors within the municipality

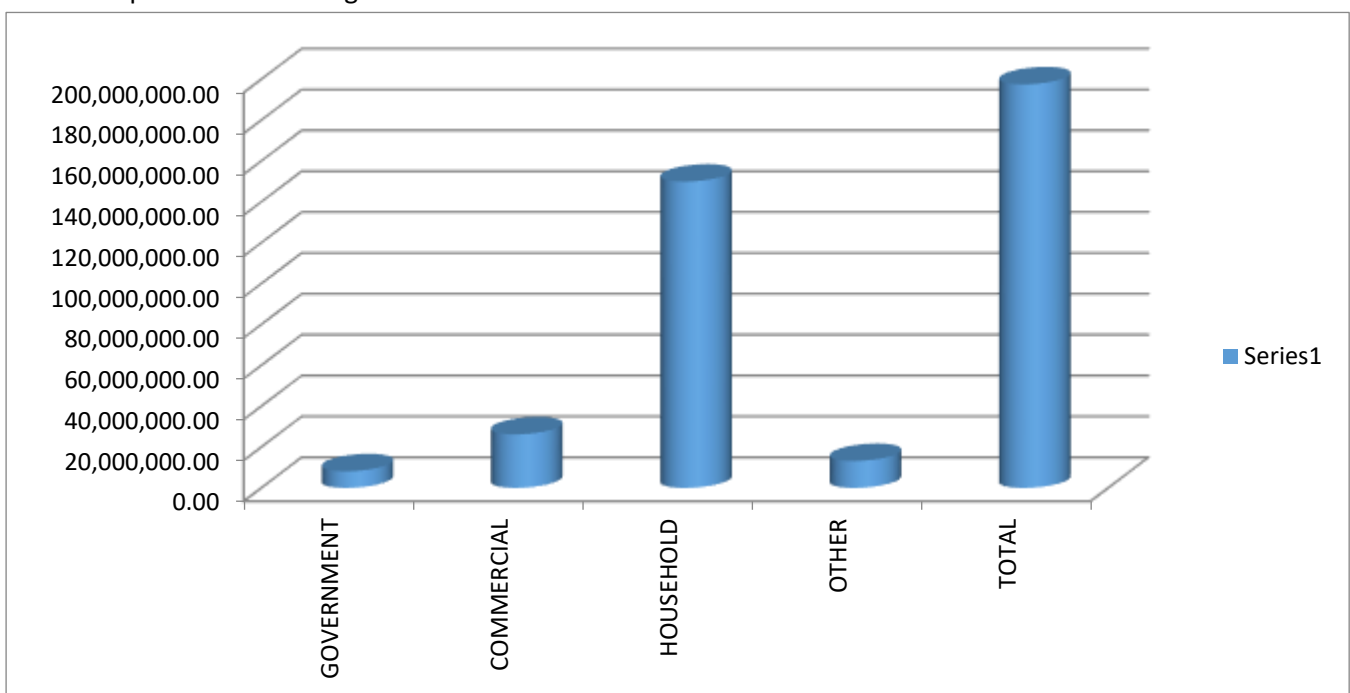
Table 9: Account Type Account Type

Source: RNM Treasury 2019

DEBTORS PER TYPE - 30 JUNE 2018

GOVERNMENT	8 167 722 70
COMMERCIAL	26 218 724 71
HOUSEHOLD	149 933 294 85
OTHER	13 206 849 31
TOTAL	197 526 591 57

Graph 16: Debt Management



Source: RNM Treasury 2018



Table 80: Asser Management

KZN216 Ray Nkonyeni - Table A9 Asset Management										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CAPITAL EXPENDITURE										
Total New Assets	1	-	-	106,826	201,581	201,214	-	127,983	83,330	78,001
Roads Infrastructure		-	-	9,678	22,364	18,119	-	40,300	16,950	10,574
Storm water Infrastructure		-	-	8,850	4,123	1,923	-	8,845	6,000	10,000
Electrical Infrastructure		-	-	13,970	24,323	25,138	-	30,620	39,472	43,502
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	32,497	50,809	45,180	-	79,765	62,422	64,076
Community Facilities		-	-	32,712	19,498	17,691	-	24,183	10,000	4,000
Sport and Recreation Facilities		-	-	4,907	1,828	1,233	-	2,000	500	-
Community Assets		-	-	37,619	21,325	18,924	-	26,183	10,500	4,000
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	1,082	2,295	2,035	-	13,353	4,500	4,000
Housing		-	-	33,799	123,225	130,654	-	-	-	-
Other Assets		-	-	34,881	125,520	132,689	-	13,353	4,500	4,000
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	840	840	840
Intangible Assets		-	-	-	-	-	-	840	840	840
Computer Equipment		-	-	422	1,069	1,769	-	2,647	2,262	2,263
Furniture and Office Equipment		-	-	639	1,487	1,399	-	2,226	1,386	1,401
Machinery and Equipment		-	-	767	1,370	1,253	-	2,969	1,421	1,421
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	11,884	10,202	13,503	-	13,700	6,600	12,600
Roads Infrastructure		-	-	11,250	8,402	12,303	-	10,500	4,000	10,000
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	635	1,800	1,200	-	1,800	1,800	1,800
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	800	800	800
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	11,884	10,202	13,503	-	13,100	6,600	12,600
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	600	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	600	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-



Total Upgrading of Existing Assets	6	-	-	4,023	11,348	12,978	-	13,330	1,000	2,000
Roads Infrastructure		-	-	779	1,303	1,753	-	300	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	1,527	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	2,306	1,303	1,753	-	300	-	-
Community Facilities		-	-	-	5,400	4,200	-	10,950	-	-
Sport and Recreation Facilities		-	-	1,717	4,645	7,025	-	2,000	1,000	2,000
Community Assets		-	-	1,717	10,045	11,225	-	12,950	1,000	2,000
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	80	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	80	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	122,734	223,131	227,695	-	155,013	90,930	92,601
Roads Infrastructure		-	-	21,706	32,069	32,174	-	51,100	20,950	20,574
Storm water Infrastructure		-	-	8,850	4,123	1,923	-	8,845	6,000	10,000
Electrical Infrastructure		-	-	16,131	26,123	26,338	-	32,420	41,272	45,302
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	800	800	800
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	46,687	62,314	60,435	-	93,165	69,022	76,676
Community Facilities		-	-	32,712	24,898	21,891	-	35,133	10,000	4,000
Sport and Recreation Facilities		-	-	6,624	6,473	8,258	-	4,000	1,500	2,000
Community Assets		-	-	39,337	31,371	30,149	-	39,133	11,500	6,000
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	1,082	2,295	2,035	-	14,033	4,500	4,000
Housing		-	-	33,799	123,225	130,654	-	-	-	-
Other Assets		-	-	34,881	125,520	132,689	-	14,033	4,500	4,000
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	840	840	840
Intangible Assets		-	-	-	-	-	-	840	840	840
Computer Equipment		-	-	422	1,069	1,769	-	2,647	2,262	2,263
Furniture and Office Equipment		-	-	639	1,487	1,399	-	2,226	1,386	1,401
Machinery and Equipment		-	-	767	1,370	1,253	-	2,969	1,421	1,421
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		-	-	122,734	223,131	227,695	-	155,013	90,930	92,601



ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	-	-	-	-	-	-	-
Roads Infrastructure										
Storm water Infrastructure										
Electrical Infrastructure										
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		-	-	-	-	-	-	-	-	-
Community Assets										
Heritage Assets										
Investment properties										
Other Assets										
Biological or Cultivated Assets										
Intangible Assets										
Computer Equipment										
Furniture and Office Equipment										
Machinery and Equipment										
Transport Assets										
Land										
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	-	-	-	-	-	-	-
EXPENDITURE OTHER ITEMS		-	-	134,674	62,000	59,100	-	92,639	98,253	104,148
Depreciation	7	-	-	134,674	62,000	58,900	-	53,900	57,550	60,989
Repairs and Maintenance by Asset Class	3	-	-	1	-	200	-	38,739	40,703	43,159
Roads Infrastructure		-	-	-	-	-	-	23,150	24,185	25,636
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	1	-	-	-	2,687	2,849	3,020
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	1	-	-	-	25,837	27,034	28,656
Community Facilities		-	-	-	-	-	-	355	376	399
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	355	376	399
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	5,469	5,785	6,149
Housing		-	-	-	-	200	-	-	-	-
Other Assets		-	-	-	-	200	-	5,469	5,785	6,149
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	66	70	74
Machinery and Equipment		-	-	-	-	-	-	584	618	654
Transport Assets		-	-	-	-	-	-	6,427	6,821	7,226
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		-	-	134,674	62,000	59,100	-	92,639	98,253	104,148
Renewal and upgrading of Existing Assets as % of total capex		0.0%	0.0%	13.0%	9.7%	11.6%	0.0%	17.4%	8.4%	15.8%
Renewal and upgrading of Existing Assets as % of deprecn		0.0%	0.0%	11.8%	34.8%	45.0%	0.0%	50.1%	13.2%	23.9%
R&M as a % of PPE		0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	38.6%	125.1%	140.3%
Renewal and upgrading and R&M as a % of PPE		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



Explanatory notes to Table A9 - Asset Management

Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

National Treasury has recommended that municipalities should allocate at least 40 per cent of the capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. However due to the fact that there is a lack of infrastructure in the municipality major part of funds are injected to new capital projects, it does not meet this recommendation and funds are directed to new and renewal of capital asset and 3.2% to repairs and maintenance.

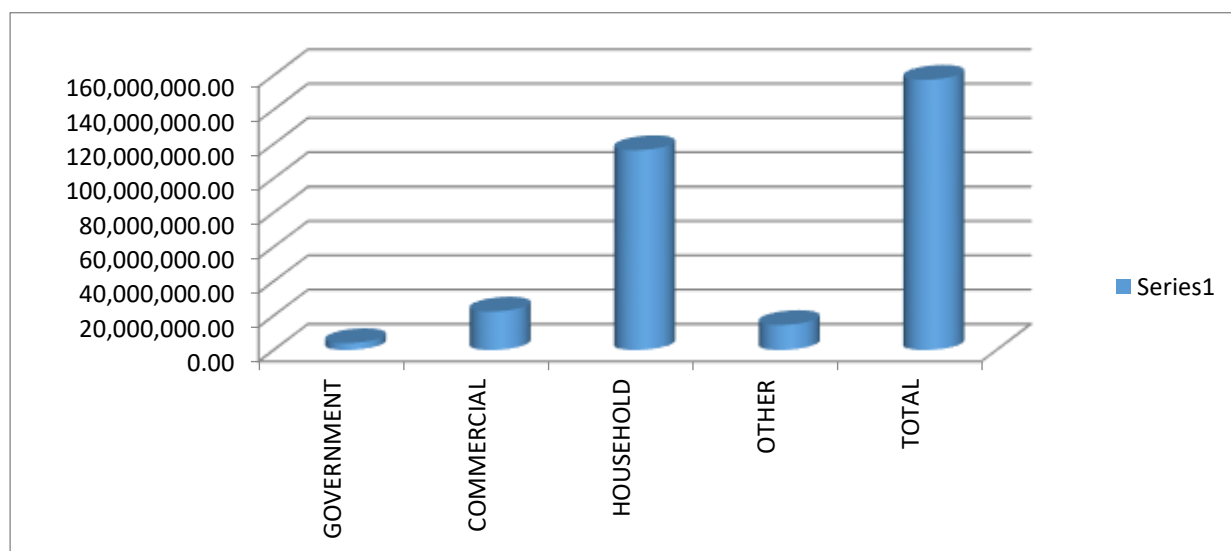
The following tables and graph show the different types of debtors within the municipality

Table 9: Account Type Account Type

DEBTORS PER TYPE - 30 JUNE 2017	
GOVERNMENT	4 030 971,78
COMMERCIAL	22 393 353,62
HOUSEHOLD	116 418 886,94
OTHER	14 559 786,71
TOTAL	157 402 999,05

Source:RNM Treasury 2018

Graph 16: Debt Management





Source: RNM Treasury 2018

Table 80: Asser Management

Description		Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CAPITAL EXPENDITURE											
Total New Assets	1	-	-	106,826	201,581	201,214	-	114,333	72,461	67,827	
Roads Infrastructure		-	-	9,678	22,364	18,119	-	35,043	14,739	9,195	
Storm water Infrastructure		-	-	8,850	4,123	1,923	-	7,691	5,217	8,696	
Electrical Infrastructure		-	-	13,970	24,323	25,138	-	26,626	34,323	37,828	
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	
Rail Infrastructure		-	-	-	-	-	-	-	-	-	
Coastal Infrastructure		-	-	-	-	-	-	1,739	-	-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	
Infrastructure		-	-	32,497	50,809	45,180	-	71,100	54,280	55,718	
Community Facilities		-	-	32,712	19,498	17,691	-	21,029	8,696	3,478	
Sport and Recreation Facilities		-	-	4,907	1,828	1,233	-	1,739	435	-	
Community Assets		-	-	37,619	21,325	18,924	-	22,768	9,130	3,478	
Heritage Assets		-	-	-	-	-	-	-	-	-	
Revenue Generating		-	-	-	-	-	-	-	-	-	
Non-revenue Generating		-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	
Operational Buildings		-	-	1,082	2,295	2,035	-	11,611	3,913	3,478	
Housing		-	-	33,799	123,225	130,654	-	-	-	-	
Other Assets		-	-	34,881	125,520	132,689	-	11,611	3,913	3,478	
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	
Servitudes		-	-	-	-	-	-	-	-	-	
Licences and Rights		-	-	-	-	-	-	1,600	730	730	
Intangible Assets		-	-	-	-	-	-	1,600	730	730	
Computer Equipment		-	-	422	1,069	1,769	-	2,736	1,967	1,968	
Furniture and Office Equipment		-	-	639	1,487	1,399	-	1,936	1,205	1,219	
Machinery and Equipment		-	-	767	1,370	1,253	-	2,581	1,236	1,236	
Transport Assets		-	-	-	-	-	-	-	-	-	
Land		-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	
Total Renewal of Existing Assets	2	-	-	12,156	11,502	14,203	-	8,870	5,739	10,957	
Roads Infrastructure		-	-	11,250	8,402	12,303	-	6,087	3,478	8,696	
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	
Electrical Infrastructure		-	-	635	1,800	1,200	-	1,565	1,565	1,565	
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	
Rail Infrastructure		-	-	271	1,300	700	-	696	696	696	
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	
Infrastructure		-	-	12,156	11,502	14,203	-	8,348	5,739	10,957	



ASSET REGISTER SUMMARY - PPE (WDV)	5	–	1,477,265	1,471,096	223,130	230,753	230,753	130,094	69,593	75,758
Roads Infrastructure			892,450	874,341	63,013	63,013	63,013	81,815	50,170	62,784
Storm water Infrastructure										
Electrical Infrastructure										
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		–	892,450	874,341	63,013	63,013	63,013	81,815	50,170	62,784
Community Assets			482,713	501,582	30,671	30,671	30,671	29,883	10,500	4,000
Heritage Assets										
Investment properties										
Other Assets			565	581	125,520	132,689	132,689	13,000	4,500	4,500
Biological or Cultivated Assets										
Intangible Assets								800	848	899
Computer Equipment			5,480	4,513	1,069	1,737	1,737	1,328	1,137	1,137
Furniture and Office Equipment			4,676	3,613	1,487	1,390	1,390	1,705	1,121	1,121
Machinery and Equipment			6,863	5,113	1,370	1,253	1,253	1,564	1,317	1,317
Transport Assets			14,732	11,567	–	–	–	–	–	–
Land			69,785	69,785	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	–	1,477,265	1,471,096	223,130	230,753	230,753	130,094	69,593	75,758
EXPENDITURE OTHER ITEMS										
Depreciation	7	–	–	134,674	62,000	59,100	–	90,119	95,325	101,217
Repairs and Maintenance by Asset Class	3	–	–	1	–	200	–	40,269	42,325	44,878
Roads Infrastructure		–	–	–	–	–	–	23,150	24,185	25,636
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	1	–	–	–	2,687	2,849	3,020
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	1	–	–	–	25,837	27,034	28,656
Community Facilities		–	–	–	–	–	–	355	376	399
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	355	376	399
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	5,469	5,785	6,149
Housing		–	–	–	–	200	–	–	–	–
Other Assets		–	–	–	–	200	–	5,469	5,785	6,149
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	66	70	74
Machinery and Equipment		–	–	–	–	–	–	2,114	2,240	2,373
Transport Assets		–	–	–	–	–	–	6,427	6,821	7,226
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		–	–	134,674	62,000	59,100	–	90,119	95,325	101,217
Renewal and upgrading of Existing Assets as % of total capex		0.0%	0.0%	13.2%	10.2%	11.9%	0.0%	15.2%	8.4%	15.8%
Renewal and upgrading of Existing Assets as % of deprecn		0.0%	0.0%	12.0%	36.9%	46.1%	0.0%	41.0%	12.5%	22.5%
R&M as a % of PPE		0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	49.1%	180.6%	209.2%
Renewal and upgrading and R&M as a % of PPE		0.0%	0.0%	1.0%	10.0%	12.0%	0.0%	47.0%	70.0%	76.0%



Explanatory notes to Table A9 - Asset Management

Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

National Treasury has recommended that municipalities should allocate at least 40 per cent of the capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. However due to the fact that there is a lack of infrastructure in the municipality major part of funds are injected to new capital projects, it does not meet this recommendation and funds are directed to new and renewal of capital asset and 3.2% to repairs and maintenance.

4.6.11.3 Basic Service Delivery Measurement

1. Basic Service Delivery Measurement provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The municipality does not provide services such as water, sanitation, energy.
3. Water and sanitation is provided by Ugu District municipality, energy is supplied both by municipality and Eskom.
4. Refuse removal is done in urban area the rural part of the municipality uses it own dump site.

4.6.12 Municipal Strategic Objectives

1. Municipal Transformation and Organisational Development

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

2. Basic Service Delivery and Infrastructure

- i. To ensure existing infrastructure is maintained and improved.
- ii. To provide access to basic services



- iii. To extend the provision of basic services and infrastructure to rural areas.
- iv. To improve delivery of capital projects through investment in infrastructure development
- v. To facilitate the provision of housing

3. Local Economic Development

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

4. Good Governance and Public Participation

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

5. Municipal Financial Viability and Management

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

6. Cross Cutting Issues



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

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

The 2018/19 Budget has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.



4.6.13 The Municipal Financial position

Table 81:A6 Detail financial position

KZN216 Ray Nkonyeni - Table A6 Budgeted Financial Position

RZ210 Ray Nkongeni - Table A6 Budgeted Financial Position

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
ASSETS											
Current assets											
Cash		-	-	(8,226)	(174,761)	(97,652)	71,012	80,117	23,492	58,902	67,866
Call investment deposits	1	-	-	73,233	-	-	62,503	73,233	-	-	-
Consumer debtors	1	-	-	183,005	129,893	140,043	268,294	248,315	15,351	16,033	16,731
Other debtors		-	-	74,436	108,039	18,153	71,962	75,816	17,219	8,680	8,708
Current portion of long-term receivables		-	-	3,453	-	-	3,453	3,453	(680)	(680)	(680)
Inventory	2	-	-	15,168	-	-	7,141	5,810	-	-	-
Total current assets		-	-	341,068	63,171	60,545	484,365	486,742	55,383	82,935	92,625
Non current assets											
Long-term receivables		-	-	6,655	-	-	6,655	6,655	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		-	-	-	-	-	-	-	-	-	-
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	-	-	1,472,577	161,131	168,753	1,605,973	1,501,229	81,944	23,439	21,453
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	424,472	-	-	188,684	188,684	1,600	730	730
Total non current assets		-	-	1,903,704	161,131	168,753	1,801,312	1,696,567	83,544	24,170	22,184
TOTAL ASSETS		-	-	2,244,771	224,301	229,298	2,285,676	2,183,310	138,927	107,105	114,809
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	-	-	9,995	-	-	7,902	9,995	(7,252)	(7,252)	(7,252)
Consumer deposits		-	-	23,108	-	-	23,580	23,255	200	200	200
Trade and other payables	4	-	-	161,882	-	-	136,737	114,628	(12,594)	(17,393)	(17,537)
Provisions		-	-	4,990	-	-	4,990	4,990	-	-	-
Total current liabilities		-	-	199,975	-	-	173,210	152,867	(19,646)	(24,445)	(24,589)
Non current liabilities											
Borrowing		-	-	11,236	-	-	11,164	11,164	9,500	21,702	17,901
Provisions		-	-	128,141	-	-	128,141	128,141	-	-	-
Total non current liabilities		-	-	139,377	-	-	139,305	139,305	9,500	21,702	17,901
TOTAL LIABILITIES		-	-	339,352	-	-	312,515	292,172	(10,146)	(2,743)	(6,688)
NET ASSETS	5	-	-	1,905,419	224,301	229,298	1,973,161	1,891,137	149,073	109,848	121,497
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		-	(219,349)	1,568,302	81,384	79,918	1,699,534	1,776,588	149,073	109,848	121,496
Reserves	4	-	-	112,917	-	-	112,917	112,917	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	-	(219,349)	1,681,219	81,384	79,918	1,812,452	1,889,505	149,073	109,848	121,496

Explanatory notes to Table A6



This table is a supporting table to table A6 and it has detailed information that is summarized in table A6.

Table 82: SA 8 Performance Indicators



KZN216 Ray Nkonyeni - Supporting Table SA8 Performance indicators and benchmarks

KZN20 Ray Nkonyeni - Supporting Table SA6 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.1%	0.0%	-1.1%	-0.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	-1.6%	-1.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	0.0%	0.0%	174.3%	0.0%	0.0%	0.0%	0.0%	-16.3%	-22.5%	-26.9%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	10.0%	0.0%	0.0%	9.9%	9.9%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	–	–	1.7	–	–	2.8	3.2	(2.8)	(3.4)	(3.8)
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	–	–	1.7	–	–	2.8	3.2	(2.8)	(3.4)	(3.8)
Liquidity Ratio	Monetary Assets/Current Liabilities	–	–	0.3	–	–	0.8	1.0	(1.2)	(2.4)	(2.8)
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	-12.0%	114.3%	112.5%	124.6%	210.8%	97.4%	97.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	66.0%	114.3%	112.5%	86.1%	57.6%	97.6%	97.6%	97.7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0.0%	0.0%	31.2%	24.5%	17.7%	39.4%	132.7%	3.0%	2.2%	2.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		0.0%	0.0%	-47.9%	0.0%	0.0%	27.0%	41.8%	-30.4%	-6.9%	-4.1%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	0.0%	0.0%	41.7%	37.0%	42.4%	37.7%	12.0%	36.5%	39.4%	39.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	46.0%	41.3%	46.7%	2.9%		39.2%	42.3%	42.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		3.8%	3.9%	3.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	0.0%	15.7%	6.4%	6.6%	0.2%	0.0%	5.1%	5.3%	5.4%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	–	–	29.0	42.8	42.8	42.8	7.6	66.3	47.0	49.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.0%	0.0%	47.0%	39.8%	26.5%	55.9%	202.3%	5.0%	3.5%	3.4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	–	–	(4.6)	(0.2)	(2.8)	6.7	37.0	0.6	1.4	2.3



Table 83:SA18 Transfers and Grants Receipts

KZN216 Ray Nkonyeni - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:										
Local Government Equitable Share		–	–	208,752	212,985	212,985	–	212,513	224,456	243,076
Finance Management		–	–	175,566	185,324	185,324	–	205,608	222,456	241,076
EPWP Incentive		–	–	3,600	3,600	3,600	–	2,500	2,000	2,000
Energy Efficiency and Demand Management		–	–	3,306	4,061	4,061	–	4,405	–	–
Integrated National Electrification Programme		–	–	4,000	6,000	6,000	–	–	–	–
		–	–	14,000	14,000	14,000	–	–	–	–
		–	–	–	–	–	–	–	–	–
Municipal Demarcation Transition Grant		–	–	8,280	–	–	–	–	–	–
Provincial Government:										
Housing		–	–	52,900	19,953	19,953	–	125,527	105,427	99,347
Housing		–	–	34,926	–	–	–	107,153	86,316	79,400
Sport and Recreation		–	–	5,082	4,337	4,337	–	4,520	4,520	4,520
		–	–	11,292	12,600	12,600	–	13,854	14,591	15,427
		–	–	–	–	–	–	–	–	–
MIG - Operational		–	–	1,600	3,016	3,016	–	–	–	–
District Municipality:										
Ugu Grant		–	–	–	144	144	–	–	–	–
		–	–	–	144	144	–	–	–	–
		–	–	–	–	–	–	–	–	–
Other grant providers:										
Mandatory Grant /WSP		–	–	683	1,225	2,725	–	2,749	1,377	1,459
EDTEA GRANT		–	–	683	1,225	2,725	–	1,299	1,377	1,459
TETA GRANT		–	–	–	–	–	–	400	–	–
		–	–	–	–	–	–	1,050	–	–
Total Operating Transfers and Grants	5	–	–	262,335	234,307	235,807	–	340,789	331,260	343,882
Capital Transfers and Grants										
National Government:										
Municipal Infrastructure Grant (MIG)		–	–	62,615	57,301	57,301	–	107,040	84,464	97,375
Neighbourhood Development Partnership		–	–	62,615	57,301	57,301	–	80,040	64,964	69,875
Integrated National Electrification Programme		–	–	–	–	–	–	10,000	2,500	3,500
Energy Efficiency and Demand Management		–	–	–	–	–	–	9,000	9,000	15,000
		–	–	–	–	–	–	8,000	8,000	9,000
		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert desc]		–	–	–	–	–	–	–	–	–
Provincial Government:										
Human Settlement		–	–	20,147	124,862	139,286	–	10,000	3,174	3,349
Margate Airport Grant		–	–	20,147	121,862	136,286	–	7,000	–	–
		–	–	–	3,000	3,000	–	3,000	3,174	3,349
District Municipality:										
Ugu Grant		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Other grant providers:										
DBSA GRANT		–	–	–	–	–	–	1,000	–	–
		–	–	–	–	–	–	1,000	–	–
		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	–	–	82,762	182,163	196,587	–	118,040	87,638	100,724
TOTAL RECEIPTS OF TRANSFERS & GRANTS		–	–	345,097	416,470	432,394	–	458,829	418,898	444,606

Explanatory notes to Table SA18 Grants and subsidies Receipts



1. This table reflects all expected grants receipts from national, provincial and other organization.
2. National treasury and provincial treasury grants are gazette in DORA and provincial gazette.
3. Other grant funding are through the memorandum of agreement are housing grant. These grants are usually not gazette in the bill or provincial gazette.

KZN216 Ray Nkonyeni - Supporting Table SA21 Transfers and grants made by the municipality

MZN210 Ray Nkomo - Supporting Table SAZ1 Transfers and grants made by the municipality											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
Ugu S C Tourism & HC Development Agency, africa bike, Ugu Jazz, Doughty	1	-	-	39,126	-	-	-	973	8,025	7,988	8,768
Ugu South Coast Tourism					2,653	2,796	2,950		2,006	2,120	2,247
Adhoc grant in applic					200	211	222		200	212	225
NGO's					400	422	445		470	498	528
South Coast Bike Festival					1,000	500	500		500	500	500
Ugu Jazz Festival					500	500	500		300	300	300
Masikandi Festival					250	250	250		250	265	281
South African Womens Open Golf & Golf Academy					900	900	900		950	1,100	1,210
Total Non-Cash Transfers To Municipalities:		-	-	39,126	5,903	5,579	5,767	973	12,701	12,983	14,059

4.6.14 Findings

Summary on spending on staff salaries and wages, 2019/20: Employee related costs are the largest proportion of operating expenditure. The normal range for this indicator should be between 25% and 40% and it must be indicated that the municipality stands at 40%, which is moderate. This must be guarded as the costs should not grow so large as it will threaten the sustainability of operating budget.

Spending on Contractor Services, 2019/20: Private Contractors are sometimes needed for certain work which cannot be done in-house. This move proves to be quite expensive, hence should be kept to minimum. However, it must be noted that the municipality's trying to provideservices in-house whereby municipal staff must be capacitated and skills transfer to municipal staff should be considered. The measure is normal if it between 2% and 5% and RNM stands at 3.58%.



Table: 84 Municipal Financial Viability SWOT ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none"> -83% of income generated internal and sources being rates, electricity and refuse income grant funding -Clean Audit in the last Financial year -Annual financial statements developed internal -Robust PMS System 	<ul style="list-style-type: none"> -Collection is not always 100% -Ageing infrastructure resulting in disgruntled ratepayers who are threatening to withhold rates which is the Municipality's main source of income -- -Amendments of the AFS which resulted in the none achievement of clean audit
Opportunities	Threats
<ul style="list-style-type: none"> -Being one of the most financial stable Municipalities in KZN and South Africa Introduction of the case ware reporting system which will assist in addressing the issue of quality of AFS 	<ul style="list-style-type: none"> -Ratepayers threatening to withhold rates -Irregularities within the procurement prices -Fixed asset register system have some weaknesses -Poor fleet management -Non planning for future replacement of capital items

5.1 Organizational Performance Management Framework

Introduction

This chapter provides indicators, under each focus area that an IDP must respond to. Importantly, this analysis to strategic programmes and project development, it also presents a discussion about the importance of linking planning, budgeting, and implementation, monitoring and reporting. It also outlines a process to be followed to ensure proper linkage of these processes to ensure effective implementation.



The municipality has developed its SDBIP to fulfil both the requirements of the Municipal Systems Act and the Municipal Finance management Act. In this section the policy framework for performance management system is summarized and the draft 2018-19 SDBIP and complete policy framework attached as an Annexure. The Municipal Planning and Performance Management Regulations stipulate that a municipality's Organisational Performance Management System (OPMS) must entail a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players. In line with the said legal requirement this framework should be seen as a policy document that will set out:

The requirements that the Ray Nkonyeni Municipality's OPMS will need to fulfil:

- The principles that must inform its development and subsequent implementation
- The preferred performance management model of the Municipality
- The process by which the system will work
- The delegation of responsibilities for different roles in the process and
- A plan for the implementation of the system

5.1.1 The Legislative Framework for Performance Management

The major OPMS policy instruments are the 1998 White Paper on Local Government supported by the Batho Pele principles encompassed in the White Paper on the Transformation of Public Service Delivery(1997).These policies were given legal stature through the adoption of the Municipal Systems Act in 2000 (Act 32 of 2000).

The Municipal System Act requires all municipalities to:

- Develop a performance management system
- Set targets and monitor and review the performance of the Municipality based on indicators linked to their Integrated Development Plan (IDP)
- Publish an annual performance report on performance of the Municipality forming part of its annual report as per the Municipal Finance Management Act (MFMA).
- Incorporate and report on a set of general (sometimes also referred to as national) indicators prescribed by the Minister responsible for local government
- Conduct, on a continuous basis, an internal audit of all performance measures
- Have their annual performance report audited by the Auditor-General
- Involve the community in setting indicators and targets and reviewing municipal performance



The Minister responsible for local government published the Municipal Planning and Performance Management Regulations (2001) in terms of the Municipal Systems Act setting out in detail the requirements for a municipal OPMS. The Regulations also contain the general indicators prescribed by the Minister responsible for local government. In 2006 the Minister published a further set of Regulations dealing with Performance Management for Municipal Managers and Managers Directly Accountable to Municipal Managers.

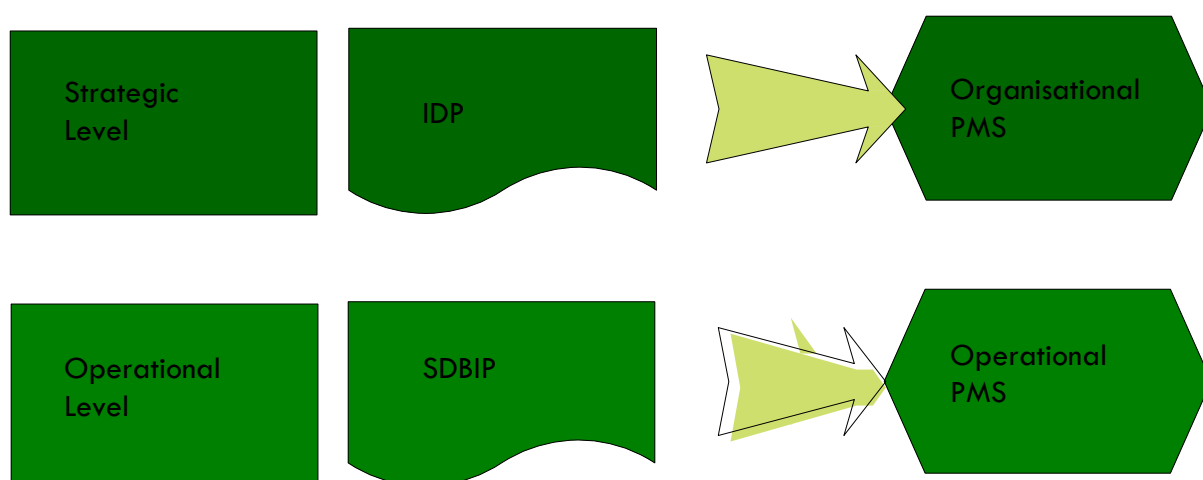
It is also important to note that the MFMA contains various important provisions related to municipal performance management. For instance, the MFMA requires municipalities to annually adopt a Service Delivery and Budget Implementation Plan (SDBIP) with service delivery targets and performance indicators;

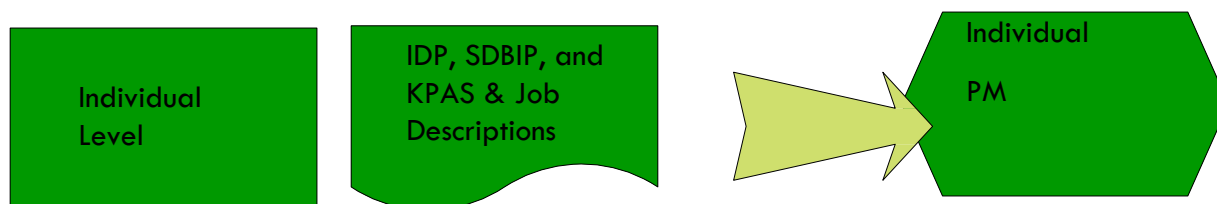
Provision is also made for this at departmental level in a circular issued by the National Treasury. Whilst considering and approving the annual budget the Municipality must also set measurable performance targets for each revenue source and vote. Finally, the Municipality must compile an annual report, which must include a performance report compiled in terms of the Systems Act.

5.1.2 Managing and measuring performance at various levels

Performance management can be applied to various levels within any organisation. The legislative framework as set out above provides for performance management at various levels in a municipality including organisational (sometimes also referred to as municipal, corporate or strategic) level, operational (also referred to as services, departmental or section/team level) and lastly, at individual level as. These levels are however integrated and interdependent on each other.

Illustration: Strategic (Organisational) Performance linked to the integrated development plan (IDP) of a municipality





Objectives of the Municipality's Performance Management System as indicated in the previous section, the Municipality's OPMS is the primary mechanism to monitor, review and improve the implementation of its IDP and to gauge the progress made in achieving the objectives set out in the IDP. The system should fulfil the following objectives:

Facilitate increased accountability

The performance management system should provide a mechanism for ensuring increased accountability between the local community, politicians, the Municipal Council and the municipal management team.

5.1.3 Support Municipal Oversight

The performance management system should support oversight by the Council and community over the performance of the Executive Committee and Municipal Administration.

Facilitate learning and improvement

The OPMS should facilitate learning in order to enable the Municipality to improve delivery.

Provide early warning signals

It is important that the system ensures decision-makers are timeously informed of performance related risks, so that they can facilitate intervention where necessary.

Facilitate decision making

The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

The objectives listed above are not exhaustive, but summarise the intended benefits of the system. These intended objectives should be used to evaluate and review the performance management system on a regular basis.

5.1.4 Performance Reporting and Review

The next two stages in the process of performance management, namely that of performance reporting and performance review, will be dealt with together. This section is further divided



into three sub-sections dealing with the requirements for 'in-year reviews' annual reporting and reviews and lastly a summary of the various reporting requirements.

5.1.5 In-year Performance Reporting and Review

The submission of the scorecard to the Executive Committee for consideration and review of the performance of the Municipality as a whole is the next step in the process. The first such report is a major milestone in the implementation of any OPMS and it marks the beginning of what should become a regular event, namely using the performance report as a tool to assess and review the Municipality's performance and to make important political and management decisions on how the municipality can improve its performance.

As indicated earlier it is recommended that the organisational scorecard be submitted to the Executive Committee for consideration and review on a quarterly basis. The reporting should therefore take place in October (for the period July to end of September) January (for the period October to the end of December), April (for the period January to end of March) and July (for the period April to the end of June).

The review in January will coincide with the mid-year performance assessment as per Section 72 of the MFMA. This Section determines that the must, by 25 January of each year, assess the performance of the municipality and report to the Executive Committee via the Mayor on, inter alia, its service delivery performance during the first half of the financial year and the service delivery targets and performance indicators as set out in its SDBIP.

Performance review is the process whereby the leadership of an organisation, after the performance of the organisation has been measured and reported to it, reviews the results and decides on appropriate action to be taken. The Executive Committee, when reviewing the organisational score card submitted to it, will have to ensure that the targets committed to in the score card have been met, and where they have not, that satisfactory and sufficient reasons for this have been provided by senior management and that the sufficient and appropriate corrective action has been proposed to address the reasons for poor performance. If satisfied with the corrective action as proposed these must be adopted as formal resolutions of Council and must be minuted and actioned accordingly.

Section 44 (4) of the Municipal Structures Act 1998 (Act 117 of 1998) as amended requires that the Executive Committee must report to Council on all its decisions taken. The outcome of the quarterly performance reviews by the Executive Committee must, in line with this requirement, be reported to the full Council for it to perform its oversight function over the performance of the Municipal Executive and Administration. In doing so Council must review the decisions taken and resolve whether it is satisfied with the corrective action adopted by the Executive Committee. If they are not then the Executive Committee recommendation must be amended accordingly and the amendments minuted and actioned.





5.1.6 Annual Performance Reporting and Review

A comprehensive report on the performance of the Municipality also needs to be compiled on an annual basis. The requirements for the compilation, consideration and review of such an annual report are set out in chapter 12 of the MFMA. In summary the MFMA requires that: All municipalities for each financial year compile an annual report which report must include the municipal performance report

The annual report be tabled within seven months after the end of the financial year. The annual report be made public immediately after it has been tabled and that the local community be invited to submit representations thereon. The municipal Council considers the annual report within nine months of the end of the financial year and adopts an oversight report containing the Council's comments on the annual report. The oversight report as adopted be made public. The annual report as tabled and the Council's oversight report be forwarded to the Auditor-General, the Provincial Treasury and the Department responsible for local government in the Province. The annual report as tabled and the Council's oversight report be submitted to the Provincial legislature.

It is important to note that the municipal performance report of a municipality is only one element of the annual report. To ensure that the annual report compilation, tabling and review process is completed in time to inform the next cycle of performance planning in accordance with the IDP compilation/review process, it is recommended that the annual performance report be compiled and completed as soon after the end of each financial year as possible but ideally not later than two months after financial-year end.

The oversight report to be adopted provides the opportunity for the full Council to review the performance of the Municipality in line with its oversight role. The requirement that the annual report, once tabled, and the oversight report be made public also provides a mechanism for the general public to review the performance of the Municipality in line with the community's oversight role.

In order to facilitate the oversight process it is recommended that a municipal oversight committee be established consisting of a selected number of Councillors not serving on the Executive Committee. Council should also consider in line with oversight best practice that the chairperson of the oversight committee be a member of an opposition party.

The oversight committee will be responsible for the detailed analysis and review of the annual report and the drafting of the oversight report. In doing so the committee must establish mechanisms to receive and review representations made by the public on the annual report and also seek inputs from other and Council portfolio committees. Such mechanisms could involve all or any combination of the following:



Producing a user-friendly citizens' report in addition to the annual report for public consumption. The citizens' report should be a simple, easily readable and attractive document that translates the annual report for public consumption.

Using of various forms of media including radio, newspapers and billboards to convey the annual report.

Inviting the public to submit comments on the annual report via

Telephone, fax and email.

Holding public hearings in a variety of locations to obtain their input on the annual report.

Making use of existing structures such as ward and/or development committees to disseminate the annual report and invite comments.

Debating the annual report at a meeting of the IDP Representative Forum

Hosting a number of public meetings or road-shows at which the annual report could be discussed and input invited.

Producing a special issue of the municipal newsletter in which the annual report is highlighted and the public are invited to comment.

Posting the annual report on the council website and inviting input

Conducting Customer Satisfactory Surveys on annual basis as means of community consultation and involvement.

It is further proposed that the oversight committee functions as a MPAC. As such the committee must examine the performance of the municipality.

5.1.7 Reporting requirements

The following table, based on the legislative framework for performance management and this OPMS framework, provides a summary of the various performance reporting deadlines which apply to the Municipality:

Table 85: OPMS Framework

Report	Frequency	Submitted for consideration and/or review to	Remarks	Responsibility



SDBIP's	Quarterly	Executive Committee	Refer to MFMA Circular 13 of National Treasury for	MM
Monthly budget Statements	Monthly	Mayor (in consultation with Exco)	Refer to sections 71 and 54 of the MFMA	CFO
Organisational Scorecard	Quarterly	Executive Committee and then in terms of an Exco report to full Council	OPMS framework (see section above)	MM
Implementation of the budget and financial state of affairs of the Municipality	Quarterly	Council	Refer to section 52 of the MFMA	CFO
SDBIP mid-year budget and performance assessment	Annually during January of each year	Mayor (in consultation with Exco)	Refer to sections 72 and 54 of the MFMA	MM / CFO
Performance report (including Customer Satisfactory Surveys)	Annually	Council	Refer to section 46 of the Municipal Systems Act as amended. Said report to form part of the annual report	MM
Annual report	Annually	Council	Refer to chapter 12 of the MFMA	MM



SECTION F: IMPLEMENTATION PLAN AND CAPITAL INVESTMENT FRAMEWORK

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SECTION E: ORGANIZATIONAL PERFORMANCE MANAGEMENT FRAMEWORK

Introduction

This chapter provides indicators, under each focus area that an IDP must respond to. Importantly, this analysis to strategic programmes and project development, it also presents a discussion about the importance of linking planning, budgeting, and implementation, monitoring and reporting. It also outlines a process to be followed to ensure proper linkage of these processes to ensure effective implementation.

The municipality has developed its SDBIP to fulfil both the requirements of the Municipal Systems Act and the Municipal Finance management Act. In this section the policy framework for performance management system is summarized and the draft 2018-19 SDBIP and complete policy framework attached as an Annexure. The Municipal Planning and Performance Management Regulations stipulate that a municipality's Organisational Performance Management System (OPMS) must entail a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players. In line with the said legal requirement this framework should be seen as a policy document that will set out:

The requirements that the Ray Nkonyeni Municipality's OPMS will need to fulfil:

- The principles that must inform its development and subsequent implementation
- The preferred performance management model of the Municipality
- The process by which the system will work
- The delegation of responsibilities for different roles in the process and
- A plan for the implementation of the system

5.1 The Legislative Framework for Performance Management

The major OPMS policy instruments are the 1998 White Paper on Local Government supported by the Batho Pele principles encompassed in the White Paper on the Transformation of Public Service Delivery(1997).These policies were given legal stature through the adoption of the Municipal Systems Act in 2000 (Act 32 of 2000).

The Municipal System Act requires all municipalities to:



- Develop a performance management system
- Set targets and monitor and review the performance of the Municipality based on indicators linked to their Integrated Development Plan (IDP)
- Publish an annual performance report on performance of the Municipality forming part of its annual report as per the Municipal Finance Management Act (MFMA).
- Incorporate and report on a set of general (sometimes also referred to as national) indicators prescribed by the Minister responsible for local government
- Conduct, on a continuous basis, an internal audit of all performance measures
- Have their annual performance report audited by the Auditor-General
- Involve the community in setting indicators and targets and reviewing municipal performance

The Minister responsible for local government published the Municipal Planning and Performance Management Regulations (2001) in terms of the Municipal Systems Act setting out in detail the requirements for a municipal OPMS. The Regulations also contain the general indicators prescribed by the Minister responsible for local government. In 2006 the Minister published a further set of Regulations dealing with Performance Management for Municipal Managers and Managers Directly Accountable to Municipal Managers.

It is also important to note that the MFMA contains various important provisions related to municipal performance management. For instance, the MFMA requires municipalities to annually adopt a Service Delivery and Budget Implementation Plan (SDBIP) with service delivery targets and performance indicators;

Provision is also made for this at departmental level in a circular issued by the National Treasury. Whilst considering and approving the annual budget the Municipality must also set measurable performance targets for each revenue source and vote. Finally, the Municipality must compile an annual report, which must include a performance report compiled in terms of the Systems Act.

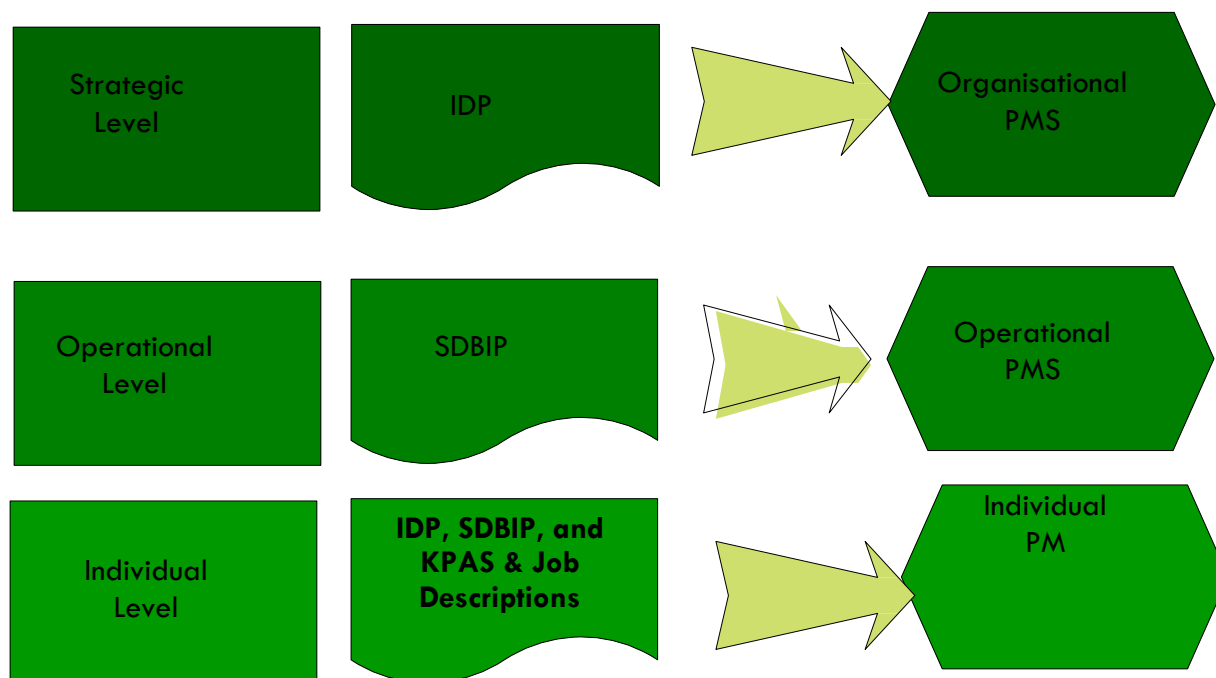
5.2 Managing and measuring performance at various levels

Performance management can be applied to various levels within any organisation. The legislative framework as set out above provides for performance management at various levels in a municipality including organisational (sometimes also referred to as municipal, corporate or strategic) level, operational (also referred to as services, departmental or section/team level) and lastly, at individual level as. These levels are however integrated and interdependent on each other.





Illustration: Strategic (Organisational) Performance linked to the integrated development plan (IDP) of a municipality



Objectives of the Municipality's Performance Management System as indicated in the previous section, the Municipality's OPMS is the primary mechanism to monitor, review and improve the implementation of its IDP and to gauge the progress made in achieving the objectives set out in the IDP. The system should fulfil the following objectives:

- i. Facilitate increased accountability

The performance management system should provide a mechanism for ensuring increased accountability between the local community, politicians, the Municipal Council and the municipal management team.

5.3 Support Municipal Oversight

The performance management system should support oversight by the Council and community over the performance of the Executive Committee and Municipal Administration.

Facilitate learning and improvement

The OPMS should facilitate learning in order to enable the Municipality to improve delivery.

Provide early warning signals

It is important that the system ensures decision-makers are timeously informed of performance related risks, so that they can facilitate intervention where necessary.



i. *Facilitate decision making*

The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

The objectives listed above are not exhaustive, but summarise the intended benefits of the system. These intended objectives should be used to evaluate and review the performance management system on a regular basis.

5.4 Performance Reporting and Review

The next two stages in the process of performance management, namely that of performance reporting and performance review, will be dealt with together. This section is further divided into three sub-sections dealing with the requirements for 'in-year reviews' annual reporting and reviews and lastly a summary of the various reporting requirements.

5.5 In-year Performance Reporting and Review

The submission of the scorecard to the Executive Committee for consideration and review of the performance of the Municipality as a whole is the next step in the process. The first such report is a major milestone in the implementation of any OPMS and it marks the beginning of what should become a regular event, namely using the performance report as a tool to assess and review the Municipality's performance and to make important political and management decisions on how the municipality can improve its performance.

As indicated earlier it is recommended that the organisational scorecard be submitted to the Executive Committee for consideration and review on a quarterly basis. The reporting should therefore take place in October (for the period July to end of September) January (for the period October to the end of December), April (for the period January to end of March) and July (for the period April to the end of June).

The review in January will coincide with the mid-year performance assessment as per Section 72 of the MFMA. This Section determines that the must, by 25 January of each year, assess the performance of the municipality and report to the Executive Committee via the Mayor on, inter alia, its service delivery performance during the first half of the financial year and the service delivery targets and performance indicators as set out in its SDBIP.

Performance review is the process whereby the leadership of an organisation, after the performance of the organisation has been measured and reported to it, reviews the results and decides on appropriate action to be taken. The Executive Committee, when reviewing the organisational score card submitted to it, will have to ensure that the targets committed to in the score card have been met, and where they have not, that satisfactory and sufficient reasons for this have been provided by senior management and that the sufficient and appropriate corrective action has been proposed to address the reasons for poor performance. If satisfied with the corrective action as proposed these must be adopted as formal resolutions of Council and must be minuted and actioned accordingly.



Section 44 (4) of the Municipal Structures Act 1998 (Act 117 of 1998) as amended requires that the Executive Committee must report to Council on all its decisions taken. The outcome of the quarterly performance reviews by the Executive Committee must, in line with this requirement, be reported to the full Council for it to perform its oversight function over the performance of the Municipal Executive and Administration. In doing so Council must review the decisions taken and resolve whether it is satisfied with the corrective action adopted by the Executive Committee. If they are not then the Executive Committee recommendation must be amended accordingly and the amendments minuted and actioned.

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SECTION F: IMPLEMENTATION FRAMEWORK

CAPITAL INVESTMENT PLAN : RAY NKONYENI LOCAL MUNICIPALITY 2018/2019 REVIEW

PROGRAMME/PROJECTS				PHASED ANNUAL INVESTMENT COSTS						FUNDING		RESPONSIBILITY	
NUMBER	PRIORITY		LOCATION	TOTAL ESTIMATED COST	2017/18	2018/19	2019/20	2020/2021	2021/22	AMOUNT RECEIVED FROM OTHER SOURCES OF FUNDING	GOVERNMENT SOURCE OF FUNDING	EXT ERN AL	INTERNAL HOD COM
S2: SUSTAINING THE NATURAL AND BUILT ENVIRONMENT				R 1 000 000.00	R -	R 1 000 000.00	R -	R -	R -	R -			
1.1.		Preparation of a Strategic Environmental Assessment (SEA)	Entire Municipality	R 1 000 000.00	R -	R 1 000 000.00	R -	R -	R -	R -	INTERN AL		X
S2: CORRIDOR DEVELOPMENT				R 282 219 712.00	R -	R 78 517 484.00	R 124 799 422.00	R 67 600 000.00	R 16 148 006.00	R -			
2		ROADS											



2.1.		CLUSTER 1		R 23 350 935.00	R -	R 4 026 932.00	R 10 000 000.00	R 7 000 000.00	R 2 324 003.00	R -				
2.1. 1.		Esidlidlini Pedestrian Bridge	Ward 31	R 4 051 828.00	R -	R 227 825.00	R 1 500 000.00	R 1 000 000.00	R 1 324 003.00	R -			X	
2.1. 2.		Shibase Road	Ward 32	R 1 303 907.00	R -	R 1 303 907.00	R -	R -	R -	R -			X	
2.1. 3.		Shibase Pedestrian Bridge (Near Sima's House)	Ward 32	R 2 527 825.00	R -	R 227 825.00	R 1 500 000.00	R 800 000.00	R -	R -			X	
2.1. 4.		Kawuseni Vehicular Bridge (Mgundlwa School)	Ward 35	R 1 650 000.00	R -	R 150 000.00	R 1 000 000.00	R 500 000.00	R -	R -			X	
2.1. 5.		Kawuseni Vehicular Bridge (Bhuka School)	Ward 35	R 1 650 000.00	R -	R 150 000.00	R 1 000 000.00	R 500 000.00	R -	R -			X	
2.1. 6.		Kawuseni Pedestrian Bridge (Shibe to Mvolomi School)	Ward 35	R 3 883 900.00	R -	R 1 133 900.00	R 1 000 000.00	R 750 000.00	R 1 000 000.00	R -			X	
2.1. 7.		Kawuseni Pedestrian Bridge (Godloza to Mbomvini School)	Ward 35	R 2 050 000.00	R -	R 150 000.00	R 1 000 000.00	R 900 000.00					X	
2.1. 8.		Khandalesizwe to Ntshebeni Pedestrian Bridge	Ward 33	R 1 777 825.00	R -	R 227 825.00	R 1 000 000.00	R 550 000.00	R -	R -			X	



2.1.9.	Gadlogadla to Makhanya Road Vehicular Bidge	Ward 33	R 2 227 825.00	R -	R 227 825.00	R 1 000 000.00	R 1 000 000.00	R -	R -			X	
2.1.0.	Qashela to Munga Pedestrian Bridge	Ward 33	R 2 227 825.00	R -	R 227 825.00	R 1 000 000.00	R 1 000 000.00	R -	R -			X	
2.2.	CLUSTER 2		R 12 390 324.00	R -	R 4 390 324.00	R 4 500 000.00	R 1 500 000.00	R 2 000 000.00	R -				
2.2.1.	Thokotho Sportsfield Concrete Road	Ward 9	R 4 206 849.00	R -	R 3 706 849.00	R 500 000.00	R -	R -	R -			X	
2.2.2.	Mjweni Pedestrian Bridge	Ward 8	R 3 227 825.00	R -	R 227 825.00	R 1 500 000.00	R 500 000.00	R 1 000 000.00	R -			X	
2.2.3.	Nyanisweni & Dumezweni Pedestrian Bridge	Ward 8	R 1 227 825.00	R -	R 227 825.00	R 500 000.00	R 500 000.00	R -	R -			X	
2.2.4.	Maqobo Pedestrian Bridge (Links Wards 8 & 9)	Links Wards 8 & 9	R 3 727 825.00	R -	R 227 825.00	R 2 000 000.00	R 500 000.00	R 1 000 000.00	R -			X	
2.3.	CLUSTER 3		R 8 933 900.00	R -	R 4 856 500.00	R 5 500 000.00	R 1 000 000.00	R -	R -				
2.3.1.	Marine Drive/ Knox Gore Traffic Signal	Ward 3/19	R 100 000.00	R -	R 100 000.00	R -	R -	R -	R -			X	



2.3.2.	Smith Street Upgrade	Ward 6	R 5 822 600.00	R -	R 1 822 600.00	R 3 000 000.00	R 1 000 000.00	R -	R -			X	
2.3.3.	Mkanti Road	Ward 10	R 2 411 300.00	R -	R 911 300.00	R 1 500 000.00	R -	R -	R -			X	
2.3.4.	William O Connor Street Steel Structures		R 300 000.00	R -	R 200 000.00	R 100 000.00	R -	R -	R -			X	
2.3.5.	Thongazi Pedestrian Bridge	Ward 1	R 300 000.00	R -	R 1 822 600.00	R 900 000.00	R -	R -	R -			X	
2.4.	CLUSTER 4		R 16 744 850.00	R -	R 5 495 139.00	R 6 749 711.00	R 2 500 000.00	R 2 000 000.00	R -				
2.4.1.	Tarring of Nositha Main Road	Ward 27	R 14 056 500.00	R -	R 4 556 500.00	R 5 000 000.00	R 2 500 000.00	R 2 000 000.00	R -			X	
2.4.2.	Mpakeni Road Upgrade & Bridge	Ward 25	R 2 661 011.00	R -	R 911 300.00	R 1 749 711.00	R -	R -	R -			X	
2.4.3.	Masele Pedestrian Bridge	Ward 26	R 27 339.00	R -	R 27 339.00	R -	R -	R -	R -			X	
2.5.	CLUSTER 5		R 21 756 041.00	R -	R 13 356 041.00	R 6 100 000.00	R 2 300 000.00	R -	R -				



2.5.1.	Makadane Pedestrian Bridge	Ward 22	R 10 075 361.00	R -	R 10 075 361.00	R -	R -	R -	R -			X	
2.5.2.	KwaSithole Pedestrian and Vehicular Bridge	Ward 21	R 2 227 825.00	R -	R 227 825.00	R 1 500 000.00	R 500 000.00	R -	R -			X	
2.5.3.	Mazumbane Pedestrian Bridge	Ward 21	R 1 027 825.00	R -	R 227 825.00	R 300 000.00	R 500 000.00	R -	R -			X	
2.5.4.	Mbili Pedestrian Bridge	Ward 22	R 1 955 650.00	R -	R 455 650.00	R 1 000 000.00	R 500 000.00	R -	R -			X	
2.5.5.	Tarring of Jesus Road	Ward 23	R 5 804 860.00	R -	R 2 004 860.00	R 3 000 000.00	R 800 000.00	R -	R -			X	
2.5.6.	Dressing Pedestrian Bridge	Ward 24	R 664 520.00	R -	R 364 520.00	R 300 000.00	R -	R -	R -			X	
2.6.	CLUSTER 6		R 53 694 681.00	R -	R 6 794 681.00	R 28 900 000.00	R 18 000 000.00	R -	R -				
2.6.1.	Mnganka Vehicular Bridge	Ward 20	R 2 455 650.00	R -	R 455 650.00	R 1 500 000.00	R 500 000.00	R -	R -			X	
2.6.2.	Nqwane Pedestrian Bridge	Ward 20	R 1 255 650.00	R -	R 455 650.00	R 300 000.00	R 500 000.00	R -	R -			X	



2.6.3.	Port Shepstone CBD Pedestrian Crossing		R 17 800 000.00	R -	R 500 000.00	R 10 300 000.00	R 7 000 000.00	R -	R -			X	
2.6.4.	Port Shepstone Temporary Taxi Rank		R 32 183 381.00	R -	R 5 383 381.00	R 16 800 000.00	R 10 000 000.00	R -	R -			X	
2.7.	CLUSTER 7		R 8 478 250.00	R -	R 678 250.00	R 1 300 000.00	R 3 000 000.00	R 3 500 000.00	R -				
2.7.1.	Banana Beach Pedestrian Bridge	Ward 16	R 2 182 260.00	R -	R 182 260.00	R 500 000.00	R 1 000 000.00	R 500 000.00	R -			X	
2.7.2.	Tarring of George Mbhele High Road	Ward 13	R 573 390.00	R -	R 273 390.00	R 300 000.00	R -	R -	R -			X	
2.7.3.	Mvuzane Road and Vehicular Bridge	Ward 14	R 5 722 600.00		R 222 600.00	R 500 000.00	R 2 000 000.00	R 3 000 000.00	R -			X	
2.8.	OTHER ROAD INFRASTRUCTURE PROJECTS-MUNICIPAL WIDE		R 31 201 700.00	R -	R 8 701 700.00	R 8 500 000.00	R 4 000 000.00	R 10 000 000.00					
2.8.1.	Road Rehabilitation-Piet Retief		R 4 145 200.00	R -	R 3 645 200.00	R 500 000.00	R -	R -	R -				
2.8.2.	Road Rehabilitation-Gravel (Phase 7)		R 25 556 500.00	R -	R 4 556 500.00	R 7 000 000.00	R 4 000 000.00	R 10 000 000.00	R -				



2.8.3.		Dick King Parking Fencing		R 1 500 000.00	R -	R 500 000.00	R 1 000 000.00	R -						
S3: NODAL DEVELOPMENT/SERVICE CENTRES				R 10 595 000.00	R -	R 5 595 000.00	R 4 000 000.00	R 1 000 000.00	R -	R -				
3.1.		Rationalisation of Office Spaces (Port Shepstone & Uvongo)		R 7 300 000.00	R -	R 4 300 000.00	R 3 000 000.00	R -	R -	R -	INTERN AL		X	
3.2.		Marburg Motor Machanic Workshop		R 2 500 000.00	R -	R 500 000.00	R 1 000 000.00	R 1 000 000.00	R -	R -	INTERN AL		X	
3.3.		Dept. of Human Settlement Office Renovations		R 795 000.00	R -	R 795 000.00	R -	R -	R -	R -	ACCRE DATIO N			
S4: CONTINUUM OF SUSTAINABLE HUMAN SETTLEMENTS				R 200 635 964.00	R -	R 113 761 356.00	R 51 514 508.00	R 35 360 100.00	R -	R -				
4.1		HOUSING AND HUMAN SETTLEMENT												
4.1.1.		Rural Projects		R 123 017 267.00	R -	R 74 656 171.00	R 13 300 996.00	R 35 060 100.00	R -	R -				
		Vukuzithathe Phase 3 (Ngcawusheni)		R 19 144 346.00	R -	R 807 148.00	R 807 148.00	R 17 530 050.00	R -	R -	DHS	X		



		KwaMthimude Phase 2 (Shibe)		R 19 144 346.00	R -	R 807 148.00	R 807 148.00	R 17 530 050.00	R -	R -	DHS	X		
		KwaXolo Rural Housing Phase 2	Ward 7,8,9,29 & 32	R 35 060 100.00	R -	R 23 373 400.00	R 11 686 700.00	R -	R -	R -	DHS	X		
		KwaMadlala Rural Housing		R 8 765 025.00	R -	R 8 765 025.00	R -	R -	R -	R -	DHS			
		KwaNzimakwe Rural Housing		R 17 530 050.00	R -	R 17 530 050.00	R -	R -	R -	R -	DHS	X		
		Gamalakhe In-situ Upgrade Rural Housing		R 23 373 400.00		R 23 373 400.00	R -	R -	R -	R -				
4.1. 2.		Slum Clearance Projects		R 54 624 920.00	R -	R 29 228 164.00	R 25 396 756.00	R -	R -	R -				
		Louisiane (Slums Clearance) (transfer & Registration)	Ward 15	R 976 800.00	R -	R 300 000.00	R 676 800.00	R -	R -	R -	DHS			
		Mkholombe (Slums Clearance)		R 1 847 313.00	R -	R 1 847 313.00	R -	R -	R -	R -	DHS	X		
		Masinenge (Slums Clearance)	Ward 3	R 51 800 807.00	R -	R 27 080 851.00	R 24 719 956.00	R -	R -	R -	DHS	X		



4.1. 3.		Urban Projetscs		R 22 993 777.00	R -	R 9 877 021.00	R 12 816 756.00	R 300 000.00	R -	R -				
		KwaNzimakwe PHP Housing (Kwalatshoda)		R 468 846.00	R -	R 468 846.00	R -	R -	R -	R -	DHS	X		
		Gamalakhe Retification Pre-1994 Houses		R 763 456.00	R -	R 763 456.00	R -	R -	R -	R -	DHS	X		
		Merlewood Mixed Income (Title Dee		R 264 549.00	R -	R 264 549.00	R -	R -	R -	R -	DHS	X		
		Merlewood Mixed Income Phase 1		R 20 596 926.00	R -	R 8 080 170.00	R 12 516 756.00	R -	R -	R -	DHS	X		
		Mini Sub Housing Covers		R 900 000.00	R -	R 300 000.00	R 300 000.00	R 300 000.00	R -	R -				
S5: PROTECTION OF AGRICULTURAL LAND				R -	R -	R -	R -	R -	R -					
5.1		N/A		R -	R -	R -	R -	R -	R -	R -		X		
S6: SERVICE AND SOCIAL INFRASTRUCTURE														
6.1		WATER AND STORMWATER SERVICES AND MANAGEMENT		R 37 718 025.00	R -	R 5 173 025.00	R 8 545 000.00	R 6 000 000.00	R 10 000 000.00	R -				



6.1. 1.	Bhosiki Hall: Phase 2- Parking and Stormwater	Ward 36	R 2 550 425.00	R -	R 1 050 425.00	R 1 500 000.00	R -	R -	R -				
	Luisiana Housing Stormwater and Ring Road	Ward 15	R 10 956 300.00	R -	R 911 300.00	R 2 045 000.00	R 3 000 000.00	R 5 000 000.00	R -				
	Rural Stormwater		R 7 411 300.00	R -	R 911 300.00	R 1 500 000.00	R 1 500 000.00	R 3 500 000.00	R -	MIG	X		
	Stormwater-Urban		R 5 500 000.00	R -	R 1 000 000.00	R 1 500 000.00	R 1 500 000.00	R 1 500 000.00	R -	INTERN AL	X		
	Acacia Road -Stormwater-Sea Park	Ward 16	R 3 300 000.00	R -	R 1 300 000.00	R 2 000 000.00	R -	R -	R -				
	Fezile Mkhwanazi		R 8 000 000.00		R	R 1 800 000.00							
6.2	SANITATION		R 3 500 000.00	R -	R 500 000.00	R 1 000 000.00	R -	R -	R -				
	Staff Depot Abulution Facilities - Phase 3		R 3 500 000.00	R -	R 500 000.00	R 1 000 000.00	R 1 000 000.00	R 1 000 000.00	R -	INTERN AL		X	
6.3.	ENERGY		R 99 272 600.00	R -	R 25 822 600.00	R 22 120 000.00	R 21 920 000.00	R 29 410 000.00	R -				



6.3.1.		Electrification Projects		R 83 750 000.00	R -	R 21 500 000.00	R 18 420 000.00	R 18 420 000.00	R 25 410 000.00	R -				
		Electrification projects	Ward 30,31,33,3 4,35 &36	R 6 000 000.00	R -	R 6 000 000.00	R -	R -	R -	R -		X		
		Electrification Projects (Various Wards) New Project		R 41 000 000.00	R -	R 8 000 000.00	R 9 000 000.00	R 9 000 000.00	R 15 000 000.00	R -		X		
		Bulk Electrical Supply to New Developments (Within Distribution Area)		R 6 000 000.00	R -	R 1 500 000.00	R 1 500 000.00	R 1 500 000.00	R 1 500 000.00	R -			X	
		Energy Efficiency DSM		R 30 750 000.00	R -	R 6 000 000.00	R 7 920 000.00	R 7 920 000.00	R 8 910 000.00	R -		X		
6.3.2.		Electrification Infrastructure		R 15 522 600.00	R -	R 4 322 600.00	R 3 700 000.00	R 3 500 000.00	R 4 000 000.00	R -				
		Highmast Installation	Ward 33&34	R 911 300.00	R -	R 911 300.00	R -	R -	R -	R -		X		
		Highmast Installation	Ward 3,8,27&29	R 200 000.00	R	R	R 200 000.00							
		New Streets Lights Installation		R 4 911 300.00	R -	R 911 300.00	R 1 000 000.00	R 1 000 000.00	R 2 000 000.00	R -		X		



		Electrical Cables Replacement		R 3 500 000.00	R -	R 500 000.00	R 1 000 000.00	R 1 000 000.00	R 1 000 000.00	R -		X		
		Mini Sub-Stations Replacement		R 2 000 000.00	R -	R 1 000 000.00	R 500 000.00	R 500 000.00	R -	R -			X	
		Inter Switch (RMU) Replacement		R 4 000 000.00	R -	R 1 000 000.00	R 1 000 000.00	R 1 000 000.00	R 1 000 000.00	R -			X	
6.3. 5.		SPORT, RECREATION & COMMUNITY FACILITIES		R 64 343 582.00	R -	R 20 236 875.00	R 23 300 000.00	R 14 806 707.00	R 6 000 000.00	R -		X		
		Sportsfields		R 20 179 732.00	R -	R 7 373 025.00	R 6 500 000.00	R 4 306 707.00	R 2 000 000.00	R -				
		Sportsfield-Ward 31	Ward 31	R 4 034 532.00	R -	R 227 825.00	R 1 500 000.00	R 2 306 707.00	R -	R -		X		
		Upgrade of Domba/JB Sportsfield	Ward 14	R 4 645 200.00	R -	R 3 645 200.00	R 1 000 000.00		R -	R -				
		Mgolomi Sportsfield Upgrade	Ward 4	R 2 500 000.00	R -	R 1 000 000.00	R 1 000 000.00	R 500 000.00	R -	R -		X		
		Vusushaba Sportsfield Upgrade	Ward 4	R 4 000 000.00	R -	R 1 500 000.00	R 2 000 000.00	R 500 000.00	R -	R -		X		



		outdoor Gym facilities	Per Cluster	R 5 000 000.00		R 1 000 000.00	R 1 000 000.00	R 1 000 000.00	R 2 000 000.00					
6.3. 6.		Community Halls		R 44 163 850.00	R -	R 12 863 850.00	R 16 800 000.00	R 10 500 000.00	R 4 000 000.00	R -				
		Community Hall-Ward 30	Ward 30	R 5 783 900.00	R -	R 2 533 900.00	R 2 250 000.00	R 1 000 000.00	R -	R -		X		
		Community Hall-Ward 33	Ward 33	R 7 172 600.00	R -	R 1 672 600.00	R 2 500 000.00	R 2 500 000.00	R 500 000.00	R -		X		
		Nkulu Communit Hall	Ward 36	R 3 077 825.00	R -	R 227 825.00	R 350 000.00	R 1 500 000.00	R 1 000 000.00	R -		X		
		Community Hall-Ward 9	Ward 9	R 5 733 900.00	R -	R 2 733 900.00	R 2 500 000.00	R 500 000.00	R -	R -		X		
		Community Hall-Ward 34	Ward 34	R 5 411 300.00	R -	R 911 300.00	R 2 500 000.00	R 2 000 000.00	R -	R -		X		
		Community Hall-Ward 5	Ward 5	R 6 733 900.00	R -	R 2 733 900.00	R 3 000 000.00	R 500 000.00	R 500 000.00	R -		X		
		Community Hall-Ward 3 (Masinenge)	Ward 3	R 1 227 825.00	R -	R 227 825.00	R 500 000.00	R 500 000.00	R -	R -		X		

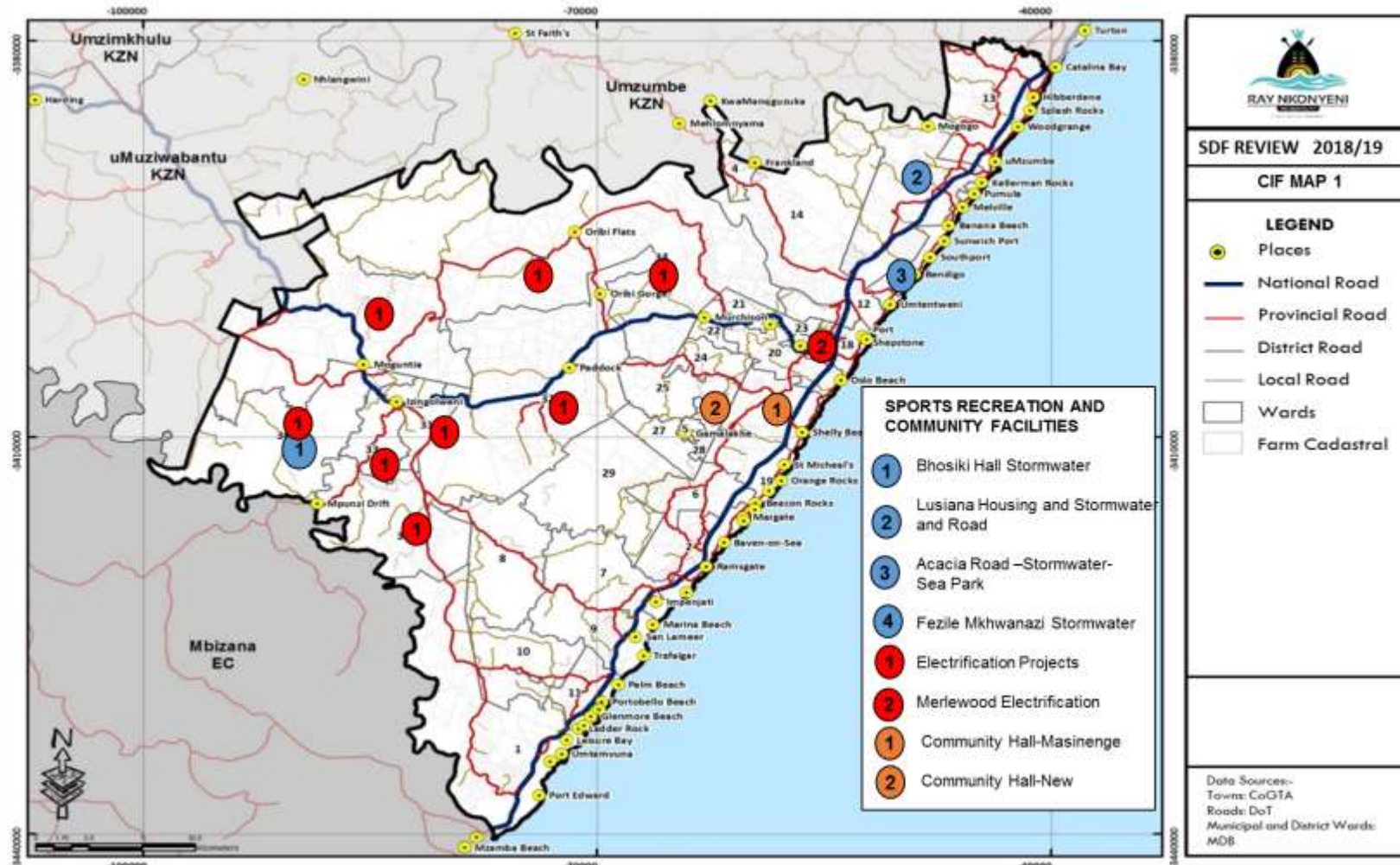


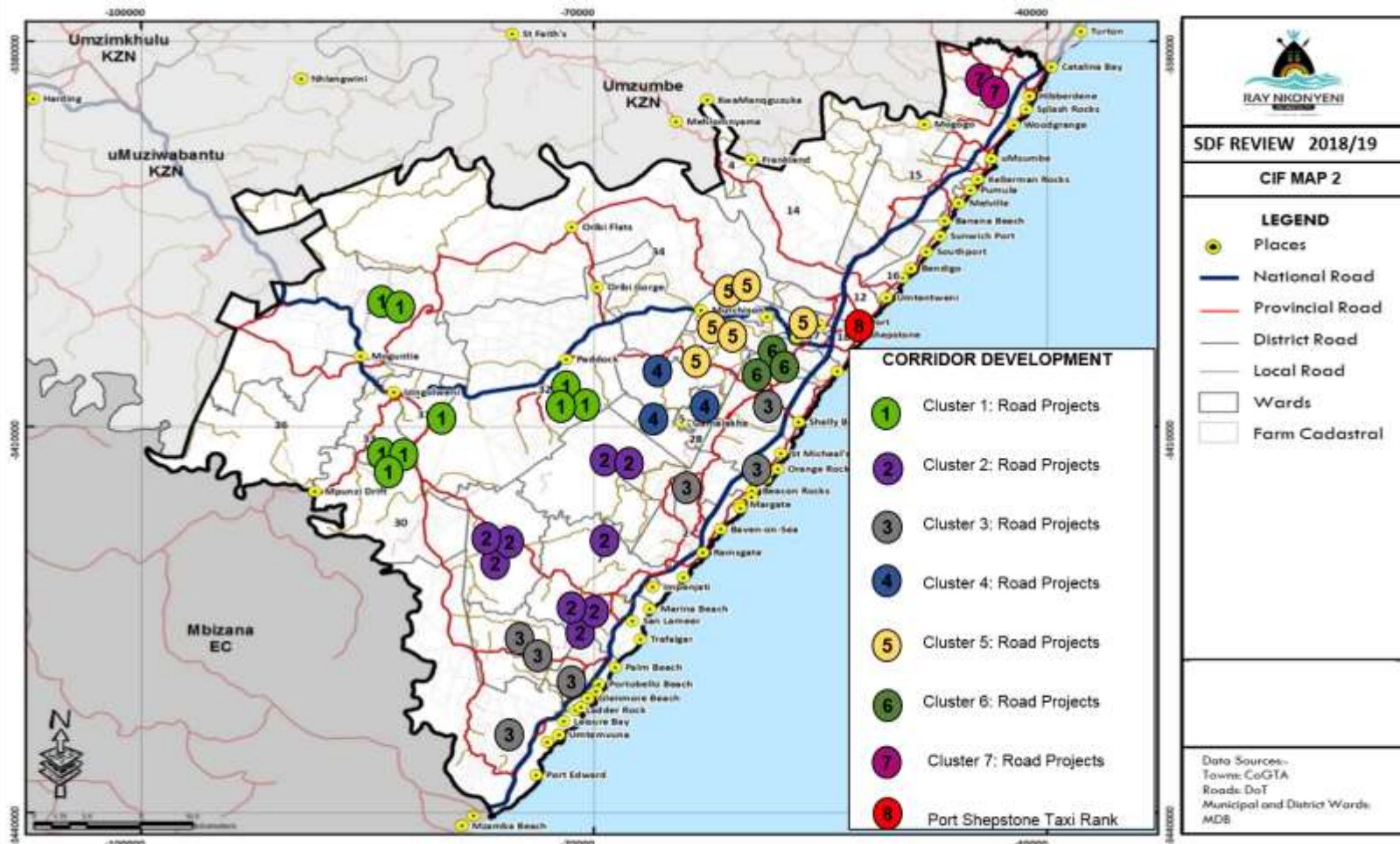
		Community Hall-Ward 20	Ward 20	R 5 322 600.00	R -	R 1 822 600.00	R 3 000 000.00	R 500 000.00	R -	R -		X		
		Dumezulu Community Hall		R 3 700 000.00			R 200 000.00	R 1 500 000.00	R 2 000 000.00					
S7: UNLOCKING ECONOMIC POTENTIAL				R -	R -	R -	R -	R -	R -					
7.1.		Port Shepstone Technology Hub	Shelly Beach	R -	R -	R -	R -	R -	R -	R -	KZN Treasur y	X		
7.2.		Upgrade of Margate Airport and Runway (Phase 1 and 2)	Margate	R -	R -	R -	R -	R -	R -	R -				
7.3.		Port Shepstone Beachfront Development	Port Shepstone	R -	R -	R -	R -	R -	R -	R -				
7.4.		Lot 19 & 20, Marburg Industrial Park	Marburg	R -	R -	R -	R -	R -	R -	R -				
7.5.		Operation Phakisa Small Craft Harbours	Port Shepstone, Hibberdene, Port Edward and Shelly Beach	R -	R -	R -	R -	R -	R -	R -	DPW	X		
7.6.		Small Town Regeneration Programme	Port Shepstone	R -	R -	R -	R -	R -	R -	R -				

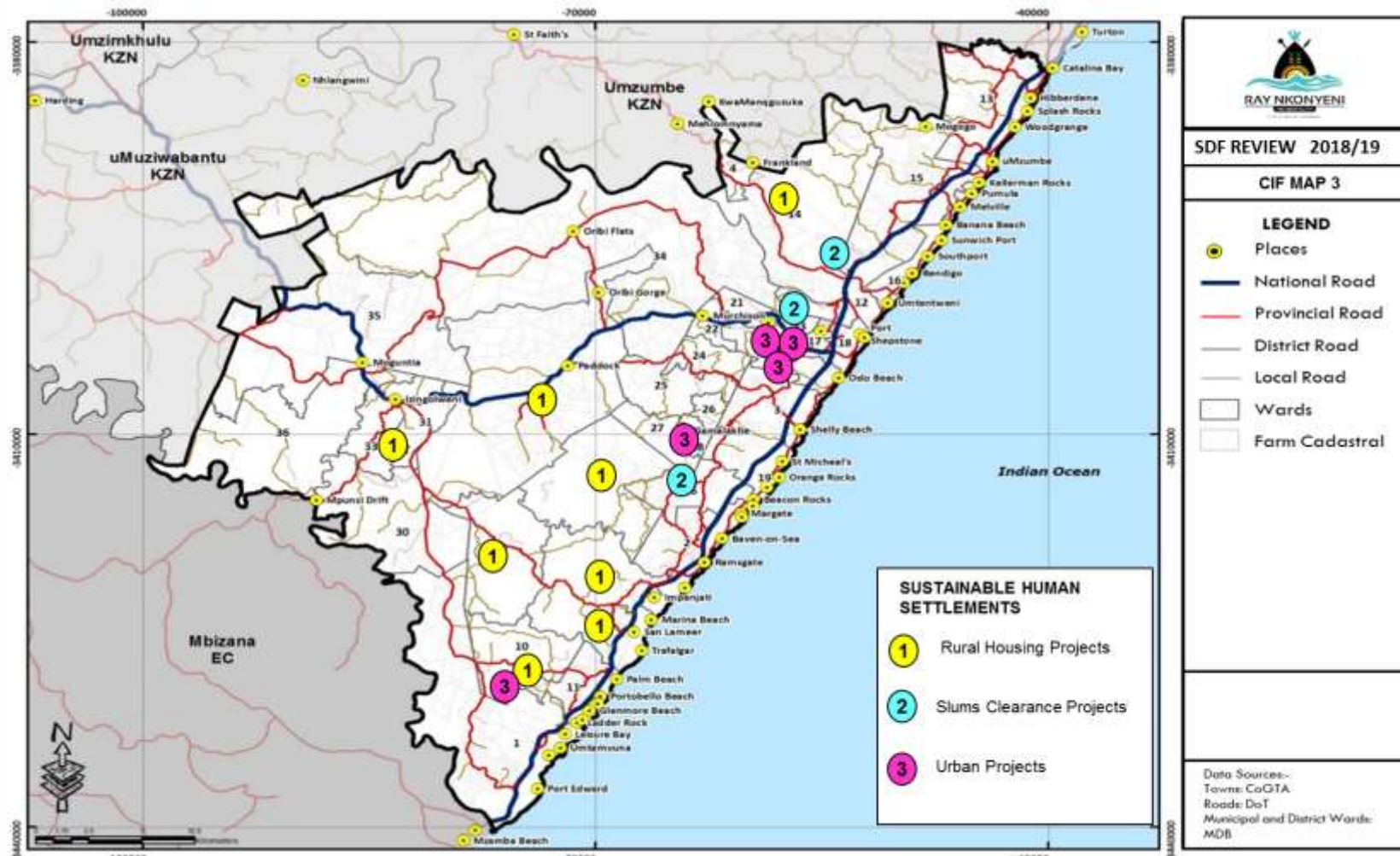


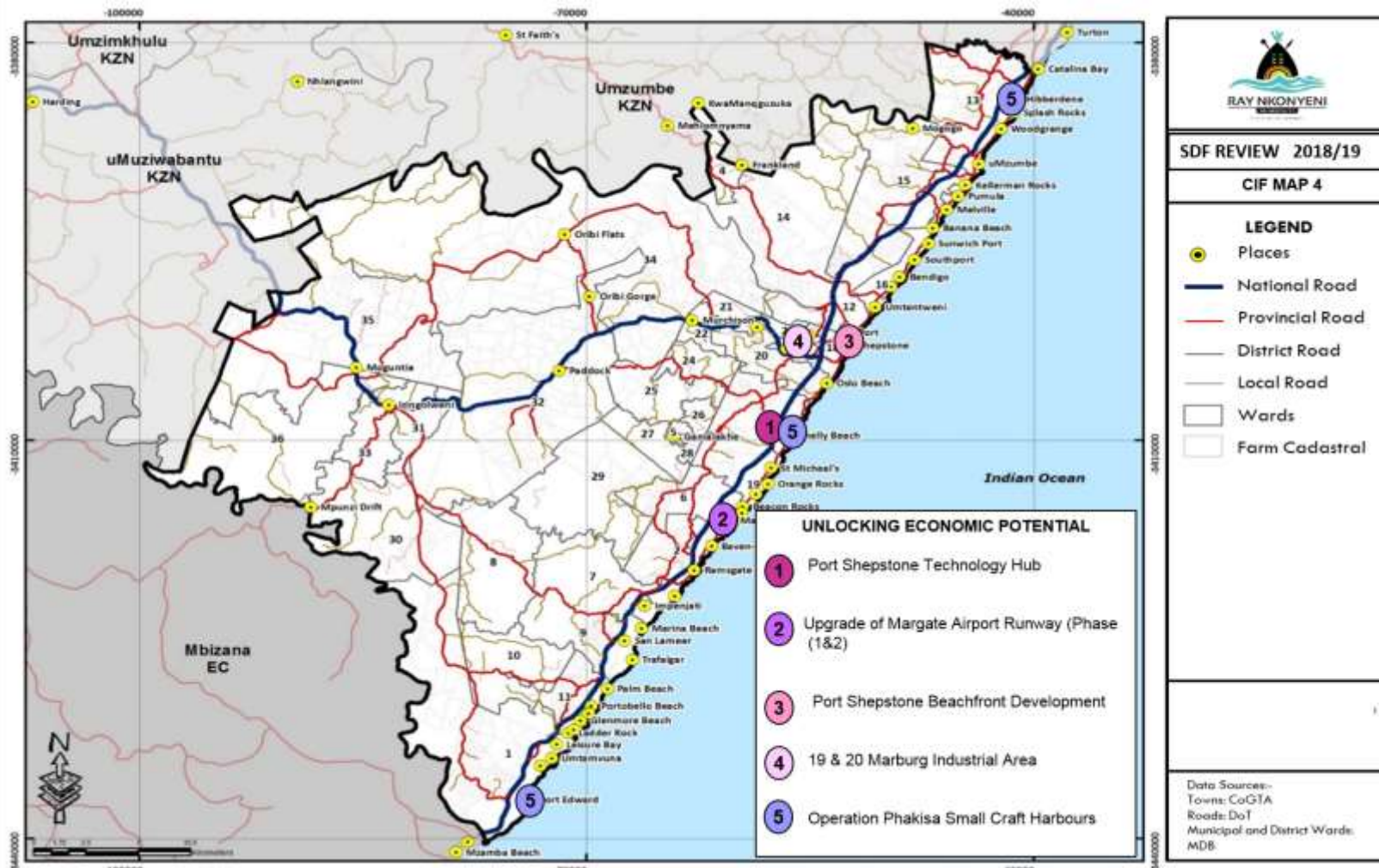
S8: SUSTAINABLE INTEGRATED SPATIAL PLANNING SYSTEM				R 3 550 000.00	R 2 300 000.00	R 5 450 000.00	R -	R -	R -					
8.1.		Development of the Ray Nkonyeni Single Land Use Scheme (LUMS)	Entire Municipality	R 1 000 000.00	R 500 000.00	R 5 000 000.00	R -	R -	R -	R -	KZN CoGTA	X		
8.2.		Ray Nkonyeni SPLUMA Land Use Management Bylaws	Entire Municipality	R 250 000.00	R -	R 250 000.00	R -	R -	R -	R -	INTERNAL		X	
8.3.		Telecommunication Policy	Entire Municipality	R 300 000.00	R -	R -	R -	R -	R -	R -	INTERNAL		X	
8.4.		Migration from Desktop GIS to Enterprise GIS	Entire Municipality	R 2 000 000.00	R 1 800 000.00	R 200 000.00	R -	R -	R -	R -	DPSA	X		













SECTOR DEPARTMENTS' PROJECTS

1. DEPARTMENT OF SOCIAL DEVELOPMENT

PROGRAMME ONE	PROGRAMME TWO	PROGRAMME THREE	PROGRAMME FOUR	PROGRAMME FIVE
Sub-Programme: Office of the MEC	Management and Support	Management and Support	Management and Support	Management and Support
Sub-Programme Corporate Services	Services to older persons	Care and support services to families	Social crime prevention and support	Community mobilization
Sub-Programme District Management	Care and services to older persons	Child care and protection services	Victim empowerment	Institutional capacity building and support for NPOs
	Services to persons with disabilities	ECD and partial care	Substance abuse, prevention, treatment and rehabilitation	Poverty alleviation and sustainable livelihoods
	HIV & AIDS	Child and youth care	Restoration services	Community Based Research and Planning
	Social Relief	Community based care and services to children	Management and support	Youth development
				Women Development

Other Projects

There are private projects,(2) (NGO) that are currently on initiative stages and will bring social upliftment within the municipality. Business plans have been drawn up and land with dilapidated buildings have been identified. These projects will serve as rehabilitation centers and need financial assistance to renovate the buildings and for their daily runnings respectively. Land has been identified in Ward 13 as well as at Ivongo.



Below is a list of privately proposed projects.

NAME OF PROJECT	INITIATOR	PROJECT LOCATION AND TYPE	STATUS	ESTIMATED AMOUNT
1.Sunrise Rehabilitation Center	Private Initiator	Erf 1942 Ivungu	Conceptualization stage	R 5 M
2. Sunrise Rehabilitation Center	Private Initiator	Ward 13	Conceptualization stage	R10 M