



FOR THE COMMUNITY

INTERGRATED DEVELOPMENT PLAN 2020/21

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Table of Contents

TABLE OF FIGURES	5
LIST OF TABLES.....	6
LIST OF ACRONYMS.....	9
FOREWORD BY HIS WORSHIP THE MAYOR, CLLR E NGCONGO	11
SECTION A	12
CHAPTER 1: EXECUTIVE SUMMARY	12
1.1. PURPOSE	12
1.2 WHO ARE WE?	12
1.3 MAJOR CHALLENGES FACING THE MUNICIPALITY	17
1.4 THE MUNICIPAL LONG-TERM VISION	17
1.5. GOALS AND OBJECTIVES	17
The goals and key objectives of the Mkhambathini Municipality's IDP are as follows: -.....	17
1.6 THE OVERALL ECONOMIC CLIMATE.....	26
1.7 SCOPE OF THE MKHAMBATHINI IDP.....	27
1.8 KEY DEVELOPMENT CHALLENGES.....	31
SECTION B	36
Chapter 2: PLANNING AND DEVELOPMENT PRINCIPLES AND GOVERNMENT POLICIES AND IMPERITIVES	36
2.1. NATIONAL POLICY FRAMEWORK.....	36
a. Improvements or Development of Economic Infrastructure:	44
b. Improving or Development of Social Infrastructure:.....	45
2.2. PROVINCIAL POLICY FRAMEWORK	47
2.3 ALIGNMENT OF THE IDP WITH PROVINCIAL, NATIONAL AND GLOBAL PRIORITIES	52
SECTION C	54
CHAPTER 3: SITUATIONAL ANALYSIS	54
3.1. DEMOGRAPHIC CHARACTERISTICS	54
3.2. CROSS CUTTING ISSUES SPATIAL, ENVIRONMENTAL AND DISASTER MANAGEMENT	60
3.3. MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT.....	90
3.4. BASIC SERVICE DELIVERY.....	109

3.5. LOCAL ECONOMIC DEVELOPMENT (LED) SOCIAL DEVELOPMENT ANALYSIS	144
3.6.1 FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS	168
CATALYTIC PROJECTS	170
Catalytic Projects and Budgets.....	175
OTHER PROJECT WHICH ARE CATERGORIZED MUNICIPALITIES WISHLIST AS PER WARD	179
MUNICIPAL ASSET MANAGEMENT STRATERGY	180
CAPABILITY OF THE MUNICIPALITY TO EXECUTE CAPITAL PROJECTS.....	180
REVENUE BASE	180
2019/20 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK	181
EXPENDITURE.....	182
BUDGET PROVISION FOR FREE BASIC SERVICES	184
Free Basic Services: Basic Social Services Package	184
REVENUE ENHANCEMENT AND PROTECTION STRATEGIES	185
REVENUE ENHANCEMENT MECHANISMS.....	185
3.6.2 FINANCIAL MANAGEMENT	187
BUDGET AND TREASURY OFFICE.....	187
Annexure A.....	191
Assessment Of Service Providers 2019/2020 For Period Of January – March 2020	191
3.6.3 TECHNICAL SERVICES	192
MUNICIPAL INFRASTRUCTURE ASSETS AND MAINTENANCE (Q&M)	192
Repairs And Maintenance.....	192
3.6.4 FINANCIAL RATIOS.....	193
3.6.5 HISTORICAL FINANCIAL RATIOS	193
3.6.6 CASH FLOW IMPROVEMENT PLAN	194
3.7. GOOD GOVERNANCE AND PUBLIC PARTICIPATION.....	200
VALUES OF MKHAMBATHINI	201
SERVICE STANDARDS	201
GENERIC SERVICE STANDARDS	202
TELEPHONIC CALLS.....	202
AIL & FAX CORRESPONDENCE.....	202
WRITTEN CORRESPONDENCES	202
3.8. KEY CHALLENGES	214

3.9. COMBINED SWOT ANALYSIS	218
CHAPTER 4: VISION, MISSION AND GOALS	222
4.1. MUNICIPAL VISION, GOALS AND OBJECTIVES	222
4.2. ALIGNMENT OF THE KZN PGDS GOALS WITH THE MUNICIPAL GOALS, OBJECTIVES AND STRATEGIES	228
4.2.1. GOALS, OBJECTIVES AND STRATEGIES ASSOCIATED AND STRUCTURED INTO 6 KZN KPA'S.....	228
CHAPTER 5: STRATEGIC MAPPING	231
5.1. Environment Sensitive Areas (Agricultural Potential Areas & Disaster Risk Profile)	231
5.2. IMPLEMENTATION PLAN.....	238
CHAPTER 6: FINANCIAL PLAN.....	240
6.1. FINANCIAL STRATEGIES AND ACTION PLAN	241
6.2. BUDGET ASSESSMENT.....	242
6.3 REPAIRS AND MAINTENANCE	246
CHAPTER 7: ANNUAL OPERATIONAL PLAN	247
7.1. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN.....	247
CHAPTER 8: ORGANISATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT	250
8.1. HOW THE OPMS IS APPLIED IN THE MUNICIPALITY	250
8.2. ANNUAL PERFORMANCE REPORT OF THE PREVIOUS YEAR	250
ORGANISATIONAL KEY PERFORMANCE INDICATORS LINKED TO THE DEPARTMENTAL INDICATORS	250
ANNEXURES	251

ANNEXURES	232
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TABLE OF FIGURES

Figure 1: Population Density	18
Figure 2: The Sustainable Development Goals	35
Figure 3: <i>Regional Context</i>	59
Figure 4: Mkhambathini Nodes	63
Figure 5: Mkhambathini LM corridors	64
Figure 6: urban Settlement Representation	66
Figure 7: <i>Mkhambathini's Rural Settlements</i>	68
Figure 8: <i>Rural Settlements on the North of Mkhambathini Municipa l Area</i>	69
Figure 9: Rural Settlements on the South of Mkhambathini Municipal Area	70
Figure 10: Environmentally Sensitive Areas	75
Figure 11: Mkhambathini Municipality Water Resources	80
Figure 12: map Showing Flood Zones	83
Figure 13: <i>uMgungundlovu District Disaster Management Organogram</i>	84
Figure 14: <i>Organisational Structure</i>	95
Figure 15: Water Supply per Ward by uMgungundlovu District Municipality	112
Figure 16: Map showing overall Access to Sanitation in Mkhambathini	113
Figure 17: Refuse Disposal (<i>Source: Census 2016, Statistics SA</i>)	118
Figure 18: Map indicating Transport Routes	120
Figure 19: Map indicating Transport Routes	124
Figure 20: Map Showing Mkhambathini Rail Network	125
Figure 22: <i>Population and Household Increase Graphs</i>	134
Figure 23: <i>Population and Household Increase Graphs (Source: Stats SA – Census 2001/2016)</i>	134
Figure 24: EPWP Projects	157
Figure 25: Environmental Sensitive Areas	214
Figure 26: Desired spatial forms	215
Figure 27: Mkhambathini Landuses	216
Figure 28: Where public and private land development and infrastructure investment should takeplace	217
Figure 29: Capital Investment Framework	218

LIST OF TABLES

Table 1: <i>Population by Area: Ward 1</i>	15
Table 2: <i>population by Area: Ward 2</i>	15
Table 3: <i>Population by Area: Ward 3</i>	15
Table 4: <i>Population by Area: Ward 4</i>	16
Table 5: <i>Population by Area: Ward 5</i>	16
Table 6: <i>Population by Area: Ward 6</i>	160
Table 7: <i>Population by Area: Ward 7</i>	16
Table 8: <i>Alignment of NKPA's, Strategic Objectives and Back to Basics</i>	20
Table 9: <i>Stakeholders Meetings</i>	28
Table 10: <i>Inflated-adjusted Poverty Lines (per capita/month in rands)</i>	30
Table 11: <i>Poverty Level Indicator for 2009 to 2011</i>	31
Table 12: <i>National and Provincial commitments for 2018/2019</i>	37
Table 13: <i>Path to Sustainable Development</i>	41
Table 14: <i>2017/18 Highlights</i>	49
Table 15: <i>Back to Basics Reporting Areas</i>	52
Table 16: <i>Municipal Plan to Address National Priorities</i>	53
Table 17: <i>Population Size and Growth Patterns</i>	54
Table 18: <i>GENDER DIFFERENTIATION</i>	55
Table 19: <i>Number of people tested for HIV in 2017</i>	58
Table 20: <i>Land Reform Projects</i>	72
Table 21: <i>Hazard and Category Name Hydro Meteorology</i>	85
Table 22: <i>Core Powers and Functions</i>	95
Table 23: <i>Non-core Powers and functions</i>	95
Table 24: <i>Staff Break Down</i>	97
Table 25: <i>Employment Equity and Workplace Plan</i>	98
Table 26: <i>ICT SWOT ANALYSIS</i>	99
Table 27: <i>Municipal Policies</i>	100
Table 28: <i>Table 25: Action plan on AG findings</i>	103
Table 29: <i>MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT SWOT ANALYSIS</i>	109
Table 30: <i>Access to piped water</i>	110
Table 31: <i>Access to Sanitation</i>	113
Table 32: <i>UMGENI WATER PRIORITY PROJECT MKHAMBATHINI MUNICIPALITY</i>	115
Table 33: <i>Water Service Delivery Within Mkhambathini</i>	116
Table 34: <i>Needs and Priorities for Water and Sanitation Services</i>	116
Table 35: <i>Road and Infrastructure</i>	121
Table 36: <i>Department of Transport: Roads Projects</i>	121

Table 37: Municipal Roads Maintenance Plan.....	122
Table 38: Energy/Fuel for Lighting , Heating and Cooking.....	126
Table 39: Households access to electricity	126
Table 40: Electricity Sector Plan.....	127
Table 41: Estimated Backlog (2016 Census Stats SA).....	130
Table 42: Access to Community facilities.....	131
Table 43: Community Halls Status	132
Table 44: completed Projects 2017/2018.....	132
Table 45: Projects under the implementing stage.....	134
Table 46: Projects at planning stage.....	135
Table 47: Projects at inception stage.....	135
Table 48: Housing Projects Breakdown	135
Table 49: New potential projects.....	135
Table 50: Other Potential Projects.....	136
Table 51: Dwelling Type	136
Table 52: Mkhambathini Municipality GPS co-ordinates survey <i>Result</i>	137
Table 53: Service delivery and infrastructure: SWOT analysis.....	139
Table 54: Local Economic Development Projects	141
Table 55: Other Local Economic Development Activities	142
Table 56: LED SWOT Analysis.....	143
Table 57: Key Economic Partners.....	145
Table 58: Women, Youth and PLWD Programmes	147
Table 59: Agricultural sectors share of contribution towards formal employment	148
Table 60: <i>Manufacturing</i>	148
Table 61: <i>Finance</i>	148
Table 62: Community Services.....	148
Table 63: Catalytic Projects.....	152
Table 64: Service Delivery Priorities Per Ward	160
Table 65: Ward 1 Primary Schools	162
Table 66: Ward 1 High Schools	162
Table 67: <i>Ward 2 Primary Schools</i>	162
Table 68: Ward 2 High Schools.....	162
Table 69: Ward 3 Primary Schools.....	162
Table 70: <i>Ward 3 High Schools</i>	162
Table 71: <i>Ward 4 Primary Schools</i>	162
Table 72: <i>Ward 4 High Schools</i>	163
Table 73: <i>Ward 5 Primary Schools</i>	163
Table 74: <i>Ward 5 High Schools</i>	163
Table 75: Ward 6 Primary Schools	163
Table 76: <i>Ward 6 High Schools</i>	163
Table 77: <i>Ward 7 Primary Schools</i>	164
Table 78: <i>Ward 7 High Schools</i>	164

Table 79: <i>Social Development SWOT Analysis</i>	166
Table 80: Funding Received over Three Years	167
Table 81: Funding Expenditure Over Three Years.....	168
Table 82: Project Prioritisation over Three Years	168
Table 83: Three-year capital budget for capital projects (2018/2019 – 2020/2021)	169
Table 84; Percentage Spent on Capital Projects for Three Years.....	170
Table 85: Budgeted Financial Performance (revenue management)	170
Table 86: Expenditure Indicator.....	171
Table 87: <i>Electrification Indicator</i>	172
Table 88: Cost of Free Basic Services	172
Table 89: Indigent Level Growth.....	172
Table 90: budget allocated to people with disability.....	172
Table 91: Municipal Consumer Debt Position.....	173
Table 92: Allowance for impairment.....	173
Table 93: Net balance	173
Table 94: schedule of procurement plan in respect of advertised competitive bids (2018/19 financial year)	174
Table 95: Repairs and Maintenance	177
Table 96: Historical Financial Ratios	177
Table 97: Cash flow improvement plan	178
Table 98: Financial Ratios.....	178
Table 99: AG Opinions over three years	179
Table 100: Assets for Mkhambathini Municipality during the 2016 year.....	180
Table 101: Contracted Services.....	181
Table 102: Financial viability and financial management Key Challenges	183
Table 103: <i>Service Standards</i>	186
Table 104: Intergovernmental Structures.....	192
Table 105: Municipal Bylaws.....	196
Table 106: Good Governance SWOT Analysis.....	197
Table 107: Combined Key Challenges	198
Table 108: Year Capital projects Implementation Plan	221
Table 109: Financial Plan.....	222
Table 110: Financial Strategies	223
Table 111: Budget Plan	224
Table 112: Operating Budget	225
Table 113: <i>Consolidated Overview</i>	226
Table 114: Operating Transfer and Capital Grants	226
Table 115: Operational Repairs and Maintenance	227

LIST OF ACRONYMS

AG	Auditor General
ASGISA	Accelerated Shared Growth Initiative for South Africa
CBD	Central Business District
COGTA	Co-operative Governance and Traditional Affairs
CPF	Community Policing Forum
DBSA	Development Bank of South Africa
DHS	Department of Human Settlement
DOT	Department of Transport
EIA	Environmental Impact Assessment
EMF	Environmental Management Framework
EXCO	Executive Committee
FBS	Free Basic Services
GGP	Gross Geographical Product
GRAP	Generally, Recognised Accounting Practice
GIS	Geographical Information System
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
IDP	Integrated Development Plan
IGR	Inter-Governmental Relations
KPA	Key Performance Area
KZN	KwaZulu-Natal
LED	Local Economic Development
RSC	Regional Service Centre
SAPS	South African Police Services
SCM	Supply Chain Management
SEA	Strategic Environmental Assessment
SDF	Spatial Development Framework
SDP	Site Development Plan
SMME	Small, Medium and Micro Enterprise
TLC	Transitional Local Council

WSP	Workplace Skills Plan
LUMF	Land Use Management Framework
LUMS	Land Use Management System
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MPAC	Municipal Public Accounts Committee
MIG	Municipal Infrastructure Grant
MTEF	Medium-Term Expenditure Framework
NDBG	Neighbourhood Development Partnership Grant
NSDP	National Spatial Development Perspective
MLM	Mkhambathini Local Municipality
PGDS	Provincial Growth Development Strategies
PMS	Performance Management System
PTO	Permission to Occupy
RSC	Regional Service Centre
SCM	Supply Chain Management
SEA	Strategic Environmental Assessment
SDF	Spatial Development Framework
SDP	Site Development Plan
SMME	Small, Medium and Micro Enterprise
TLC	Transitional Local Council
WSP	Workplace Skills Plan
RSC	Regional Service Centre
SCM	Supply Chain Management

FOREWORD BY HIS WORSHIP THE MAYOR, CLLR E NGCONGO



Mkhambathini 2020/2021 IDP has been reviewed in identifying our greatest challenges and indicate the best solutions and plans in addressing them and also taking cognizance of the Covid-19 regulations and measures. The Municipality's IDP is becoming richer with information to ensure that the readers fully understand who we are as Mkhambathini Local Municipality.

The Community has been consulted during the Public Participation Izimbizo meeting which were held May 2019 and consulted again in May 2020 through social media platforms due to COVID19 restrictions on gatherings. Several issues were raised those that impact more in their livelihood of the Municipality i.e. Housing, Water, Access roads and Electricity provisions.

The Municipality is in continuous engagement with UMgungundlovu District Municipality, Department of Transport, Department of Co-operative Governance and Traditional Affairs and Department of Human Settlements and various other entites into finding ways of addressing our backlogs and challenges that we are facing in ensuring efficient and effective service delivery for all. The Municipality through its ward committee structures has conducted its own research in terms of Electricity Backlogs and the Electricity Master Plan has been developed by the municipality and the document has been communicated with ESKOM and Department of Energy with an aim to haste up the delivery of electricity provision.

Furthermore, the IDP participation allowed a platform for the community to contribute towards the drafting of the IDP of Mkhambathini Local Municipality. It was further agreed that those infrastructures which require more funding than allocated be showcased to external patrons with the aim to minimize needs relating to social facilities i.e sports centres and childcare centres.

The Municipality is committing itself in ensuring that the implementation programmes and projects are aligned to the Service Delivery and Budget Implementation Plan (SDBIP) and aligned to the DDM. I would like to convey my gratitude to the Mkhambathini Community, management and staff and my fellow councillors for meaningful contribution which will ensure speedy delivery of services.

ENgcongco

Cllr ENgcongco
Mayor of Mkhambathini Municipality

SECTION A

CHAPTER 1: EXECUTIVE SUMMARY

1.1. PURPOSE

This document presents an Integrated Development Plan (IDP) for Mkhambathini Local Municipality (MLM), one of the seven local municipalities which forms part of the uMgungundlovu District. The IDP is prepared in compliance with the requirements of Chapter 5, Section 25 of the Local Government Municipal Systems Act (Act No. 32 of 2000) and the Performance Management Regulations (PMR), which obligates municipal council to adopt a single, all-inclusive and strategic plan for the development of the municipality, within a prescribed period after the start of its elected term. The Mkhambathini Local Municipality 4th generation IDP outlines a development agenda for the municipality for the period 2016 to 2021. It informs the budget and tries to respond to the aspirations and needs of the community.

The IDP entails adjustment and revisions based on the monitoring and evaluation of information within the Municipality and also take into consideration the Covid-19 Pandemic and the regulations in line with the measures that should be entailed within the municipality.

The monitoring and evaluation stages are crucial for the following reasons:

- They ensure that the plans and projects adopted are implemented accordingly and take cognizance of the Covid-19 measures.
- They measure the impact of the effect of strategies and/ or projects on development and the prioritization of the lives of the community
- They measure the financial viability of the municipality and its ability to carry out its developmental mandate and envisaged projects and they ensure the efficient utilization of resources.

1.2 WHO ARE WE?

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

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

It covers areas of approximately 917km² and is the second smallest municipality within uMgungundlovu District Municipality after iMpindle Local Municipality. The N3 National Road traverses the municipality linking it to Durban in the east and Pietermaritzburg in the west and the Gauteng Highveld in the North.

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

1.2.1 POPULATION BY AREA

Table 1: *Population by Area: Ward 1*

Characteristics	Cabazini	Chibini	Esinyameni	Maqonqo	Esitingini
Total Population	1334	3717	1367	1307	2848
Young (0-14)	35.2%	36.9%	32.8%	30.3%	37.7%
Working Age (15-64)	61.2%	59.4%	61.9%	64.6%	57.9%
Elderly (65+)	3.6%	3.8%	5.3%	5.1%	4.3%
Dependency Ration	63.3	68.4	61.6	54.7%	72.6
Sex Ration	84.4	80.8	92.4	89.7	92.7
Population Density	1350 persons/ km ²	810 persons/ km ²	562 persons/ km ²	1406 persons/ km ²	859 persons/ km ²

Table 2: *population by Area: Ward 2*

Characteristics	Abebhuzi	Manzamnyama	Nagle	Oqweqweni	Ophokweni A
Total Population	2088	328	86	5922	2369
Young (0-14)	31.8%	33.3%	3.5%	33,1%	34.4%
Working Age (15-64)	63.3%	61.8%	96.5%	61.8%	61.9%
Elderly (65+)	4.9%	4.9%	0%	5%	3.7%
Dependency Ration	57.9	61.9	3.6	61.8	61.6
Sex Ration	85.3	78.3	126.3	86.6	90.3
Population Density	263 persons/ km ²	399 persons/ km ²	5 persons/ km ²	278 persons/ km ²	539 persons/ km ²

Table 3: Population by Area: Ward 3

Characteristics	Camperdown	Mboyi	Mvuyane	Mbila
Total Population	2101	1274	836	1515

Characteristics	Camperdown	Mboyi	Mvuyane	Mbila
Young (0-14)	15.8%	33.9%	36.5%	43.5%
Working Age (15-64)	77.7%	62.3%	59.3%	52.5%
Elderly (65+)	6.5%	3.8%	4.2%	4%
Dependency Ration	28.7%	60.5%	68.7%	90.3
Sex Ration	125.3	84.6%	88.9	74.9
Population Density	339 persons/km ²	326 person/km ²	577 persons/km ²	167 persons/km ²

Table 4: Population by Area: Ward 4

Characteristics	Total Population	Young (0-14)	Working Age (15-64)	Elderly (65+)	Dependency Ration	Sex Ration	Population Density
Shayamoya	390	34.9%	60%	5.1%	66.7	79.3	42 persons/km ²

Table 5: Population by Area: Ward 5

Characteristics	Total population	Young (0-14)	Working Age (15-64)	Elderly (65+)	Dependency Ration	SexRation	PopulationDensity
Ezinembeni	1965	36.3%	57.5%	6.2%	73.9	78.8	307 persons/ km ²
Mahlabathini	14465	19.8%	76.4%	3.8%	30.9	112.4	22 persons/ km ²

Table 6: Population by Area: Ward 6

Characteristics	Dwengu	Makholweni	Mahlabathini	Mpangisa	Simondi
Total Population	620	2117	259	848	669
Young (0-14)	38.1%	34.8%	39%	37.5%	35%
Working Age (15-64)	56.5%	59.6%	56.8%	58.4%	58.6%
Elderly (65+)	5.5%	5.6%	4.2%	4.1%	6.4%
Dependency Ration	77.1%	67.8	76.2	71.3	70.7
Sex Ration	81.8	95.5	104.7	90.1	92.2
Population Density	138 persons/km ²	977 persons/km ²	401 persons/km ²	137 persons/km ²	307 persons/km ²

Table 7: *Population by Area: Ward 7*

Characteristics	Mngwenya	Gulube	Entshongeni	Ngilanyoni	Okhalweni	Esigodini
Total Population	1239	769	577	660	761	953
Young (0-14)	44%	38.6%	37%	44.2%	43.2%	34.3%
Working Age (15-64)	49.5%	55%	55.9%	50.2%	51.5%	58.8%
Elderly (65+)	6.5%	6.4%	7.1%	5.6%	5.3%	6.9%

Characteristics	Mngwenya	Gulube	Entshongeni	Ngilanyoni	Okhalweni	Esigodini
Dependency Ration	102%	81.8	78.9	99.1	94.1	70.1%
Sex Ration	77.8	81.8	72	76.5	75.8	79.8%
Population Density	87 persons/ km ²	284 persons/ km ²	56 persons/ km ²	107 persons/ km ²	216 persons/ km ²	189 persons/ km ²

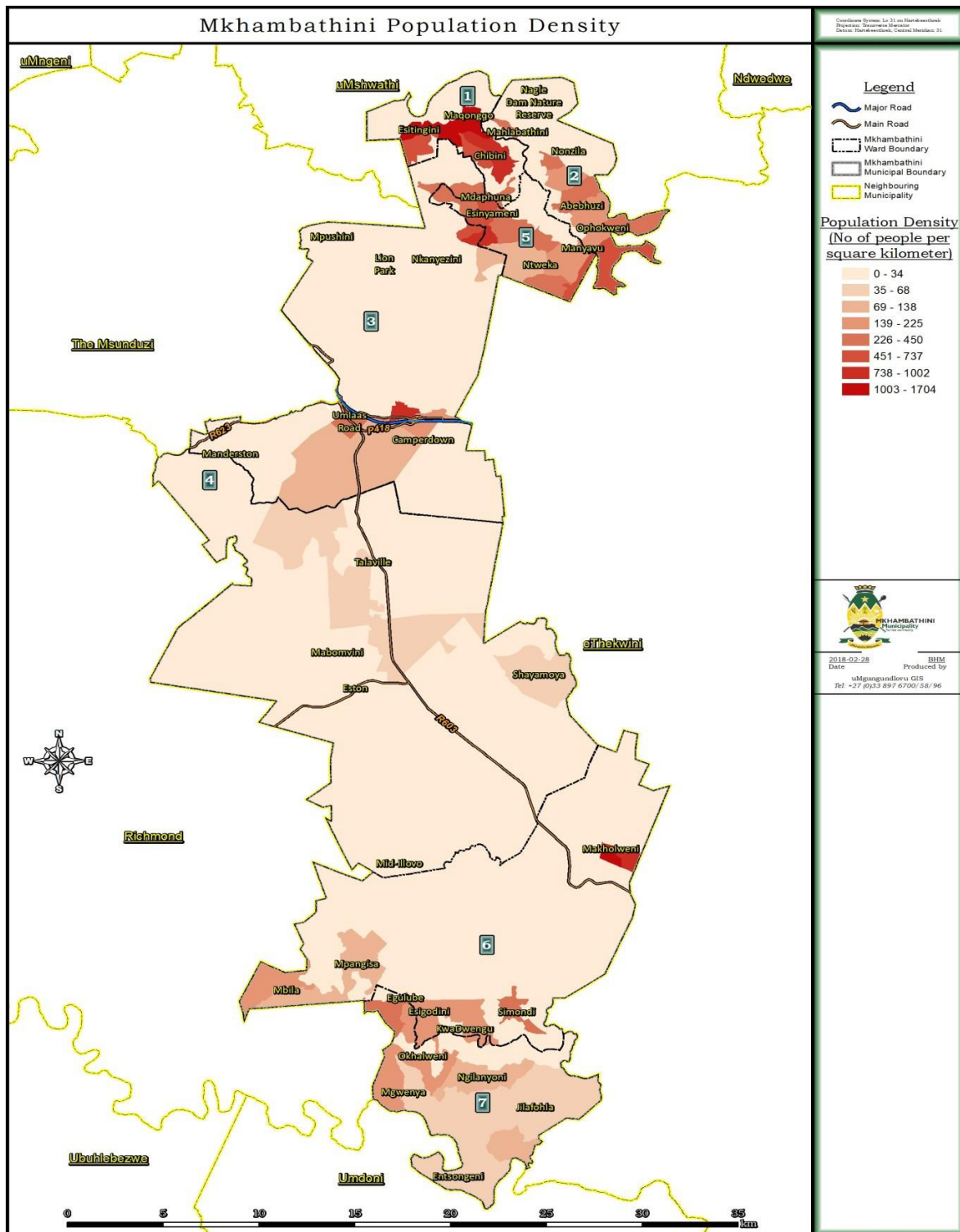


Figure 1: Population Density

1.3 MAJOR CHALLENGES FACING THE MUNICIPALITY

The challenges that are facing the municipality that need to be addressed are amongst the issue of spatial location of the municipal area which indicates that a vast amount of the community resides in the tribal authority areas which are characterised as rural areas. The following service delivery identified challenges play a pivotal role in the development of the Municipality:

Insufficient funding provided for bulk infrastructure has become a challenge to assist in Local Economic Development Tribal Authority Community as it has severely affected the slow provision of basic service delivery due to lack of geographic location of some areas within the Municipality. Provision of Refuse Removal is only limited to urban area. The way refuse is disposed in rural areas is a concern, as the burning of refuse is utilized as a form of disposing off unwanted materials. The areas residing in the rural communities still use Pit Latrines or no system at all.

The Bad Weather conditions that have caused an impact in the various wards within the municipality which are ward 6 and ward 7.

1.4 THE MUNICIPAL LONG-TERM VISION

“By 2030 Mkhambathini Municipality will be KwaZulu Natal’s mega-hub for industries, tourism and agriculture along the N3 Corridor which provides a socially cohesive environment.”

1.5. GOALS AND OBJECTIVES

The Mkhambathini Municipality’s IDP has adopted a long-term planning perspective, but also present a short to medium term strategic agenda and detailed five-year programme commencing in the 2017/2018 financial year ending in 2020/2021 financial year. This period coincides with the term of office of the incumbent council and aligns with the budget cycle.

The IDP is prepared in accordance with Section 25 requirements of the Municipal Systems Act (Act. No. 32 of 2000) and the associated regulations and is intended to serve as a strategic guide for public sector investment and development generally. It is based on the issues articulated by all stakeholders and is informed by the national and provincial development imperatives.

The goals and key objectives of the Mkhambathini Municipality’s IDP are as follows: -

- To create of a Newtown that promotes local economic development.
- To prioritize the municipality’s catalytic projects which focuses on the wastewater treatment works.
- To strengthen intergovernmental relations to ensure the resuscitation of the railway network, accelerating the interchange upgrade programme and augment the water storage facility.
- To develop the municipality’s public transport network.
- To ensure provision of socio-economic infrastructure that provides for a full range of housing types, educational facilities, health facilities

INTEGRATED DEVELOPMENT PLAN

Table 8: Alignment of NKPAs, Strategic Objectives and Back to Basics

IDP/PMS ALIGNMENT NO.	GOALS	STRATEGIC OBJECTIVES	PILLARS OF BACK TO BASICS
BSD1	GOAL 4: STRATEGIC INFRASTRUCTURE Development of seaports and airports <ul style="list-style-type: none"> Develop road and rail networks 	To ensure the provision, upgrade and construction of infrastructure assets are maintained and services that enhance socio- economic development within the municipality	BASIC SERVICE DELIVERY
BSD2		To ensure that services provided to the Municipality by service providers is of high quality.	
BSD3		To promote effective and efficient building control services	
BSD4		To ensure spatial development in the entire area of Mkhambathini Municipality and the provision of free Basic Services	
BSD5		To ensure integrated housing development within the municipality	
BSD6		To ensure that the municipal infra- structure assets are maintained	
BSD7		To ensure continuous maintenance of municipal roads and storm-water drainage	
BSD8	GOAL 3: HUMAN AND COMMUNITY DEVELOPMENT	To ensure the integrated electrification development project within the municipality	
BSD 9		To ensure effective and efficient Library Services	
BSD10		To ensure provision of free basic service delivery	
MIDT1		To ensure that municipal staff and councillors are informed of skills development Programmes	
MIDT2		To ensure that municipal staff is skilled according to job requirements	
	<ul style="list-style-type: none"> Enhance access to affordable, reliable, sustainable and modern energy for all Enhance KZN waste management capacity Support skills development to economic growth Enhance youth and adult skills development 		

INTEGRATED DEVELOPMENT PLAN

MIDT3	and life-long learning	To ensure that municipal staff is skills according to job requirements and to transform the municipality into a performance driven institution	
MIDT4		Create Job opportunities through EPWP projects	

FINAL IDP 2020/21

IDP/PMS ALIGNMENT NO.	GOALS	STRATEGIC OBJECTIVES	PILLARS OF BACK TO BASICS
MIDT5	<ul style="list-style-type: none"> Support skills development to economic growth Enhance youth and adult skills development and life-long learning 	To promote occupational health and safety in the workplace	
MIDT6		To ensure that employment equity targets are met	
MIDT7		To ensure that efficient and effective fleet management	
MIDT8		To ensure that services provided to the municipality by the service providers is of high quality	
MIDT09		To ensure effective and efficient ICT Management	
MIDT11		To implement a refined organisational structure and improve the standard of records management	
MIDT12		To promote Employee Wellness	
MIDT13		To improve the standard of administrative and auxiliary support	
MIDT14		To ensure efficient and effective Fleet Management	
MIDT15		To ensure that services provided to The Municipality by service providers is of high quality	
MIDT16		To provide youth skills development programmes	
FIN1	GOAL 6: GOVERNANCE AND POLICY	To ensure effective and efficient supply chain management system.	
FIN2	<ul style="list-style-type: none"> Promote participative, facilitative and 	To Ensure that the Budget is spent according to budget projections	
FIN3		To ensure compilation of a credible Annual Financial Statements	

	accountable governance	To ensure effective and efficient asset management	
FIN4	<ul style="list-style-type: none">Promote participative, facilitative and accountable governance	To ensure effective and efficient asset management	
		To improve reporting Management	
FIN5		To ensure compilation of a credible Annual Financial Statements and ensure effective and efficient procurement system	
FIN6		To improve the budgeting and reporting processes	
		To compile credible and complete Financial Statement	
		To ensure effective and efficient Security Management	

INTEGRATED DEVELOPMENT PLAN

IDP/PMS ALIGNMENT NO.	GOALS	STRATEGIC OBJECTIVES	PILLARS OF BACK TO BASICS
FIN7	<ul style="list-style-type: none"> Build government capacity Eradicate fraud and corruption <p>GOAL 3: HUMAN AND COMMUNITY DEVELOPMENT</p> <ul style="list-style-type: none"> Eradicate poverty and improve social welfare services Enhance health of communities and citizens Safeguard and enhance sustainable livelihoods and food security Promote sustainable human settlements Enhance safety and security Advance social cohesion 	To ensure that the Municipal Liquidity position is managed at 1:10	
FIN8		To ensure that VAT is accounted for	
FIN9		To ensure effective management of the payroll system To Ensure that the System of Internal Control is working effectively within the Payroll Section	
FIN10		To ensure effective and efficient grants management	
FIN11		To ensure that VAT is accounted for	
FIN12		To improve management and implementation of Capital Budget in the Municipality	
FIN13		To ensure enforcement of sound financial management practices	
FIN14		To practice sound financial management principles	
FIN15		To improve expenditure management	
FIN16		To create a conducive environment for Local Economic and Rural Development	
LED1		To promote emerging business	
LED2		To promote the rights of designated groups	
LED3		To Promote Sports and Recreation	
LED4		To combat HIV and AIDS	
LED5		To assist community in fighting poverty	
LED6		To create a conducive environment for Local Economic and Rural Development	
LED7			

LED8	<p>and social capital</p> <ul style="list-style-type: none"> Promote youth, gender and disability advocacy and the advancement of women 	To Promote Tourism within the Municipal Area	
LED9	<p>ENVIRONMENTAL SUSTAINABILITY</p> <ul style="list-style-type: none"> Enhance resilience of ecosystem services Expand the application of green technologies 	To promote Arts and Culture Activities	

IDP/PMS ALIGNMENT NO.	GOALS	STRATEGIC OBJECTIVES	PILLARS OF BACK TO BASICS
GG1	GOAL 6: GOVERNANCE AND POLICY <ul style="list-style-type: none"> Strengthen policy, strategy coordination and IGR Build government capacity Eradicate fraud and corruption Promote participative, facilitative and accountable governance 	To implement and maintain Effective enterprise risk management system	
GG2		To transform the municipality into a performance driven institution.	
GG3		To ensure effective and efficient supply chain management system and implement effective enterprise risk management system.	
GG4		To Transform the Municipality into a performance driven Municipality ensure and effective Audit and Performance Committee	
GG5		Ensure Functional Public Municipal Accounts Committee	
GG6		To ensure continuous engagement with ward constituency	
GG7		To enhance customer relations	
GG8		To improve the procurement system	
GG9		To ensure effective and Efficient ICT Management	
GG10		To Improve Performance and functioning of the municipality	
GG11		To keep the community members informed and involved in the affairs of the municipality	
GG12		To provide reasonable assurance on the adequacy and effectiveness of internal control system	
GG13		To participate in uMgungundlovu Economic Development Agency	
GG14		To implement and maintain effective enterprise risk management system	

IDP/PMS ALIGNMENT NO.	GOALS	STRATEGIC OBJECTIVES	PILLARS OF BACK TO BASICS
CC1	GOAL 7: SPATIAL EQUITY <ul style="list-style-type: none"> Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities Ensure integrated land management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment 	To ensure strategic development and management of the municipality's Integrated Development Plan	
CC2		To Facilitate spatial development in the entire are of Mkhambathini Municipality	
CC3		To ensure that Planning and Development Priorities of the Municipality are accounted for	
CC4		To Facilitate and review the Spatial Development Framework	
CC5		To promote effective and efficient building control services	
CC6		To enhance public safety control mechanisms	
CC7		To ensure integrated housing development within the municipality	
CC8		To provide support on disaster management services	
		To Transform the municipality into a performance driven municipality	

1.6 THE OVERALL ECONOMIC CLIMATE

Renamed Mkhambathini and based in Camperdown, is situated in the south-eastern periphery of uMgungundlovu District Municipality, the area is only 47 minutes from King Shaka International Airport and 30 minutes from Africa's busiest harbour. Mkhambathini is the fifth largest economy within the uMgungundlovu District Municipality. The main economic sectors include: Agriculture, Tourism, Manufacturing, and Small Macro and Micro Enterprises (SMMEs). Agricultural production accounts for 33% of the economic sector. The production centres on vegetables grown for local and hinterland fresh produce markets, maize, and sugar cane (processed through a mill at Eston). The area features the second highest concentration of poultry producers in the world, supported by a network of service suppliers, as well as pig and beef farming. Tourism is centred on African experiences, with attraction such as the Tala Game Reserve, Nagle Dam and Umgeni Valley.

The second largest economy within the municipality is the manufacturing sector with 18.5%, then community and social is 10%, wholesale catering and retail is 9.8%, and other sectors account for the remaining 9%. The current focus of central Government is to grow economy and to create a conducive environment for further job creation. It has been agreed by Government that skilled development is key to the achievement of these objectives. This is relevant to the Mkhambathini Municipality like in the District since the majority of the population are the youth aged between 15-35 years who constitutes 34% of the total population (excluding the depended children who are 31%) there is a need to strengthen and support education and training programmes. Most of these youths are un-franchised and are jobless. Therefore, the already started partnership with organisations such as SEDA need to be strengthened.

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

1.6.1. MANUFACTURING

Manufacturing activity occurs primarily at Camperdown as well around Eston Sugar Mill. The sector is dominated by agro-processing relating to sugar caned and poultry. There is potential for upstream and downstream linkages in both industries. The Municipality is estimating a closure of some of the poultry production sites by the end of June 2017 which will have an impact on the economy of the Municipality which will also impacts on the Provincial Economy and employment rate as well. We are anticipating that approximately 4000 workers will be laid off.

1.6.2. AGRICULTURE

Agricultural sector in Mkhambathini Local Municipality area is characterised by apartheid- based inequalities manifested in the dichotomy between the well-developed, well-endowed and productive commercial sector in ward 3 and ward 4, and the underdeveloped, under- resourced subsistence agriculture in ward 1, 2, 5, 6 and 7. Concentration of agricultural production in these areas means that the majority of rural people residing on Traditional Authority areas excluded from commercial agriculture. However, there is scope for out grower scheme and strategic partnership with major poultry producers.

1.6.3. TOURISM

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

- ✓ **Eco-tourism:** Private game ranches offering up-market accommodation and wildlife trails for visitors (including Tala Valley Game Ranch, Killarney Game Ranch, White Lodge, Insingizi Lodge, the Lion Park, and Zoo).
- ✓ **Agro- tourism:** The Sakabula Circuit comprises of several autoroutes that meander through the municipality, linking it to adjacent area (Thornville, Baynesfield, Richmond, and Byrne Valley) and offers scenic views as well as country attractions, such as fresh produce, clothing and farm stalls as well as accommodation.
- ✓ **Adventure Tourism:** The area is host to a number of adventure and sporting activities including off-road motorcycle and car races, canoeing events on Nagle dam, mountain bike races (cycling), micro lighting, skydiving, waterskiing and hiking trails.
- ✓ A Game reserve has been proposed for the Mkhambathini Areas between the N3 and Cato Ridge, although the progress to develop the park is unclear.
- ✓ Tourism attractions are generally located close to the main road traversing the municipality. Ownership of the tourism industry tends to be highly concentrated with little involvement by rural communities. Participants at community workshops called for the exploitation of undeveloped tourism potential in the municipality, their involvement in tourism development and related income-generating opportunities, as well as the need for education about the benefits and obligations of tourism.

1.7 SCOPE OF THE MKHAMBATHINI IDP

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

- ✓ An outline of the key development issues which are aligned to the DDM and trends based on an analysis of the current level of development (Situational Analysis).
- ✓ A strategic framework which outlines Council's Long-term vision with specific emphasis on the municipality's most critical development objectives, actions plans entailed in line the Covid-19 priorities and strategies (Development Strategies).

- ✓ A capital program including a one- year program, a three- y e a r program aligned to the Medium-Term Expenditure Framework and the Five-Year Plan (Capital Investment Projects).
- ✓ An implementation framework which includes sector plans particularly the financial plan, spatial development framework, organizational performance management system and an organizational transformation and institutional development plan (Integration).

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

1.7.1. APPROACH

The approach adopted in reviewing the IDP for the 2019/20 financial year was strongly guided by the guidelines prepared by the Department of Co-Operative Governance and Traditional Affairs (COGTA) as set out in the Revised KZN IDP Framework Guide dated 12 February 2013. The guide pack advocates for a process that is integrated, sustainable, issue-driven, people centred, and practical and action oriented.

The IDP adopts an outcome-based approach in line with the national government priorities and the associated 12 outcomes. Early in the National Cabinet adopted twelve outcome areas that collectively address the main strategic priorities of government.

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

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

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

- ✓ **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 Works Programme.
- ✓ **Output4:** Actions supporting of the Human Settlement Outcome.
- ✓ **Output 5:** Deepen democracy through a refined Ward Committee Model; and
- ✓ **Output 6:** Administrative and Financial Capability

In addition, the IDP also considers the emerging national and provincial long-term strategic plans as encapsulated in the National Development Plan and the Provincial Growth and Development Strategy. Given its strategic location in the northern part of KwaZulu-Natal, Mkhambathini Municipality will make a significant contribution towards the implantation and attainment of the strategic objectives of each of these strategic plans. Again, it is critically important to ensure that the IDP aligns with these documents once they are completed.

The approach adopted in the preparation of this round of IDP process 2019/20 was strongly guided by the guidelines prepared by the Department of Co-operative Governance and Traditional Affairs (COGTA) as set out in the 4th Generation guide packs. The guide packs advocate a process that is integrative, sustainable, issue driven, people centred, practical and action oriented.

1.7.2 PUBLIC PARTICIPATION

The IDP preparation process involved extensive stakeholder and public participation as required in terms of the MSA (Act No. 32 of 2000). At least three IDP Representative Forum meetings were held, each coinciding with a distinct phase in the process. In addition, several meetings were held at ward level to establish community development needs and consult communities on the general affairs of the municipality. The comments raised during the Budget/IDP Roadshows also provided valuable input into the process. Moving forward we need to take cognizance of the Covid-19 regulations and utilize the social media platforms and virtual meeting to enhance public participation in the IDP processes.

The following entails a schedule of the key activities that have undertaken towards reviewing the IDP: -

- ✓ Strategic review of the MLM IDP (2019/20) in line with the comments from the MEC: COGTA.
- ✓ Strategic review of outdated sector plans.
- ✓ Improved alignment between the IDP/Budget and PMS.
- ✓ Strategic review of the MLM SDF (2019/20) in line with the comments from the MEC: COGTA.
- ✓ Review of the three-year financial plan.
- ✓ Development of the SDBIP.
- ✓ Preparation of the IDP in line with the Covid-19 priorities and regulations.

1.7.3 PROCESS FOR PUBLIC PARTICIPATION

The IDP preparation process involved extensive stakeholder and public participation as required in terms of the MSA but due the Covid-19 Pandemic the Municipality had to utilize an alternative approach for the planned public consultation in accordance with the Covid Regulations and measure that had to be prioritized the municipality utilized social media platforms and radio stations. At least four IDP Representative Forum meetings were held, each coinciding with a distinct phase in the process. In addition, several meetings were held at ward level to establish community development needs and consult communities on municipal business generally. Budget/IDP Road shows also provided valuable input into the process. The review of the IDP over the next four years will also follow the same process. The following public engagement meetings were held.

Table 9: Stakeholders Meetings

STAKEHOLDERS	VENUE	DATE	TIME
Public/Community Meeting	Abebhuzi Community Hall	11 May 2019	10h00
Public Consultation on IDP Review 2020/21 by Hon. Mayor	Umgungundlovu FM	09 June 2020	18:00
Public Consultation on IDP Review 2020/21 by Hon. Mayor	Gagasi FM	11 June 2020	18:00
Public Consultation on IDP Review 2020/21 by Hon. Mayor	Live on Facebook	12 June 2020	12:00

1.7.4 SECTOR DEPARTMENT INVOLVEMENT

It has been indicated that the participation of sector planning is very weak within the South African Local Government system as municipalities are not getting recognition as development overseers within their respective areas of jurisdiction. The implementation of the District Development Model (DDM) is aimed to intensify sectoral coordination and alignment of their budgets with municipal budgets and allocation resources using the prioritization list from municipalities through the consultations with communities.

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

- ✓ Department of Transport
- ✓ Department of Cooperative Governance and Traditional Affairs (COGTA)
- ✓ Department of Social Development
- ✓ Department of Public Works
- ✓ Department of Health
- ✓ Department of Education
- ✓ Department of STATS SA
- ✓ Departments of Community Safety and Liason
- ✓ Department of Economic Development and Tourism
- ✓ Department of Arts and Culture (Library and Museum sections)
- ✓ UMgungundlovu District Municipality
- ✓ The South African National Road Agency Ltd (SANRAL)
- ✓ Department of Human Settlements, and
- ✓ ESKOM.

1.7.5 ALIGNMENT WITH FAMILY OF MUNICIPALITIES WITHIN THE DISTRICT

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

- ✓ The IDPs of the uMgungundlovu family are focusing on the outcome based IDP approach thereby align with the Key Performance Areas developed by national government.
- ✓ Both the SONA and SOPA have been incorporated into the IDP's
- ✓ Outcome 9 has been incorporated into the IDPs there by giving emphasis to good governance and sustainable human settlements (Outcome 8).
- ✓ The PGDP has been incorporated as part of improving the alignment between the province and local government.
- ✓ The DGDP has been incorporated to improve alignment between the district and local government.
- ✓ The IDPs have given emphasis to the Sukuma Sakhe Program and its associated impact on communities the fight against poverty through job creation.
- ✓ Green economy through recycling initiatives and climate change have also been incorporated. These include the implementation of solar energies and smart and conventional meters on new housing developments.
- ✓ The prioritization of the Covid regulations and measures have been incorporated to improve basic services in the Municipality.

1.8 KEY DEVELOPMENT CHALLENGES

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

1.8.1 HIGH RATE OF UNEMPLOYMENT AND LOW ECONOMIC GROWTH

One of the critical issues that the municipality continues to encounter is the increasing number of unemployment is especially youth unemployment. There has been an increase in the number of graduates who are loitering in the streets because they are struggling to find employment. This has driven many young people to migrate to big cities with the hope of employment opportunities. The local economy, which is predominantly agricultural, indicates that the area has a high potential for tourism development within the Municipal jurisdiction. The N3 which carries trade and tourist traffic, also runs through Mkhambathini, and provides an opportunity for local economic development for the municipality.

The IDP process should address important economic issues which include:

- ✓ High rate of unemployment, scarcity of employment opportunities and the slow economic growth of Mkhambathini.
- ✓ The exclusion of the poor and largely black people from ownership of land and access to the means of production.

1.8.2 HIGH LEVEL OF POVERTY AND INEQUALITY

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

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

The National Development Plan (NDP) (2011) and the Vision for 2030 echoes the sentiments of the Reconstruction and Development Programme (RDP) (1994) “no political democracy can survive and flourish if the mass of our people remain in poverty, without land without tangible prospects for a better life attacking poverty and deprivation must therefore be the first priority of a democratic government”. Two fundamental objectives apply:

- ✓ Elimination of Poverty
- ✓ Reduction of Inequality
- ✓ In 2012, a set of three national poverty lines were established:
- ✓ Food Level Poverty (FPL) for individual unable to purchase food
- ✓ Lower Bound Poverty Line (LBPL) includes non-food items, however individuals sacrifice food to purchase other items
- ✓ Upper Bound Poverty Line (UBPL) includes individuals that can purchase food and non-food items.
- ✓ The table below is based on (Consumer Price Index) CPI between the period 2001 and 2011.

Table 10: Inflated-adjusted Poverty Lines (per capita/month in rands)

Year	Food Poverty Line	Lower-inbound Poverty Line	Upper-bound Poverty Line
2000	141	209	308
2005	202	288	413
2010	307	424	594
2011	321	443	620

In South Africa, as the table below suggests the poverty level has dropped from 2009 to 2011.

Table 11: Poverty Level Indicator for 2009 to 2011

Poverty Headcounts	2009	2011
% of population that is poor	56.8%	45.5%
% of population living in extreme poverty	32.4%	20.2%

1.8.3 BACKLOG IN THE DELIVERY OF PUBLIC FACILITIES

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

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

1.8.4 POOR ACCESS TO ADEQUATE SHELTER

Mkhambathini Municipality is predominantly rural in character and most of the people reside within traditional authority areas, which are characterised by a high level of poverty. People in these areas cannot afford to build and maintain proper houses, due to high level of unemployment. However, it should be noted that as much as the area is characterised by high level of poverty we have over the years witnessed a shift in some of the wards in particular ward 3 where we witnessed a higher class homes being built in Lion Park. Even though there are some challenges with that development the Municipality is working hand in hand with the tribal authority and Department of Corporate and Traditional Affairs to resolve the issue. This will change the landscape of not only Ward 3 but will also have a positive impact of mixed class for ward 1, 2 and ward 5 as well. Moreover, traditional authority areas were previously excluded from housing subsidy scheme. Housing needs for farm workers should also be addressed.

1.8.5. BACKLOG IN THE DELIVERY OF BASIC INFRASTRUCTURE

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

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

In some instances, plans have been developed for the delivery of bulk water, but it is important to note that some of the existing bulk water schemes within the district are operating at a loss and put strains on the financial situation of the municipality. Through ward committees the municipality is putting together a backlog statistic which will assist the numbers we have since 2011/2016 statistics report.

1.8.6 INEQUITABLE ACCESS TO LAND

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

1.8.7 INEQUITABLE ACCESS TO LAND

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

1.8.8 POOR ENVIRONMENTAL QUALITY

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

1.8.9 INEFFICIENT SPATIAL STRUCTURE

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

1.8.10 LACK OF CAPACITY WITHIN MKHAMBATHINI

Mkhambathini Municipality was developed based on Camperdown Transactional Local Council, which was small and did not have sufficient capacity. While the situation remains largely the same in terms of resources, the size of the area Mkhambathini is servicing has increased substantially. There is an urgent need to create sufficient capacity so as to be able to deliver in terms of constitution and legislative mandate.

1.8.11 PREVALENCE OF HIV/AIDS

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

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

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

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

FINAL IDP 2020/21

SECTION B

Chapter 2: PLANNING AND DEVELOPMENT PRINCIPLES AND GOVERNMENT POLICIES AND IMPERITIVES

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

2.1. NATIONAL POLICY FRAMEWORK

2.1.1. NATIONAL DEVELOPMENT PLAN

The National Development Plan (NDP) is the all-encompassing master plan which seeks to remove poverty and lessen inequality by the year 2030. At the core of this plan is the robust focus on the access and opportunities people have towards education, skills development, decent human settlement, nutrition, safe communities, and community security, transport, and employment opportunities. The NDP specifies that in order to respond to economic opportunities and challenges, the economy would need to be extended to absorb labour and improve the overall ability of South African society and organizations when dissolving the NDP with economic challenges and opportunities in Mkhambathini Municipality, you discover that there is extensive information provided due its location, land availability as well as current, future and potential economic activities within the area.

The NDP has significantly stressed the importance of growing the logistics infrastructure in the country. A growing number of major companies in both the manufacturing and logistics sectors have started localizing in Mkhambathini Municipality providing prospects to tap into the Durban-Gauteng freight corridor and expansion of the seaport infrastructure. The proposed dry port in Cato Ridge further promotes the expansion of public transport infrastructure which will impact directly on spatial development within the major town within the municipality.

Mkhambathini municipality is predominantly rural and shaped largely by the Apartheid policies which segregated people from economic opportunities. NDP strongly emphasis Rural Development in conjunction with agricultural development. The agricultural sector has experienced a number of challenges, such as the drought. Furthermore, the redistribution of land to people who don't have sufficient skills to maintain the agricultural activities is also taking a large toll in the decline of agricultural activities. The Municipality should strive to ensure that the indigenous people as well as those who acquire land through redistribution have the required skills to maintain agricultural production within the area. All development initiatives in Mkhambathini are guided by the KZN PGDS, NSDP, DFA principles and the parameters of the PDA

2.1.2. SUSTAINABLE DEVELOPMENT GOALS(SDGs)

The Sustainable Development Goals (SDGs) are eight international development goals that 192 United Nations member states have agreed to achieve by the year 2030. The aim of the SDGs is to encourage development by improving social and economic conditions. It provides a framework for the entire international community to work together towards a common end i.e. making sure that human development reaches everyone, every- where. The SDGs focus on three main areas of human development vis. Bolstering human capita, improving infrastructure and increasing social, economic, and political rights. Below is the list of the SDGs applied and addressed in the municipality:



Figure 2: The Sustainable Development Goals

2.1.3. THE FOURTEEN NATIONAL OUTCOME

The IDP adopts an outcome-based approach in line with the national government priorities and the associated 14 outcomes (refer to Box 2 below). Early in the National Cabinet, adopted weretwelve outcome areas that collectively address the main strategic priorities of government. Subsequently, two new outcomes were introduced making it 14 national outcome areas aimed at addressing government priorities. The strategic objective of the outcome-based approach is to improve services delivery across all spheres of government. and to introduce a systematic planning, monitoring and evaluation process.

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

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

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

2.1.4. THE STATE OF THE NATION ADDRESS (SONA) AND PROVINCE ADDRESS–2018

In the recent State of the Nation Address held on the occasion of the Joint Sitting of Parliament in Cape Town, the President outlined national government priorities for this year. He briefly explained the current scenario in terms of South Africa's economic outlook, highlighting global issues that have an influence on the economic performance of South Africa. Most importantly, he highlighted the following key national priorities that the government is going to put on top of its agenda.

The priority issues that need to be addressed and applied by the Mkhambathini Municipality are as follows:

Table 12: National and Provincial commitments for 2018/2019

KEY PRIORITIES	MKHAMBATHINI RESPONSE
Resolving energy challenge	<ul style="list-style-type: none"> ✓ Ongoing backlog research conducted ✓ Projects implemented through INEP funding and at a small scale by Eskom
Revitalising Agriculture and Agro-processing value chain	<ul style="list-style-type: none"> ✓ Business plan for Farmer Support Unit ✓ Participation in uMgungundlovu District Agri-park ✓ Adopted LED strategy focuses on agriculture development
Advancing beneficiation or adding value to our mineral wealth/resources	<ul style="list-style-type: none"> ✓ Further research is being conducted on the potential of sand mining within Mkhambathini Municipal Areas
More effective implementation of high impact industrial policy action plan	<ul style="list-style-type: none"> ✓ Relevant National/ Provincial Departments
Encouraging private sector investment	<ul style="list-style-type: none"> ✓ Working with UMEDA to resuscitate the N3 Corridor development
Moderating workplace conflict	<ul style="list-style-type: none"> ✓ Effective Local Labour Forum ✓ Staff information sessions
Unlocking the potential of SMMEs, Cooperatives, townships, and rural enterprises	<ul style="list-style-type: none"> ✓ Adopted LED strategy focuses on development of SMMEs, cooperatives, and informal economy ✓ Mkhambathini LED programmes
State reform and boosting the role of state-Owned companies, ICT infrastructure or broad-band rollout, water, sanitation, and transport infrastructure	<ul style="list-style-type: none"> ✓ Involvement in the N3 corridor development ✓ National Government funding to assist in the N3 corridor development.
Operation Phakisa aimed at growing ocean economy and other sectors	

2.1.5. STRATEGIC INFRASTRUCTURE PROGRAMME (SIP)

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

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

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

2.1.6. INTEGRATED URBAN DEVELOPMENT FRAMEWORK (2014)

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

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

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

- ✓ **Access:** to ensure people have access to social and economic services, opportunities and choices.
- ✓ **Growth:** to harness urban dynamism for inclusive, sustainable economic growth and development.
- ✓ **Governance:** to enhance the capacity of the state and its citizens to work together to achieve social integration.
- ✓ **Spatial Transformation:** to forge new special forms in settlement. Transport, social and economic areas.

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

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

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

- ✓ **Policy Lever 1:** Integrated Spatial Planning.
- ✓ **Policy Lever 2:** Integrated Transport and Mobility.
- ✓ **Policy Lever 3:** Integrated and Sustainable Human Settlements.
- ✓ **Policy Lever 4:** Integrated Urban Infrastructure.
- ✓ **Policy Lever 5:** Efficient Land Governance and Management.
- ✓ **Policy Lever 6:** Inclusive Economic Development.
- ✓ **Policy Lever 7:** Empowered Active Communities.
- ✓ **Policy Lever 8:** Effective Urban Governance.

2.1.7. NATIONAL FRAMEWORK FOR SUSTAINABLE DEVELOPMENT (NFSD)

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

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

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

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

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

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

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

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

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

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

Our pathways to sustainable development

Table 13: Path to Sustainable Development

	MUNICIPAL RESPONSES
Enhancing systems for integrated planning and implementation	✓ District planning shared services
Sustaining our ecosystems and using natural resources efficiently	✓ Research on sustainable renewable energy
Economic development via investing in sustainable infrastructure	✓ Negotiations with private landowners through UMEDA
Creating sustainable human settlement	✓ Partnership with the Department of Human Settlement
Responding appropriately to emerging human development, economic and environmental challenges	✓ Addressed in the LED strategy

2.1.8. COMPREHENSIVE RURAL DEVELOPMENT PROGRAMME

The strategic objective of the CRDP is to facilitate integrated development and social cohesion through participatory approaches in partnership with all sectors of society. Rural development in general is regarded as the action and initiative taken to improve the standard of living of communities in non-urban areas. These areas are usually characterised by low ratio of inhabitants in wide open spaces where agricultural activities are prominent, while economic activities relate mainly to the production of food and raw materials.

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

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

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

2.1.9. AGRARIAN TRANSFORMATION

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

- ✓ Facilities the establishment of business initiative, rural and agro-industries, cooperatives, cultural initiatives, and vibrant local markets
- ✓ Empowerment of rural communities to be self-reliant and able to take charge of their destiny
- ✓ Development of mitigation and adoption strategies to reduce vulnerabilities with special reference to climate change erosion, flooding and other natural disaster

- ✓ Increased production and sustainable use of natural resources
- ✓ Livestock farming and related value chain development (exploring all possible species for food and economic activity)
- ✓ Cropping and related value chain development (exploring all possible species, especially indigenous plants, for food and economic activity)
- ✓ Strengthening rural livelihoods for vibrant local economic development. A livelihood is the means of living that rural people build through access to and use of the assets they need for this purpose.
- ✓ Use of appropriate technologies, modern approaches, and indigenous knowledge system.
- ✓ Food security, dignity, and improved quality of life for each rural household.

2.1.10. RURAL DEVELOPMENT

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

- ✓ Social mobilisation to enable rural communities to take initiatives.
- ✓ Establish savings clubs and cooperatives for economic activities, wealth creation and productive use of assets.
- ✓ Access to resources clinics.
- ✓ Non-farm activities for strengthening of rural livelihoods.
- ✓ Leadership training, social facilitation and conscientisation for CRDP and socio- economic Independence.
- ✓ Democratisation of rural development, participation and ownership of all processes, projects and programmes.
- ✓ Co-ordination, alignment, and cooperative governance (Local Municipalities, Traditional Council, Provincial Government)
- ✓ Participation of Non-Governmental Organisations including Faith-Based Organisation
- ✓ Community Based Organisations and other organs of civil society
- ✓ Social cohesion and access to human and social capital

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

a. Improvements or Development of Economic Infrastructure:

- ✓ Roads
- ✓ Railway,
- ✓ Ports
- ✓ Shearing Sheds
- ✓ Dipping Tanks

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

b. Improving or Development of Social Infrastructure:

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

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

2.1.11. LAND REFORM

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

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

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

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

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

2.1.12. SPATIAL PLANNING AND LAND USE MANAGEMENT BILL

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

The principle of **spatial justice**, whereby: -

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

The principle of **spatial sustainability**, whereby:

- ✓ Spatial planning and land use management system must- promote land development that is within the fiscal, institutional, and administrative means of the country
- ✓ Ensure protection of the prime and unique agricultural land, the environment, and other protected lands and the safe utilisation of land
- ✓ Promote and stimulate the effective and equitable functioning of land markets
- ✓ Consider all the current and future costs to all parties for the provision of infrastructure and social services in land developments
- ✓ Promote land development in locations that are sustainable and limit urban sprawl
- ✓ Result in communities that are viable
- ✓ The principle of efficiency whereby Land development optimises the use of existing resources and infrastructure; decision- making procedures are designed with a view to minimizing negative financial, social, economic, or environmental impacts; and
- ✓ Development application procedures are efficient and streamlined and time frames are adhered to by all parties; The principle spatial resilience whereby flexible in spatial plans, policies and land use management system is accommodated to ensure sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks; and

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

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

2.2. PROVINCIAL POLICY FRAMEWORK

2.2.1. PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY(PGDS)

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

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

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

The Provincial Growth and Development Strategy recognises that environmental vulnerability, social need, and economic development are not evenly distributed, and spatial disparities will always exist due to the spatial distribution of natural resources, historical imperatives, and cultural factors. These spatial disparities have often been aggravated by past spatial planning. This has resulted in a disjuncture between where people live and where social and economic opportunities are concentrated. This spatial marginalisation from economic opportunities of most of the population needs to be addressed to reduce poverty and inequality and ensure shared growth and the protection of vulnerable bio-resources.

The strategic and targeted nature of the Provincial Growth and Development Strategy implies that specific interventions will be undertaken within key geographical areas of Needs and Potential. The agricultural sector is key to address poverty within the province of KwaZulu- Natal since most of the areas are currently experiencing high levels of poverty, more specifically within rural areas. The agricultural sector's contribution towards the provincial economy is minimal but has the potential to increase if its full potential is realised. The commercial agricultural sector is the major employer within major municipalities and forms the economic anchor of such municipalities. Subsistence agriculture is regarded as the most important source of sustenance for most rural households. The challenge towards reducing unemployment and poverty may be addressed through the transformation of the agricultural sector.

2.2.2. OPERATION SUKUMA SAKHE

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

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

The municipality is at the stage whereby it acknowledges that people are different yet the same. In no way can the municipality implement service delivery in isolation of the local democracy. Mkhambathini Municipality has launched the Provincial Sukuma Sakhe program at ward as an attempt to declare war against poverty and social challenges facing the community of Mkhambathini. Operation Sukuma Sakhe Programme (formerly known as the Flagship Programme) seeks to institute food security, fight disease, in particular HIV, AIDS and TB, and poverty, to empower women and youth, and to instil behavioural change amongst the citizens of the province.

The formulation of this 4th Generation IDP has adopted the principles of Operation Sukuma Sakhe Program thereby establishing partnerships with the local community and getting involved into War Rooms. Operation Sukuma Sakhe has a 'whole of Government approach' as its philosophical basis. It spells out every initiative and how it links to initiatives being implemented by the different sector departments and the spheres of government, therefore delivery of services is required through partnership with community, stakeholders, and government. Mkhambathini Municipality has ensured that all 7 ward committees together with ward councillors do participate in this program through formation of war rooms at ward level.

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

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

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

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

Table 14: 2019/20 Highlights

FORUM	PROGRAMME	HIGHLIGHTS
People Living with Disability Forum	Education and Skills Development	Training in leadership was provided for the disability forum members They participated in the IDP/Budget Imbizo's and made meaningful contributions.
	Sports and Recreation	The Forum participated in DISA games held at Caluza in Msunduzi Municipality
	Health and Social Wellbeing	People Living with Disability are provided with Physiotherapy at Local Clinics every Thursday.
	Economic Participation	They were provided with the opportunity to exhibit and sell artwork such as beads and woodwork at the Durban ICC.
	International day celebration	There was an event held to celebrate people living with disability and wheelchairs were given to those in need.
People Living with HIV Forum	Health and Social Wellbeing	They participated in the 16 Days of Activism campaign.
	Education and Skills Development	Several trainings and workshops were held during they ear under review for Traditional Healers and members of Aids Committees
Children's Forum		<ul style="list-style-type: none"> ✓ Motsepe foundation donated toys toward 3 creches within the municipality. ✓ The childrens forum is currently being resuscitated.
OSS		<ul style="list-style-type: none"> ✓ Housing projects have been identified through Operation Sukuma Sakhe

FORUM	PROGRAMME	HIGHLIGHTS
Gender: Men		✓ Profile households with the aim of providing much needed interventions in partnership with other government departments and to commemorate the Mandela Day on 18 July.
		✓ Mkhambathini held a campaign on ✓ 16 Days of Activism and launched a Men's Sector under the 2014 theme "From Peace in the home to Peace in the World" at Njobokazi in ward4
Gender: Women	Women Empowerment	✓ Women empowerment dialogue was hosted to assist women with leadership and business skills
Senior Citizens	Golden Games	✓ Municipality Senior citizens participated in the District games golden games. 3 Senior citizens from Mkhambathini were selected to represent KZNteam.
	Year-End Function	✓ The municipality hosted Christmas party for the senior citizens at Dukes Hall in Ward 4. Elders were presented with scarfs, polar fleece and walkingsticks.

2.2.3. BACK TO BASIC (B2B) PROGRAMME

Mkhambathini Municipality implement the legislation and carry out the Constitutional Mandate by subscribing to Back to Basic as articulated by COGTA. Local government is the sphere of government which is closest to the people. It is also the gateway to service delivery and the platform where most citizens get to interface and interact with government. The vision of a developmental local government system was that it would be the building block on which the reconstruction and development of the country and society was to be built. It was also a place in which the citizens of South Africa could engage in a meaningful and direct way with the institutions of the state.

Several issues related to governance within the local sphere have emanated over the years hence necessitating efforts that support, educate, and where needed, enforce implementation. Considering the issues related to the local sphere of government, the transformation of the government sectors thereof remains a priority.

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

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

His Excellency, President Jacob Zuma, in his State of the Nation Address delivered on the 17th of June 2014, articulated Government's concerns regarding improvements needed at local government level. As part of Government's plan of action to revitalize local government, President Jacob Zuma stated that "South African municipalities are built on a firm foundation, built over the last 20 years of democracy. We have evaluated all our Municipalities. We have inspected their financial management, how they work within legislative processes as well as their ability to roll out projects and to address capacity constraints. We have also looked at how they respond to service delivery protests. There have been many successes in many municipalities. However, we face a number of challenges."

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

Furthermore, the Back to Basics Approach is of significance because it also supports a transformation agenda which is premised on the need to ensure functional municipalities as outlined by the Minister of Cooperative Governance and Traditional Affairs in his 2014 Budget Vote. The approach is informed by the Constitution, legislation and programmes that are intended at streamlining a new agenda aimed at changing Government's approach and strategic orientation especially at a local level towards serving the people whilst ensuring service delivery.

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

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

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

Table 15: Back to Basics Reporting Areas

BACK TO BASICS	OBJECTIVES
Good Governance	<ul style="list-style-type: none"> ✓ Clear description of roles and responsibilities. (Council and Administration) ✓ Transparency and accountability ✓ Community engagement (Public meeting by Ward Councillors) ✓ Functional Oversight Committees (Audit Committee, Municipal Public Accounts Committee)
Public Participation: putting people first	<ul style="list-style-type: none"> ✓ Regular and concise reporting (reports by ward councillors) ✓ Timely Feedbacks to address complaints ✓ Clean engagement platforms with civil society, ratepayers, and the other stakeholders ✓ Accountable and responsive governance ✓ Functional Ward Committees
Basic Services: creating decent living conditions	<ul style="list-style-type: none"> ✓ Job creation through EPWP, CWP and Working for the Coast Programme ✓ Maintenance of infrastructure Assets within the municipality ✓ Implement infrastructure maintenance plan ✓ Source more funding to facilitate service delivery
Sound Financial Management	<ul style="list-style-type: none"> ✓ Proper records keeping of annual financial statements ✓ Functional supply chain management unit ✓ Increase revenue base ✓ Ensure strong systems of internal controls ✓ Continuous awareness on issues relating to Fraud and Corruption ✓ Greater transparency and scrutiny for supply management ✓ Ensure efficient Supply Chain Management process (Bid Committees)
Building Capable Institution and Administration	<ul style="list-style-type: none"> ✓ Review and implement system of delegation ✓ Regular interaction between management and organized labour ✓ Realistic organogram that should be aligned to municipal development strategy outlined in the IDP. ✓ Ensure competency standards to all managers ✓ Facilitate the implementation of Performance Management to lower level staff.

2.3 ALIGNMENT OF THE IDP WITH PROVINCIAL, NATIONAL AND GLOBAL PRIORITIES

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

Table 16: Municipal Plan to Address National Priorities

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

Improved intergovernmental coordination is critical for the realisation of the country's development agenda and accelerating service delivery. National government cannot realise its development and delivery targets without the contribution of provincial and local government. Similarly, while local government must contribute to national targets, it requires a supportive environment and national framework in which to promote the socio-economic development of its local area.

SECTION C

CHAPTER 3: SITUATIONAL ANALYSIS

3.1. DEMOGRAPHIC CHARACTERISTICS

3.1.1. REGIONAL CONTEXT

A comparative demographic analysis demonstrates that the geographic size of Mkhambathini is the second smallest (following Msunduzi Municipality) within Umgungundlovu District Municipality. The area has a substantially low population catchment compared to most areas within Umgungundlovu. It is in fifth position out of the seven areas following Msunduzi, uMshwathi, uMngeni and Richmond. However, in terms of population density, it is the second highest (following Msunduzi) and this is probably due to the geographic size. This density of 69 people/km² is lower than the provincial average of 108.8 people/km² but higher than the national average of 42 people/km².

3.1.2. POPULATION SIZE AND GROWTH PATTERNS

Population Estimates, Density and GVA: Mkhambathini Local Municipality within the family of Municipalities within uMgungundlovu District, KwaZulu-Natal, and South Africa

Table 17: Population Size and Growth Patterns

Area	Area Size (km ²)	Population Estimate for 2016	Population Density (persons per km ²)	Gross Value Adding (GVA) R000
South Africa	1,221,219	51,770,560	42.4	2,405,380,000,000
KwaZulu-Natal	94,361	11,065,240	108.38	187,486,020
Umgungundlovu	9,189	1,095,865	113.8	5,709,100
uMshwathi LM	1,811	111,645	58.7	1,857,024
uMngeni LM	1,567	109,867	59.2	1,496,207
Mpofana LM	1,810	37,391	21.0	267,462
Impendle LM	947	29,526	35.0	148,807
Msunduzi LM	648	679,039	954.5	11,039,508
Mkhambathini LM	915	57,075	69.0	1,733,729

Area	Area Size (km ²)	Population Estimate for 2016	Population Density (persons per km ²)	Gross Value Adding (GVA) R000
Richmond LM	1,133	71,322	58.1	478,414

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

3.1.3. POPULATION DYNAMICS AND FUTURE GROWTH TRENDS

POPULATION SIZE AND GROWTH PROJECTIONS

The total size of Mkhambathini population is estimated at 57 075 people. This only accounts for 6% of the district population. The number of households is estimated at 15 460, the majority of these are situated within the traditional authority areas. According to the graph below, the population of Mkhambathini has been inconsistent in terms of growth and decline over the past 17 years. It increased by 16% from 1996 to 2001 but from 2001 to 2007 it declined by 21% and it shows that the population of KwaZulu-Natal grew at annual growth rate of 1,7% between 2011 and 2016. This implies that there has been a great level of in-and-out migration that has taken place with the municipal areas.

POPULATION DISTRIBUTION

The population of Mkhambathini is unevenly distributed amongst seven administrative wards as depicted in the graph below. The northern and southern parts of the municipality comprise of the traditional council areas which accommodate more people than many parts of the municipal area. Ward 1 has the highest population.

This ward is located on the far north side of the municipal area and the settlement composition of this ward includes Table Mountain, Maqongqo and Villa Maria. This is followed by ward 2 which is located adjacent to ward 1 and it has Ntweka, Ophokweni, Abebhuzi and Manyavu settlement areas. There is a substantial number of people who also reside within Camperdown, Eston, Manderston, Ntimbankulu and Tala Valley. These areas make up ward 4 which is located within the middle of Mkhambathini Municipal Area.

Table 18: GENDER DIFFERENTIATION

Age Group	Male	Female	Grand Total
00-04	3314	3213	6528
05-09	3130	3334	6464
10-14	3176	3497	6674
15-19	2660	2492	5152
20-24	2858	3010	5867
25-29	2739	2821	5560
30-34	2482	2223	4705
35-39	1770	1529	3300
40-44	1309	1010	2319
45-49	1213	1534	2747
50-54	911	1305	2216
55-59	596	1086	1682
60-64	791	985	1776
65-69	404	524	928
70-74	289	426	716
75-79	69	134	203
80-84	12	106	118
85+	13	108	121
Grand Total	27736	29339	57075

Mkhambathini Local Municipality's population is slightly imbalances with female's out numbering their male counterparts. In 2016 females out numbered their male counter part by 8%. This confirms the national and provincial trend that a higher proportion of women than men are found in rural areas. Nevertheless, this confirms with the national trends that a higher proportion of women are found in the dominant rural areas than men.

This disparity in the proportion could well be attributed to the fact that the male counter parts still tend to leave the homestead in search of work. Therefore, how the municipality factors this gender split into their service delivery priorities, especially human settlement development, is of essence. In addition to the above, it can also be suggested that there is a need for a development al agenda that should proactively target female empowerment within Mkhambathini area.

AGE COMPOSITION

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

SOCIO-ECONOMIC PROFILE AND LIVELIHOODS

UNEMPLOYMENT AND POVERTY ANALYSIS

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

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

EDUCATION PROFILE AND LITERACY LEVELS

Education plays a pivotal role in community development. It provides a base of skills development, creativity, and innovative ability for individuals within the community. The 1996 constitution provides everyone with the right to basic education, which includes Adult Basic Education. It also provides individuals with the right to further education, with the progressively making it accessible and available to all. The level of education is slowly improving rate of people who have no schooling has dropped from 37.6% (in 1996) to 12% in 2011 and has increased to 24,9% in 2016 .However, the number of people who did not complete school is very high, with approximately 29% of the population failing to complete primary school, while an alarming 37% did not complete secondary school in 2011 but there shows an improvement in 2016 of 33.5% did not complete secondary. Only 14% of the population completed Matric (grade 12). The number of people with higher education has however constantly increased from 1.9% (1996) to 2.5% (2001) , to 3.4% in (2011) and eventually 3,7% in 2016 . This shows a growing number of people accessing funds to further their education and the results being produced are at least suitable for submission to tertiary institutions.

HIV AND AIDS

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

The HIV and AIDS pandemic has had a profound impact on both the quality of life of communities and families and on the economy. Several initiatives have been implemented through the National Department of Health to combat the current epidemic however major challenges remain.

Within Mkhambathini, the number of HIV positive persons has increased at an average annual growth rate of 2.9% during the period 2000-2010, bringing the percentage of the population with HIV to almost 17% of the total population. The number of AIDS related deaths has increased at an average annual growth rate of 8.7% during the period 2000 – 2010, with AIDS deaths accounting for about 62% of total deaths in the municipality. This highlights the severity of the current situation and the need for interventions that target and attempt to address these HIV/AIDS challenges. Low and/or zero population growth rate, thus affecting the sustainability of projects that are based on certain population projections.

A significant number of households will suffer a loss of income when the economically active member/bread- winner dies of AIDS related complications. Families of HIV/AIDS victims will be forced to divert their income, which could have been used for other socio-economic activities to conduct burial ceremonies, as the African culture encourages expensive funerals. The economy of Mkhambathini and KZN province will be negatively affected, as income will be lost due to absenteeism caused by ill health, and the necessary training of new incumbents.

The agricultural sector will suffer most as it relies heavily on the availability of masculine workforce members and the 70% management (equivalent of 100% management in the laboratory) needed to realize maximum potential yield. For the agricultural sector to continue

thriving in this HIV/AIDS age it needs to shift its focus from being labour intensive to instead being capital intensive.

The increase in the number of orphans and abject poverty will eventually force the government to spend more on social activities rather than on capital infrastructure, which would propel economic development. This will have a negative impact on the ability of the municipality and the locality, as investments rely heavily on the availability of capital infrastructure. The table below illustrates the number and the percentage of people who have gone for testing at the local clinics within Mkhambathini Local Municipality.

Table 19: Number of people tested for HIV in 2017

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

3.2. CROSS CUTTING ISSUES SPATIAL, ENVIRONMENTAL AND DISASTER MANAGEMENT

3.2.1. SPATIAL ANALYSIS

REGIONAL CONTEXT

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

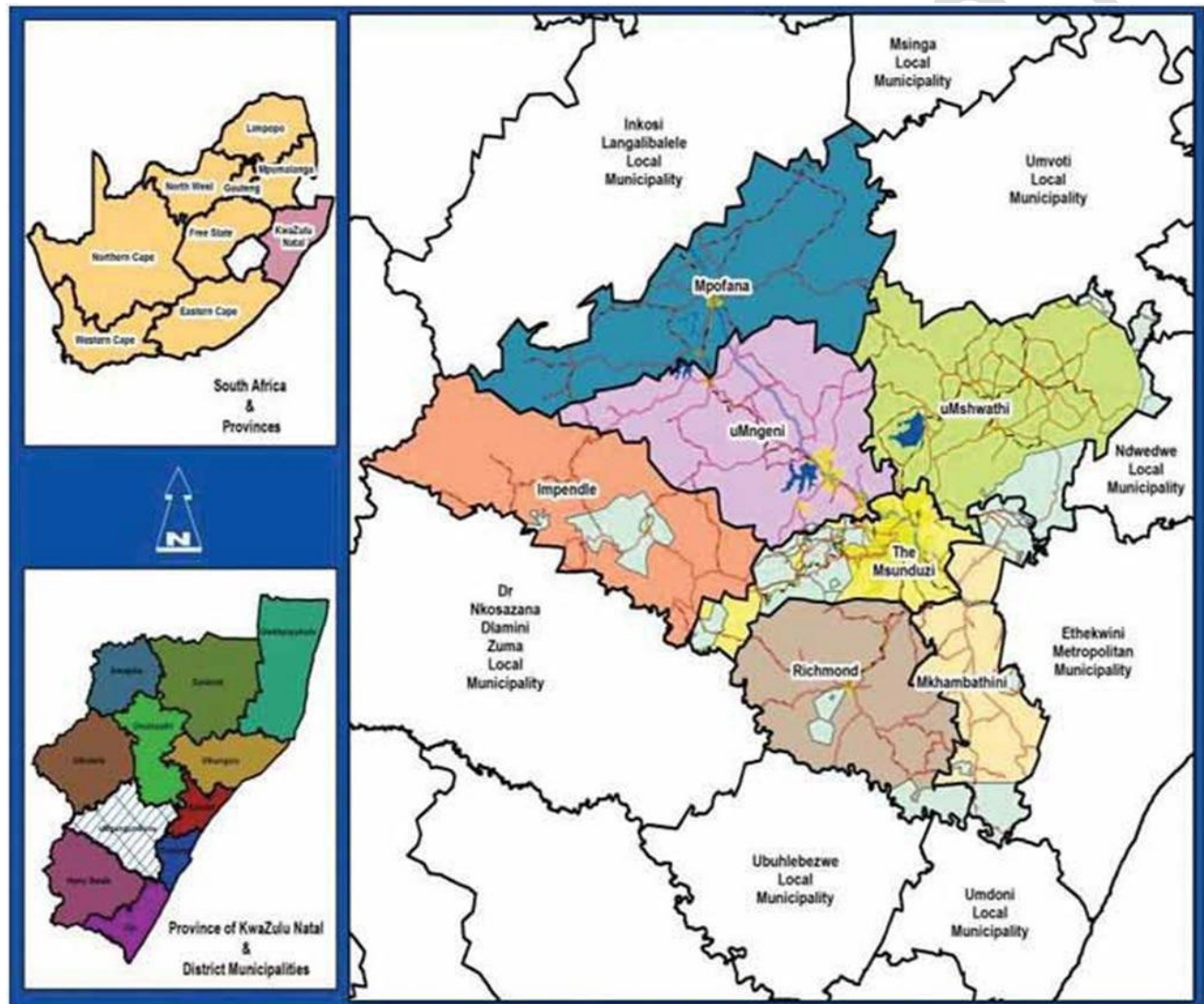


Figure 3: Regional Context

The Municipality adjoins Cato Ridge, which has potential to develop as an industrial node and is a possible Relocation site for the Virginia Airport. The N3, which is identified in the Spatial Growth and Development Strategy as a Provincial Corridor, runs east to west through the central part of the municipal area.

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

ADMINISTRATIVE ENTITIES

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

3.2.2. STRUCTURING ELEMENTS

IMPACT OF POST-APARTHEID SPATIAL PLANNING LEGACY

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

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

INFLUENCE OF STEEP TERRAIN AND MOUNTAINOUS AREAS

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

UMNGENI AND MKHOMAZI RIVERS

The biggest rivers that are found within the Mkhambathini Municipal area are the Umngeni and Mkhomazi Rivers. These rivers are the most visible natural structuring elements of the municipal area such that the Municipal Demarcation Board used these to demarcate the boundaries between Mkhambathini. As evidenced from the map (insert), Umngeni River is used as a northern boundary of the municipality which separates Mkhambathini from the uMshwathi area of jurisdiction. The southern part of the municipality contains Mkhomazi River which acts as a boundary that separates Mkhambathini with Vulamehlo Municipal area.

THE ROLE OF THE N3 NATIONAL ROUTE

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

3.2.3. EXISTING NODES (INCLUDING URBAN EDGES)

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

The following map indicates the Mkhambathini Municipality nodes.

PRIMARY NODE: CAMPERDOWN

Camperdown has been identified as the primary centre within Mkhambathini Local Municipality. Its role and development are focused on promoting municipality-wide development and re-enforcing integration with the surrounding major urban centres. Other than forming part of set of nodes along the N3 corridor, Camperdown holds the key to future integration of the Greater Pietermaritzburg Functional area and the Durban Unicity area. It accommodates the municipal offices, schools, police station, a hotel bottle store, and a variety of commercial and retail outlets. The “village in the country” atmosphere which is evident in some portions of the area is an important attribute which needs to be conserved and enhanced, particularly as new areas are opened for residential and other development. The node is traversed and separated by the Primary Movement Corridor which is the National Road Route (N3) and to the West it links onto the Primary Corridor Connecting the Municipality to the South Coast (R603) providing a high degree of accessibility.

SECONDARY NODES: ESTON AND OPHOKWENI

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

TERTIARY NODES

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

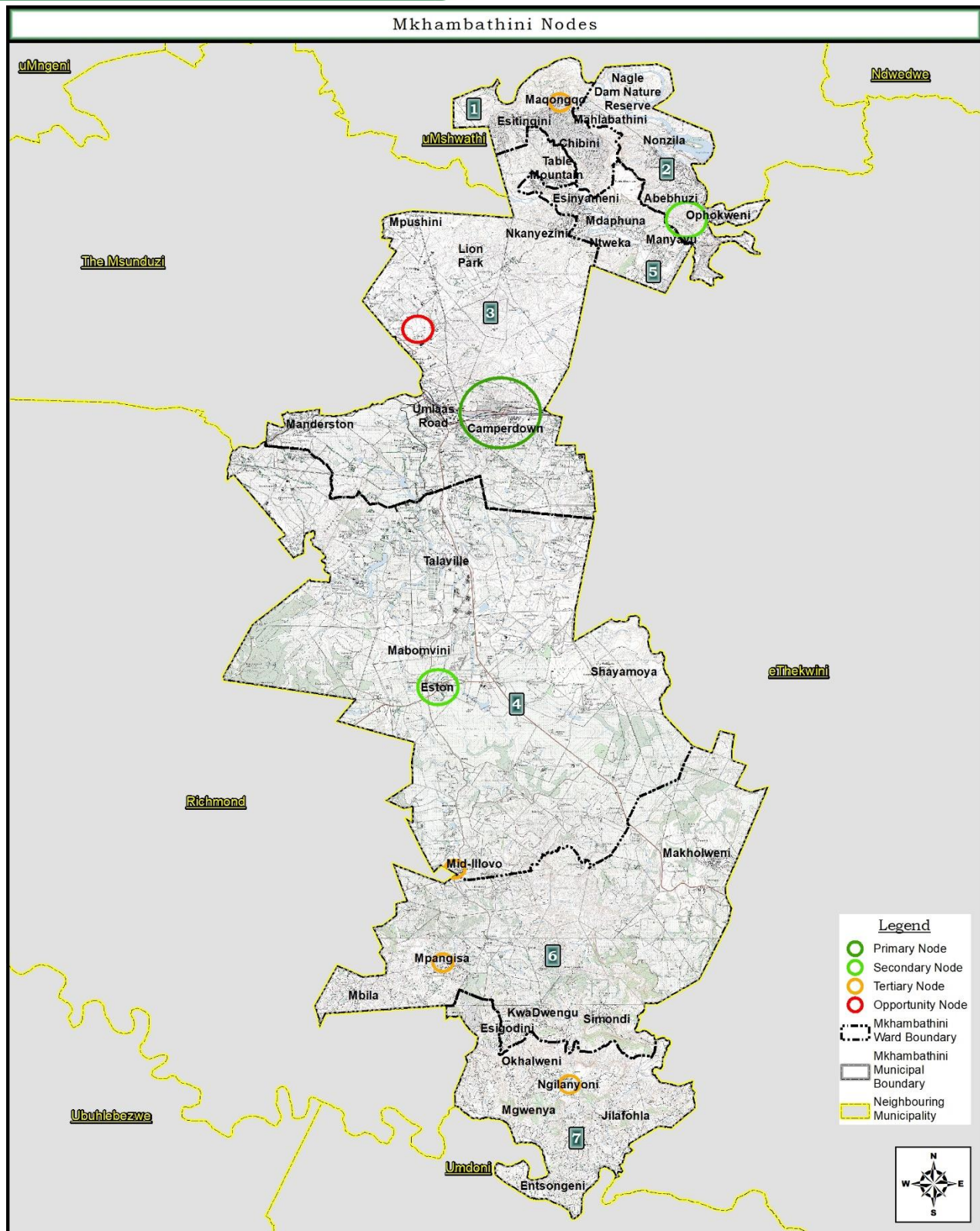


Figure 4: Mkhambathini Nodes

3.2.4 EXISTING CORRIDORS

Below is a map of all Mkhambathini corridors.

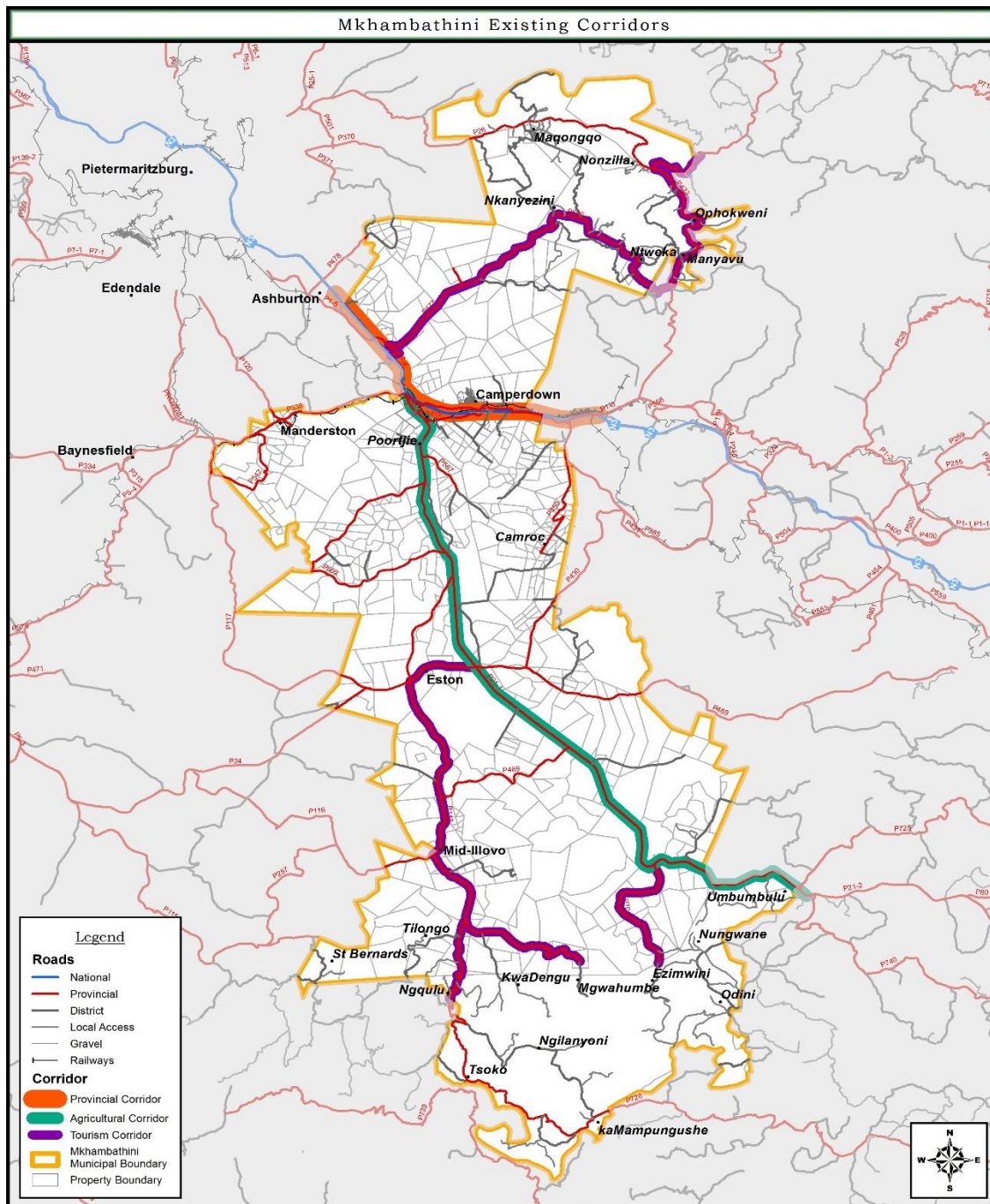


Figure 5: Mkhambathini LM corridors

PROVINCIAL CORRIDOR: N2

The N3 is a high-speed limited access road and does not provides any development opportunities at a local scale. As a result, is has been excluded from the system of corridors. As indicated on the Map, the primary corridors have been used to re-enforce integration with the surrounding areas and to promote accessibility from within and outside Mkhambathini.

PRIMARY CORRIDOR: R603

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

SECONDARY CORRIDOR

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

3.2.5. BROAD LAND USES

URBAN SETTLEMENT

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

The urban settlements are illustrated on the map below.

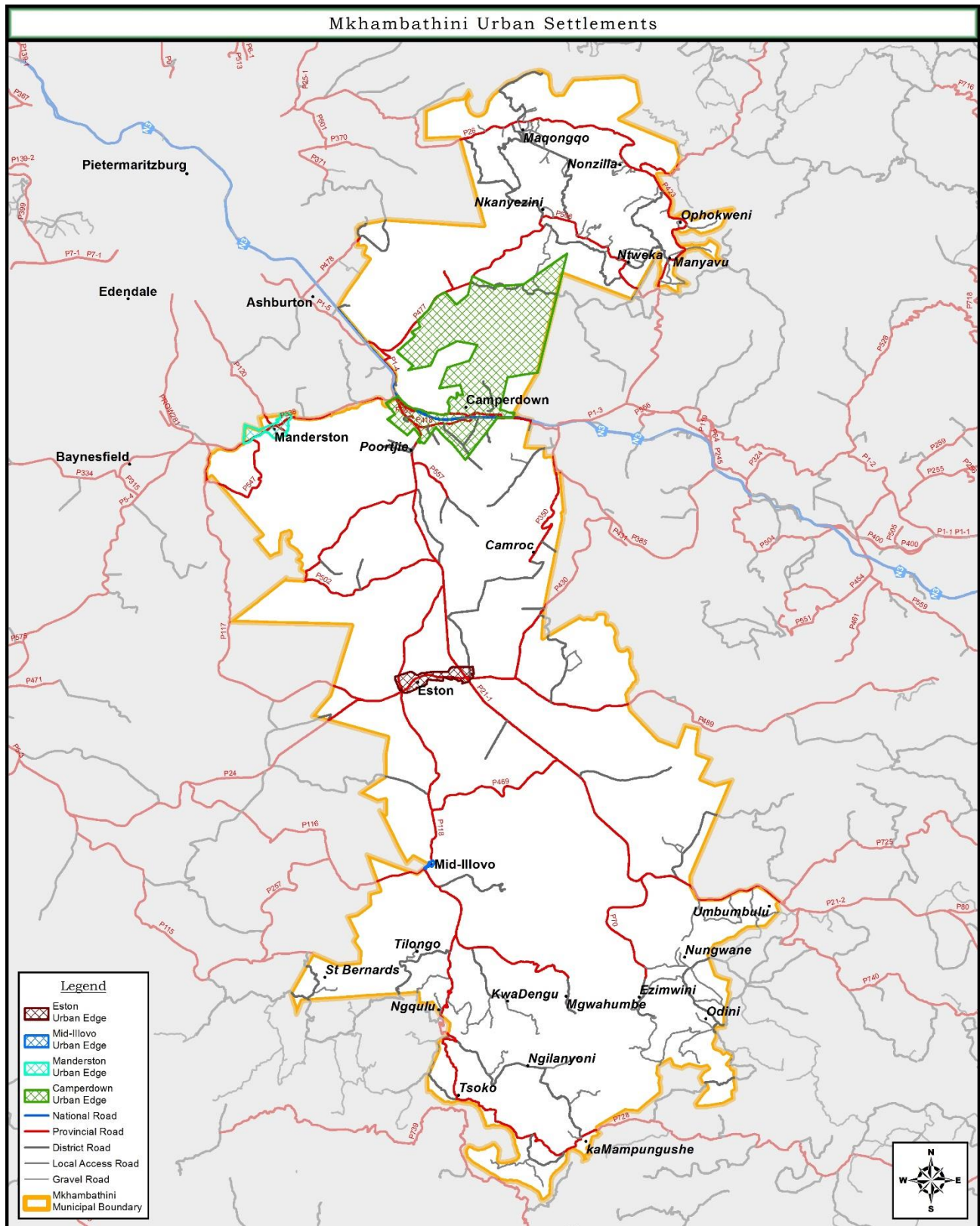


Figure 6: urban Settlement Representation

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

COMMERCIAL FARMING

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

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

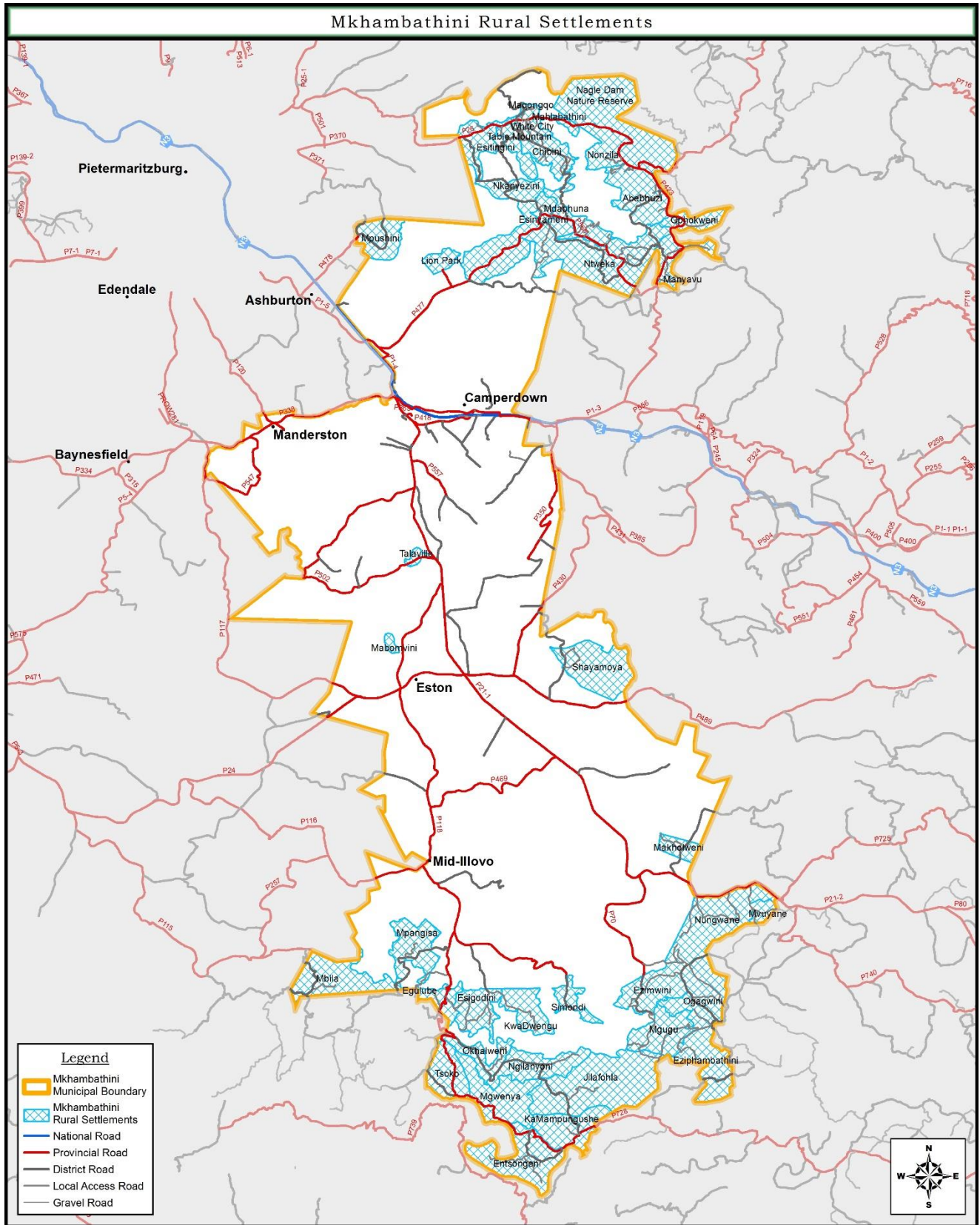


Figure 7: Mkhambathini's Rural Settlements

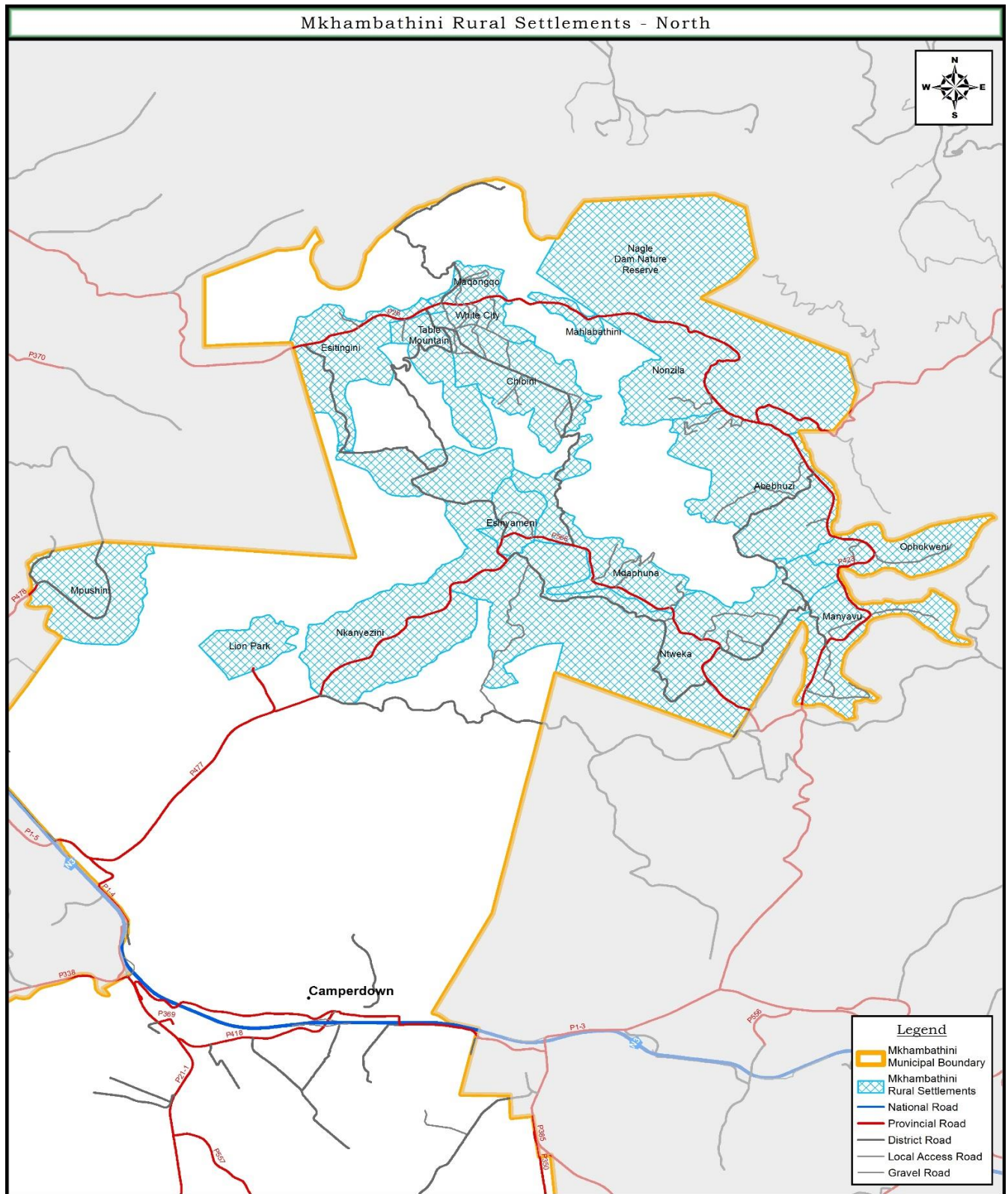


Figure 8: Rural Settlements on the North of Mkhambathini Municipal Area

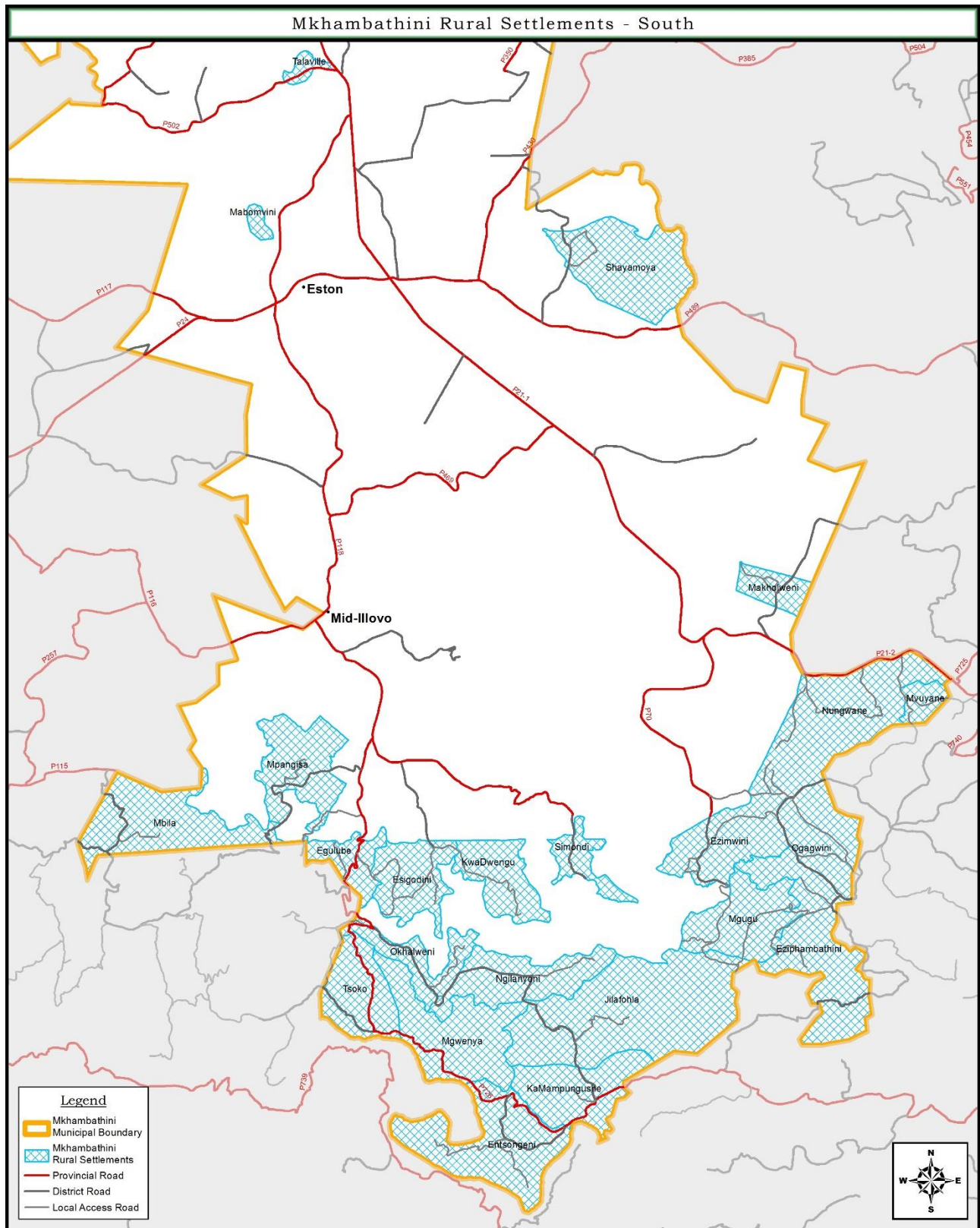


Figure 9: Rural Settlements on the South of Mkhambathini Municipal Area.

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

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

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

3.2.6. LAND REFORM AND PROGRAMME AND RURAL DEVELOPMENT

LAND RESTITUTION CLAIMS

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

LABOUR TENANT CLAIMS

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

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

LAND OWNERSHIP

LAND REFORM PROJECTS

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

Table 20: Land Reform Projects

LEGAL NAME	NAME OF PROJECT	PROGRAMME USED	PRODUCT TYPE AND NUMBER OF HOUSEHOLDS
Mzomusha CPA	Vaalkop and Dedefontein	LTA	Settlement (10 HH)
PL & DS Mkhabela	Mr PL Mkhabela	Redistribution	Agri (1 HH)
Alhe Brothers CC	Camperdown Ahle Brothers	Redistribution	Commercial Farming (4 HH)
Tomboti Trading	Tomboti Trading Pty Ltd	Redistribution	Agri (4HH)
Zungu Family Trustees	Killarney Labour tenants	LTA	Stock farming, cropping and settlement (1HH)
Singhs and Singhs Auctioneers CC	Killarney (Singhs and Singhs)	Redistribution	Sugar cane farming (3HH)
Zibophezele Community Land Trust	Naglebrook	Redistribution	Sugar Cane and Livestock Farming (64 People)
Amadwala Trading 115 cc	Amadwala Trading 115	Redistribution	Farming, chicken, piggery, goats (2HH)
Zuma Family Trust	Sweethorne	Labour Tenant	Sugar Cane (18 People)
Clear Trade 108 cc	Velsch River Clear Trade	Redistribution	Sugar Cane Farming (3HH)
T Bulala	Valsch River TFSL Farming cc	Redistribution	Sugar Cane Farming (3HH)

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

LAND CAPABILITY

The land capability of Mkhambathini Municipal Area, as indicated on the map 3.6.3 Land Capability, is highly dispersed, ranging between Land capabilities classes II to VII. There is no dominant land capability classification found in the municipal area and a very large portion of the land falls under Classes IV, VI or VII. According to Table 2 below, Class VII, which is dominant in the southern parts of the municipality, includes Wildlife, forestry, and light grazing as land use options. The central parts of the municipality are dominated by Classes IV and VI. Class VI includes wildlife, forestry and light and moderate grazing as land use options. Class IV which is dominant in the central areas directly south of the N3 and also widely scattered in the southern parts of the municipality includes wildlife, forestry and light, moderate and intensive grazing as well as poorly adopted cultivation as land use options.

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

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

ENVIRONMENTAL ANALYSIS

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

KEY HYDROLOGICAL FEATURES

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

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

Below is the map showing environmentally sensitive areas within Mkhambathini Municipality.

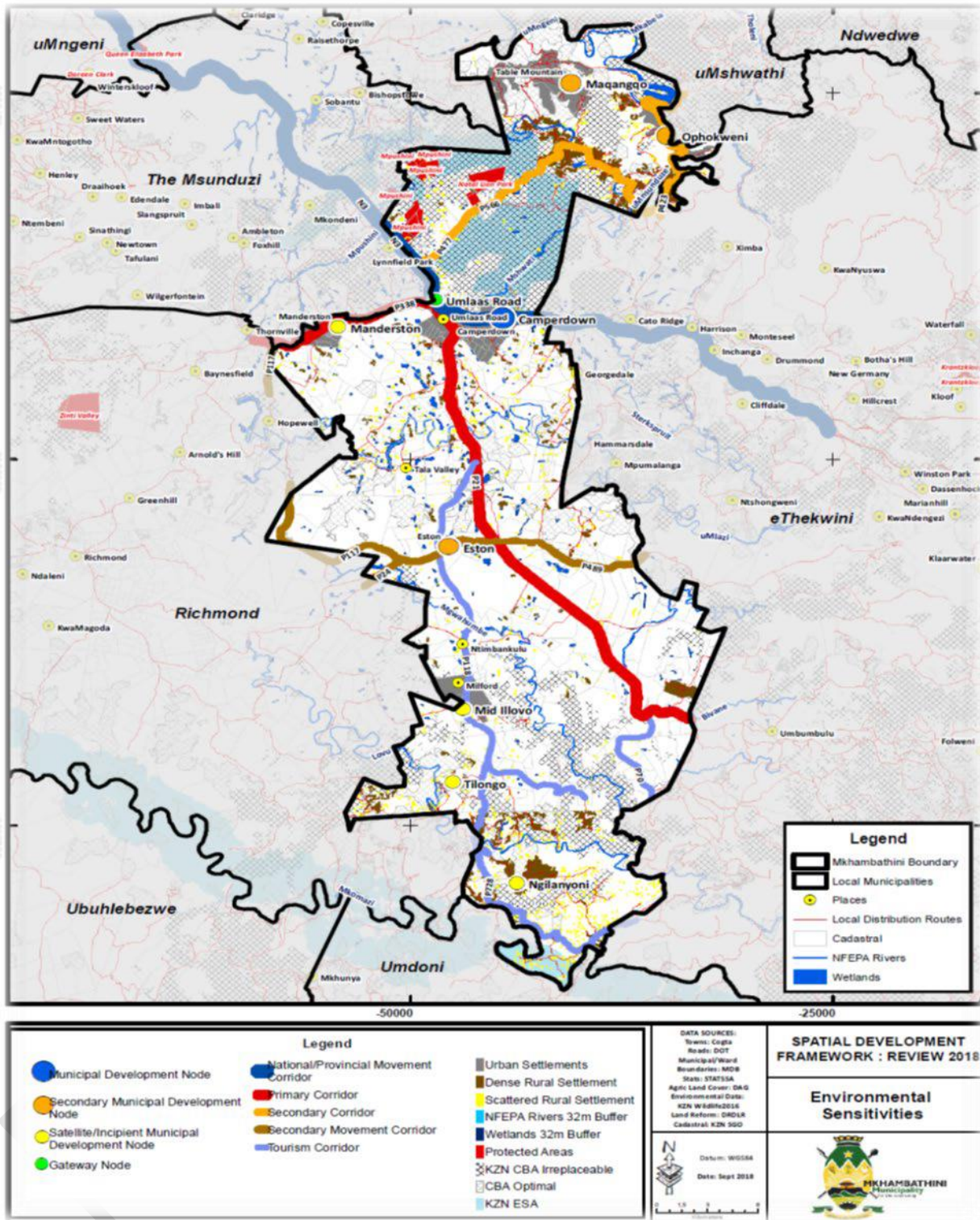


Figure 10: Environmentally Sensitive Areas

PROTECTED AREAS

The existing protected areas within Mkhambathini Municipality include Mpushini Protected Reserve, Camper- down Nature Reserve, Killarney Isle and Gwahumbe Game Reserve. According to map (insert) environmental sensitivity is classified in composite weights ranging from high to low. The composite weighting in Mkhambathini municipality is dominated by Medium to low weighting, with some scattered areas to the south and north classified as medium to high. There is a strong correlation between the Environmental Sensitivity and Minset maps as the medium to high composite weighting is also in areas with priority in terms of biodiversity. During 2005, Ezemvelo Wildlife embarked on a process whereby it systematically mapped critical biodiversity areas in KwaZulu-Natal with increasing accuracy. This dataset is based on various studies on fauna, flora, and water resources, identifying key local biodiversity areas to be considered in spatial planning, and this is referred to as Minset.

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

BIODIVERSITY

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

There are twenty-three bio resource groups in KwaZulu-Natal. The KZN Department of Agriculture and Environmental Affairs is responsible for conducting research and establishing information. The institution provides technical advice and relevant information concerning agricultural resources and farm practices. Of the twenty- three (23) bio resource group of KwaZulu-Natal, as indicated by the bio resources groups of KZN Department of Agriculture and Environmental Affairs, Mkhambathini Municipality falls into eight vegetation and ecological systems. The various bio resource groups and the wards in which they fall are shown in Table 1 (insert). The Dry Midlands Mist belt appears to be widest spread ecological system in the Mkhambathini Municipality. However, the single most extensive bio resource group within Mkhambathini Municipality is the moist Coast Hinterland Ngongoni Veld, which occupies an estimated land area of 50% of Ward 3, 75% of Ward 4, 30% or 5.50% of Ward 6, and 25% of Ward 7.

CLIMATE CHANGE

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

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

STRATEGIC ENVIRONMENTAL ASSESSMENT

TOPOGRAPHY

KwaZulu-Natal is well known for undulating topography and steep slopes. Like other areas within the province, the terrain is linked to the land use pattern and reflects the impact of the apartheid past. Fertile and gentle sloping land above the escarpment is generally covered by commercial farms while the traditional authority areas where the majority of the population resides are located below the escarpment on the northern part of the municipal area and in areas characterized by sloping terrain in the south. Substantial portion of Wards 1, 2 and 3 are located on steep slopes, with a low agricultural potential. Most wards 1 and 2 form part of the Valley of thousand Hills, which is famous for its undulating terrain. The scenicamenity created by the impressive views and vistas over such landscape has served as a catalyst foreco-tourist related development within Mkhambathini and provides further opportunity for an expansion in this regard. Map 10 depicts the dominant land cover withinMkhambathini.

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

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

CLIMATE CHANGE MKHAMBATHINI SITUATION

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

GEOLOGY AND SOILS

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

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

QUALITY WATER

Umngeni Water maintains that the quality of water flowing to the main water sources within Umngeni valley has deteriorated over time leading to high purification costs. This is mainly attributed to pollutants flowing into Msunduzi River from Pietermaritzburg and the impact of the lack of proper sanitation and waste disposal facilities for settlements located along river Valley. Umngeni water and the department of Water Affairs and Forestry (DWAF) have both raised concerns about the following issues, which also affect the quality of water and life:

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

Increase in alien vegetation, which results to an increase in pollution levels. Below is the map showing the Mkhambathini Municipality's waternetwork.

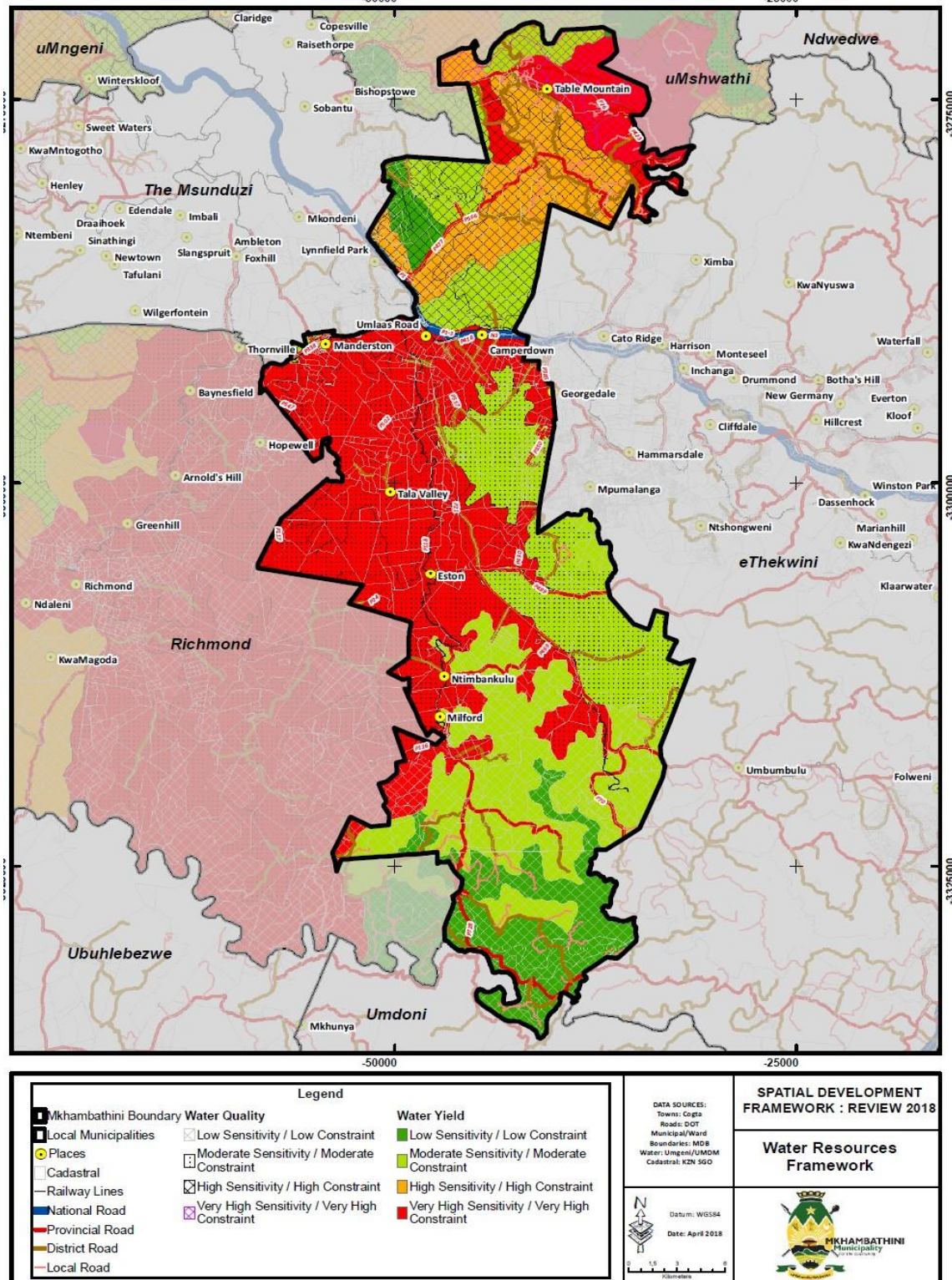


Figure 11: Mkhambathini Municipality Water Resources.

3.2.7. SPATIAL AND ENVIRONMENTAL: SWOT ANALYSIS

STRENGTH	WEAKNESS
<ul style="list-style-type: none"> ✓ The Municipality is strategically located in terms of its position between provincial nodes (Pietermaritzburg and Durban) as well as the national corridor (N3) ✓ The town of Camperdown is growing into a strong service centre for the municipality and it is appropriately positioned at the central part of the Municipality and the N3. ✓ Good Climate Condition 	<ul style="list-style-type: none"> ✓ It is a very small rural dominantly municipality with the limited private development taking place within it. ✓ The legacy of the past apartheid policies is still visible in the sense of communities was marginalised from economic opportunities are still largely suffering. ✓ Badly structured routes at a regional level limit the regional integration within the municipality. ✓ Most of the land is privately owned which may limit the pace at which the state can deliver the public facilities since the land acquisition processes may sometimes be time consuming. ✓ steep terrain limits development within some parts of the municipality especially the CBD expansion towards the north as well as agricultural development in ward 1, 2 and 3.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ✓ It is located within the busiest corridor within the province which opens a lot of trading and storage opportunities. ✓ Potential exists to develop and intensify the role of Eston and Ophokweni as secondary nodes. ✓ The municipality is endowed with relatively good agricultural land and opportunities exist to develop this sector even further. ✓ Land claims (restitution) have progressed very well and this provides opportunities for agrarian reform. 	<ul style="list-style-type: none"> ✓ Growing pressure to protect sensitive vegetation such as Ngongoni and Bushveld Valley. ✓ There is an increasing burden to protect the rivers and wetlands with limited resources available at the municipality.

3.2.8. ECOSYSTEM-BASED DISASTER RISK REDUCTION

The Mkhambathini Municipality understands the importance of development of an Ecosystem-Based Disaster Risk Reduction plan, as such this will be actioned together with the current disaster management plan review, to be budgeted for in the 2020/2021 financial year. This was also considered during the Spatial Development Framework Review approved in 2019/2020 financial year.

3.2.9. DISASTER MANAGEMENT

Mkhambathini Municipality is currently in the process of reviewing the Draft Disaster Management plan of the municipality which was last reviewed in 2016. The review aims to consider the ecosystem-based disaster risk reduction (EcoDRR) strategy. This is with the view that taking care of the ecosystem, such as the wetlands, forests and rivers will assist in mitigating against natural disasters. The process is anticipated to be concluded before the end of 2020/2021.

The municipality has proactively developed the seasonal Disaster Contingency Plans to ensure proper planning and disaster prevention.

In accordance with Section 43 (3) in Chapter 5 of the Disaster Management Act no 57 of 2002, the Mkhambathini Municipality has established the Unit within the Community Services Department, under Protection Services. Currently the unit has one staff member (the Disaster Management Officer) that operates within the municipality's main premises. Prior to the amendment of the Act, this service was mainly the responsibility of the District Municipality and as such the Mkhambathini Municipality did not have capacity to support the activities within this mandate. Mkhambathini Municipality is currently in the process of reviewing the Disaster Management plan of the municipality which was last reviewed in 2016.

The review aims to consider the ecosystem-based disaster risk reduction (EcoDRR) strategy. This is with the view that taking care of the ecosystem, such as the wetlands, forests and rivers will assist in mitigating against natural disasters. The process is anticipated to be concluded before the end of 2020/2021. The municipality has proactively developed the seasonal Disaster Contingency Plans that will ensure proper planning and disaster prevention.

In the past couple of months, the uMgungundlovu District Area was hit by a disaster resulting from a tornado that hit Mshwathi Municipality and later winds and rains that affected Msunduzi and uMngeni Municipalities. However, the Mkhambathini Municipality was fortunate not to have sustained severe damages. It is therefore imperative that the municipality speeds up the review of the Disaster Management Sector Plan, including the risk reduction plan.

As part of risk reduction, the municipality embarked on awareness raising campaigns for all the 7 wards within the municipality, schools were visited and a workshop was conducted for the volunteers, Councillors and Sector Departments.

The municipality further responded to incidents that were reported where some structures were blown away by with or structural damage from fire and or rain. Blankets, sponges, wendy houses and food parcels were issued to the destitute.

The municipality has also responded effectively to the Disaster Management regulations pertaining to the Covid-19 Pandemic

Below is a Map indicating Mkhambathini Flood zone.

The structure for Mkhambathini's Disaster Management Unit Follows:

MUNICIPAL INSTITUTIONAL CAPACITY FOR DISASTER MANAGEMENT

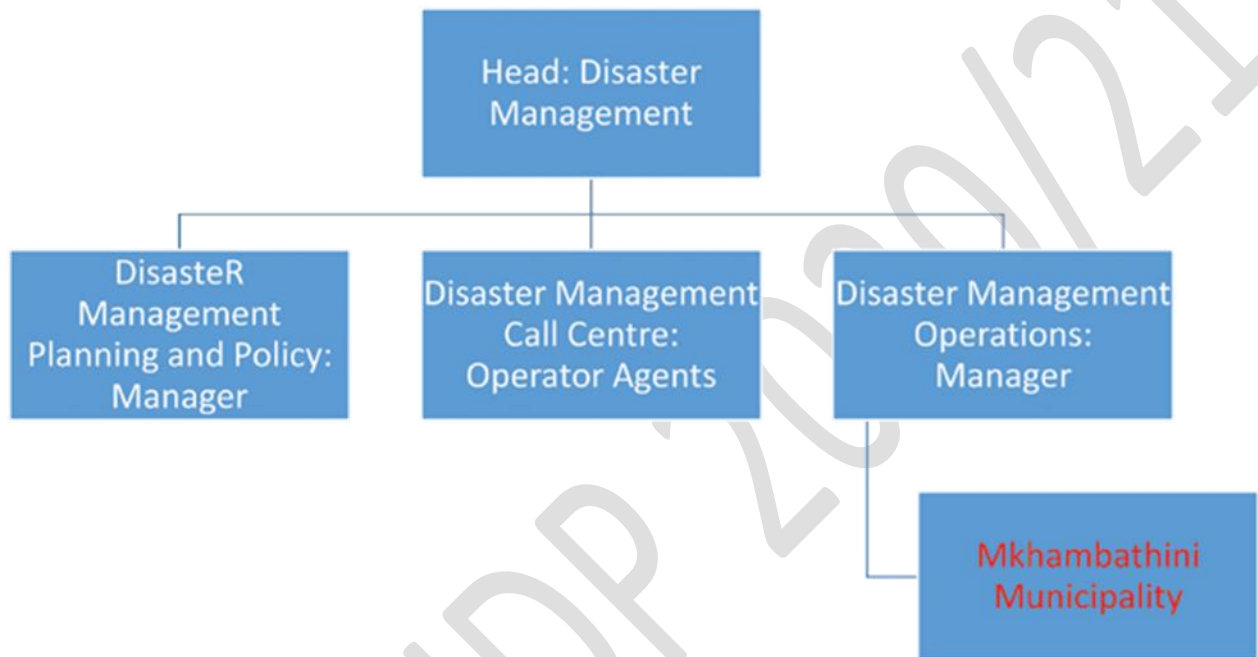


Figure 13: uMgungundlovu District Disaster Management Organogram



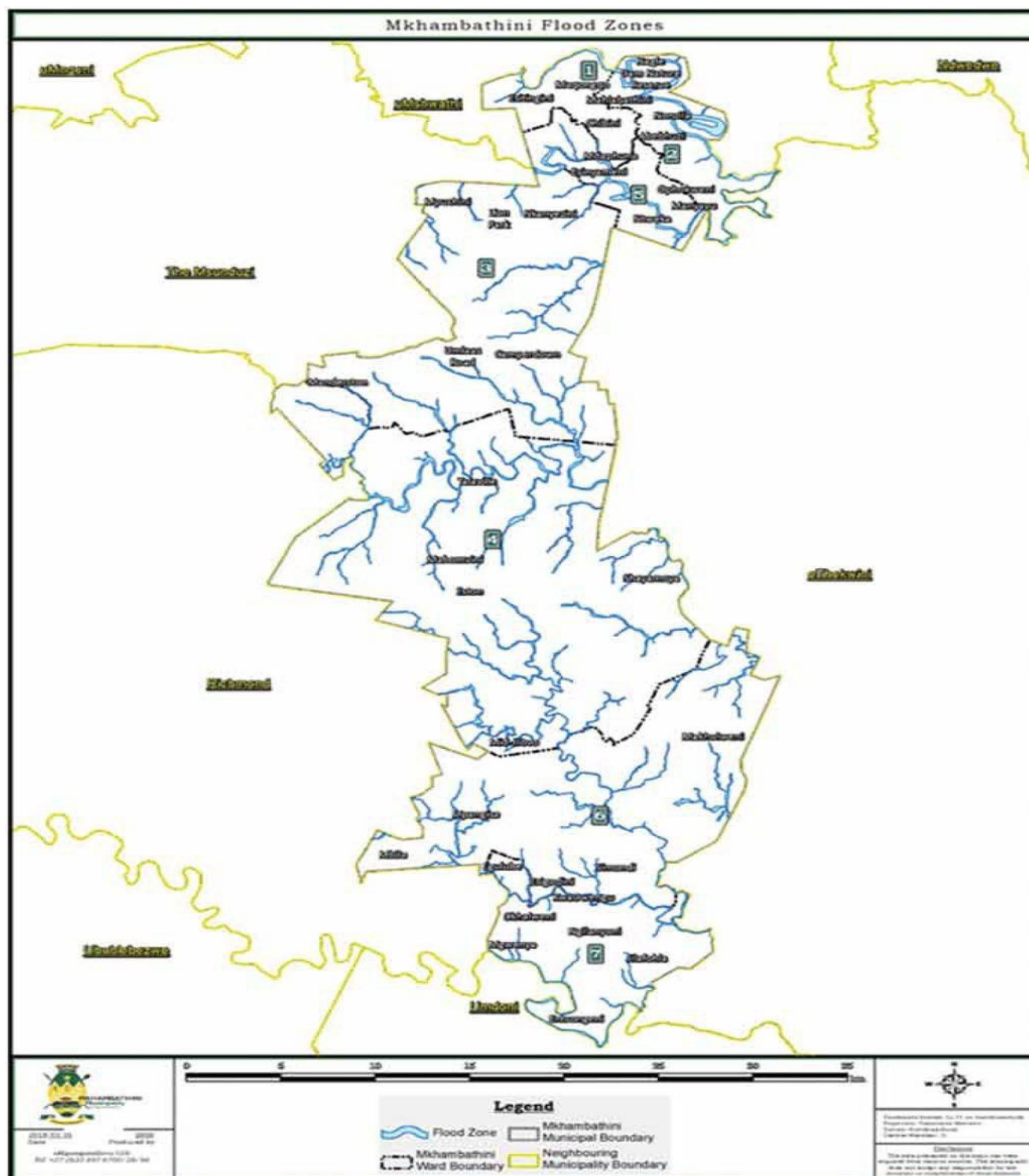


Figure 12: map Showing Flood Zones

With reference to figure 13 above, the management of disasters within uMgungundlovu District is undertaken by the Social Development Unit which falls under the Department of Community Services. The unit is well staffed with a compliment of 17 which are responsible for Mkhambathini. In terms of figure 14, Mkhambathini Local Municipality has also started the process of allocating human resources for the management of disasters. However, the organisational structure currently has provision for a single position of Disaster Management Coordinator. This position is also vacant which implies that the municipality does not have any resources for the execution of this function.

DISASTER MANAGEMENT WARD BASED RISK ASSESSMENT

In line with the Disaster Management Act 57 OF 2002, Mkhambathini Municipality established and re-launched its Disaster Management Advisory Forum 2019. This is an advisory body in which a municipality and relevant disaster management role players government, business, academia, Labour and civil society consult one another, assist people to better understand their roles in reducing the impact of disasters; assist in the planning, development and coordination of actions to address all aspects of disasters risk reduction. Since its establishment, this forum sits on quarterly basis.

The main aim of the Disaster Risk Assessment is to establish uniform approaches for disaster risks in all 7 wards, to ensure management planning and risk reduction through:

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

The table below is a detailed analysis of the risk factors to be considered.

HAZARD AND CATERGORY NAME HYDRO METEOROLOGY

Hydrometeorological hazards received the highest score in all wards, interms of probability and magnitude and taking into consideration the current change in weather patterns. These hazards are highly common

Table 21: Hazard and Category Name Hydro Meteorology

Potential Hazards	Category	Pea k Seas on	Vulner ability	Likelihood	Rating	Consequence	Rating	Risk Profile
Drought	Natural	Winter	Mediu m	Possible	3	Moderate	3	High
Lightning and thunderstorms	Natural	Summer	Mediu m	Possible	3	Major	2	Mediu m
Epidemic Human Diseases	Biological	All year	Mediu m	Likely	4	Moderate	3	High
Animal plant disease	Natural	All year	Mediu m	Possible	3	Moderate	3	Mediu m
Hazmat	Technologic al	All year	Mediu m	Likely	3	Moderate	Moderate	Mediu m
Severe Storms	Natural	Summer	High	Likely	4	Major	4	Very High
Transport accident	Techno- logical	All year	High	Possible	4	Major	4	High
House fires	Civil/ Human	All year	Moder ate	Likely	3	Moderate	1	Low
Veld fires	Human/ Natural	Winter	Mediu m	Likely	4	Moderate	3	High
Flooding	Natural	Summer	High	Likely	4	Moderate	3	Very High

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

IDENTIFICATION OF COMMUNITIES AT RISK DROUGHT

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

LIGHTNING

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

FIRE

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

Furthermore, it has also been identified that there is a challenge with accessing water when there are fires, there is a dire need for fire hydrants in the area.

The Disaster Management Officer, together with the District Fire Services engage in community based educational programmes to help prevent fires and teach the communities on precautionary measures to be observed when there are fires.

The communities are also taught how to create fire belts/breaks in their area

MAJOR ACCIDENTS AND HAZARDOUS CHEMICALS

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

DISASTER MANAGEMENT SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ✓ District Disaster Management Plan review in progress ✓ Most of the resources in terms of human capital are allocated at a district level to handle disaster situations that may take place in within the municipality ✓ Voluntary participation from affected communities and volunteer programmes have been established i.e Ward Committee members, CCG and CDWs etc; and ✓ Good relations with community leaders, i.e schools and community halls are readily available to assist with emergency accommodation in case of a major incident. 	<ul style="list-style-type: none"> ✓ Lack of preparedness for a major incident or disaster ✓ Some political organisations using political affiliation when assisting Limited human capital allocation at a local municipality level ✓ Lack of local disaster management plan ✓ The spatial configuration and isolation for some of the areas may threaten the turn around time to arrive during emergencies during an incident.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ✓ Non-Government Organisations willing to partner i.e Al Imdaad etc. ✓ Private sector also willing to partner when conducting awareness campaigns thus saving costs, for example, Transnet and SSA; and ✓ PDMC readily available to conduct Disaster Management training to Officials, Councillors, and traditional leaders. 	<ul style="list-style-type: none"> ✓ Political organisations lack of understanding of the duties of disaster management. ✓ Not prioritising the function and ✓ Supply chain processes taking longer in case of an incident leading to the turnaround time not being met. ✓ Inability to respond to emergencies within pre-scribed response time would undermine the role of the municipality in terms of meeting its constitutional obligation. ✓ Lack of enough budget would imply that the plan would not be implemented effectively.

3.3. MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

3.3.1. HUMAN RESOURCES STRATEGY

The Municipality has an adopted Human Resources Strategy in Place and is supported by the Municipal Workplace Skills Plan which assist the municipality in implementing skills based strategic priorities of the Municipality.

The Municipal Workplace Skills Plan for 2020/2021 as well as the Annual Training Plan for 2019/2020 were tabled to LLF on the 04th May 2020 & submitted to LGSETA with all required documents on the 10th May 2020. It is to be noted that the WSP is submitted to LGSETA by the 30th April on annual basis, but due to COVID 19, municipalities were given an extension of up to the 31st May 2020

The acknowledgement of receipt was received from LGSETA on the 11th May 2020. The 2020/2021 WSP & 2019/2020 Training Plan were tabled to Council on the 18th May 2020 and they were adopted which shows as an indication that there is a Work Skills Plan currently in place and has been attached as an annexure in the IDP. Mkhambathini Municipality is amongst the 7 municipalities in the province who were the first to have submitted their WSP by the 12th May 2020.

The Municipality's Remuneration Strategy is utilizing the Task Grade System since 2017/2018 financial year. Job Evaluation was approved by Council in 2018. The Recruitment & Selection Policy was adopted by Council in 2017. The policy has since been reviewed by the HR Manager. It will be tabled to LLF on the 18th June 2020 for comments & submitted to Council for final adoption by the 31st July 2020.

The reviewed policy is attached as an annexure in the IDP

Table 22: Human Resource Strategy Goals

KPA \ Planned Activities	KPI \ Outcomes \ Measures (how will success be measured)	Base-line	Planned Target Date	Actual	Responsible Person	Evidence	Resources	Date of submission of progress report
HR Strategic Goal 1: Strategic Alignment								
Expand human re-sources efforts into a comprehensive programme that includes human resources planning, collaboration with line management and accountability for human resources operations.	Documented evidence of a HRM & HRD Strategy and Implementation Plan that includes goals and strategies	None	01 July 2020	September 2020	Corporate Services Manager HR Officer	HRM & HRD Strategy and Implementation Plan submitted to Municipal Manager	Corporate Services Manager HR Officer	Quarterly Reviewed
Annual alignment of the organizational Structure aligned to the reviewed IDP and SDBIPs	Documented Organizational Structure aligned to the IDP	2017 Structure	October 2020	December 2020	Corporate Services Manager/ HR Manager	Organizational Structure aligned to the IDP submitted to Corporate Services and MM		Quarterly Management reports
HR Strategic Goal 2: Effective Human Resource Planning								
Effectively identify, attract and retain the best talent to help the municipality meet its IDP objectives	Documented Recruitment & Retention Strategy, Policy, Processes and SOPs	None	July 2020	June 2021	Corporate Services Manager, HR Manager	Service Level Agreements (SLA's) to be approved by Corporate Service Manager	Corporate Services Manager, HR Manager	Review Annually
	Talent Management Strategy	None	October 2020	December 2020	Corporate Services Manager	Talent Management Strategy submitted to Municipal Manager	Corporate Services Manager	Quarterly

INTEGRATED DEVELOPMENT PLAN

KPA \ Planned Activities	KPI \ Outcomes \ Measures (how will Success be measured)	Base- line	Planned Target Date	Actual	Responsible Person	Evidence	Resources	Date of submission of progress report
Develop and update standard ized job profiles for all positions to be used as a basis for recruitment and career path	Documented Job Profiles	Existing Job Profiles	30 July 2020	30 June 2021	HR Manager	Job Profiles submitted to Corporate Services Manager	HR Manaher	Annually
Develop and deploy an integrated workforce plan which will Enablethe municipality to hire and retain the right talent, at the right time, in the right place	Development of Succes- sion Planning Policy	Draft Policy Develop ed	July 2020	Septembe r 2020	HR Manager	Policies to be sub- mitted to Corporate Services Manager	All De- partments EXCO Council	Monthly Manage- ment Reports
Conduct Skills Audit and Identify scarce and critical skills	Skills Audit Report and Register of scarce and critical skills	COGTA Skills Audit Report	30 April 2021		HR Manager	Skills Audit Report and Register of scarce and critical skills to be sub- mitted to Corporate Services Manager	Corporate Services Manager	Annually

HR Strategic Goal 3: Organisational Development

Conduct a formal review of municipality's orientation process and develop and implement a plan to streamline and improve employee orientation and on-boarding.	Increase in percentage of standardised \ streamlined orientation and on-boarding activity	Existing Induction Programme	January 2020	March 2021	HR Manager	Records & Reports	Corporate Services Manager HR Officer	Quarterly Reports
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HR Strategic Goal 4: Build and Sustain a Capable, Diverse, Well-Trained, Workforce and Enhance Retention Through Learning and Professional Development Opportunities

Conduct an annual training needs assessment to ensure training is designed to improve organizational and individual performance.	WSP	WSP& Annual Training Report, Needs Analysis Tool	April 2020	April 2021	HR Officer	WSP& Annual Training Report,	HR Officer	Reviewed Annually
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HR Strategic Goal 4: Build and Sustain a Capable, Diverse, Well-Trained, Workforce And Enhance Retention Through Learning and Professional Development Opportunities

Identify employees Who need ABET up skilling and implement relevant actions	Cascading down Performance Management Lower level employees	Existing Training Plan	April 2020	April 2021	Corporate Services Manager	Individual Development Plans	Performance Management	Monthly Management Report
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HR Strategic Goal 5: Inculcate A Results-Oriented High Performance Culture

Develop employee performance management system	Approved Individual Performance Management System	Organisational PMS	July 2020	September 2020	HR Manager Performance Management Officer	Individual Performance Management System submitted to Director: CSS	Corporate Services Manager HR Officer PMS Finance	Monthly Management Report
Roll-out of employee Performance Management To enforce responsibility and accountability by line managers and employees to enhance organisational, team and individual performance.	Individual Performance Plans & Development Plans	Organisational PMS	July 2020	September 2020	HR Manager PMS	Individual Performance Plans & Development Plans	Corporate Services Manager	Quarterly Management Report
Develop Individual Development Plans for All employees And translate that into Work Place Skills Plan For training interventions to address skills gaps.	Individual Development Plans & Work Place Skills Plan	Organisational PMS	July 2020	September 2020	HR Manager PMS	Individual Performance Plans & Development Plans	Corporate Services Manager	Quarterly Management Report

HR Strategic Goal 6: Reward and Recognise Performance								
Develop Remuneration Strategy to address all aspects of remuneration	Documented Remuneration Strategy	None	30 June 2020	01 July 2020	Corporate Services Manager	Remuneration Strategy	Bar-gaining Council Municipal Council	Monthly Management Report
Establish a Recognition and Reward Programme with both financial and non-financial incentives	Recognition and Reward Strategy & Policy	Long Service Awards	30 July 2020	01 June 2021	Corporate Service Manager	Reward and Recognition Programme	Finance	Monthly Management Report
HR Strategic Goal 7: Sound Employee Relations & Human Resources Governance								
Conduct a review of HR Policies, SOPs and Processes as and when required, ensuring alignment to legislative requirements and best practice	Documented Policies, Processes and Procedures aligned to best practice and compliant to prevailing legislation	Current Policies	July 2020	June 2021	HR Manager	Reviewed Policies,	Corporate Services Manager	Annually
Capacitate line management \supervisors through coaching and continuous training on grievances and disciplinary matters so that these are used as corrective and not punitive measures	Increased number of effective dispute handling cases	Training conducted	July 2020	June 2021	HR Manager	Training Certificates, Attendance Register,	HR Officer	Quarterly Management Reports
Establish Employee Forums to educate and up-skill employees on labour related matters	Employee Forums	LLF, EE Forum, Skills Development Forum	01 July 2020	01 January 2021	Corporate Services Manager	Reports, Minutes	HR Manager	Monthly Management Report

Develop effective Workplace Diversity, Transformation and OHS Programme	Documented OHS Programme	Existing OHS Forums	April 2020	June 2021	Corporate Services Manager	Reports, Minutes	Corporate Services Manager	quarterly Report to MANCO
HR Strategic Goal 8: Comprehensive Employee Wellness Programme								
Develop Employee Wellness Strategy and Plan	None	None	January 2021	March 2021	Corporate Services Manager	Employee Wellness Plan	Corporate Services	quarterly Reports to MANCO

3.3.2. HUMAN RESOURCES PLAN

The municipality will revise a human resource plan that is aligned to the human resource strategy by 31 December 2020, to allow for implementation after the budget adjustment.

3.3.3. HUMAN RESOURCES FOR ENVIRONMENTAL MANAGEMENT

The Municipality does have dedicated human resources for environmental management. The Human Resource Manager was appointed by the municipality during 2019/20 financial year.

3.3.4. MUNICIPAL ORGANISATION STRUCTURE

A detailed Municipal Structure is attached as an annexure to the IDP. The structure was adopted by Council on the 25th of June 2020 and there are no changes anticipated by the municipality and the structure will continue as is for the next financial years.

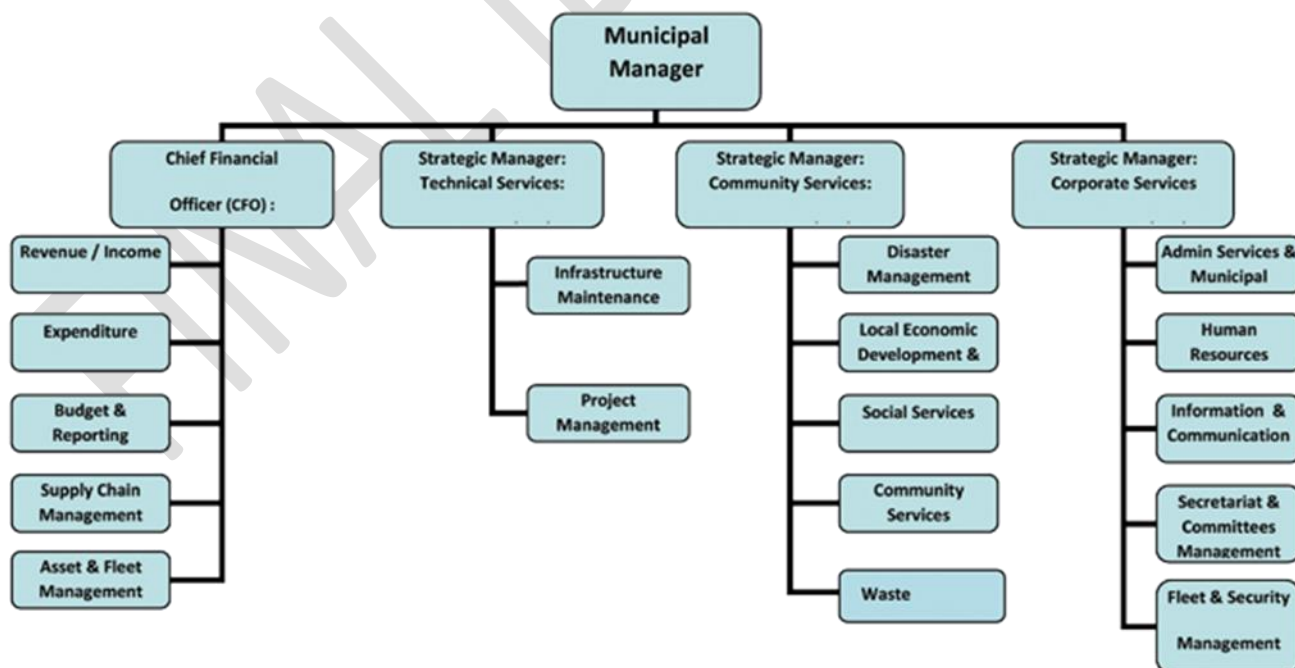


Figure 14: Organisational Structure

3.3.5. POWERS AND FUNCTIONS

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

Table 23: Core Powers and Functions

CORE/ PRIMAR Y	FUNCTION	CAPACITY TO IMPLEMEN T (MDB)	PROPOSED INTERVENTIO N
Schedule Part B4	Building Regulations	Yes	None
	Municipal Planning	Yes	None
	Storm water Management systems in Built up areas	Yes	None
Schedule Part B5	Cemeteries	Yes	None
	Cleansing	Yes	None
	Municipal Roads	Yes	None
	Refuse Removal		

Table 24: Non-core Powers and functions

SCHEDULE 4 PART B	COMMENT FROM MDB (DISTRICT WIDE)	SCHEDULE 5 PART B	COMMENT FROM MDB (DISTRICT WIDE)
Air Pollution	None	Beaches and Amusement Facilities	Not or being poorly per- Formed
Child Care facilities	Not or being poorly performed	Billboards and the display of advertisements in public places	None
Municipal Airports	Not or being poorly performed	Control of undertakings that sell liquor to the public	Not or being poorly Performed
Municipal Health Ser- vices	None	Facilities for the accommodation, care and burial of animals	Not or being poorly per- Formed
Municipal Public Trans- port	Not or being poorly performed None	Fencing and fences	None
Municipal Public Works	None	Licensing of dogs	Not or being poorly per- formed
Pontoons, ferries, jetties etc	Not or being poorly performed	Licensing and control of undertakings that sell food to the public	Not or being poorly per- formed
Trading Regulations	Not or being poorly performed	Markets	Not or being poorly per- formed
Local Tourism	Being poorly performed	Municipal Abattoirs	Not or being poorly performed
		Noise Pollution	Not or being poorly performed
		Pounds	None
		Public Places	None
		Street Trading	None
		Control of public nuisances	
		Local Sports facilities	None
		Municipal parks and recreation	
		Funeral parlours and crematoria	

Due to the size of the municipality some of the core function are shared with other local municipalities within the UMDM family of municipalities. Some of the non-core functions are performed with an assistance of various government departments and other service delivery agencies e.g. Eskom.

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

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

3.3.6. MUNICIPAL VACANCY RATE

The Mkhambathini Municipality has a total staff complement of 89 people, 81 of these are permanent while only 8 are temporary employees. The management (section 57 employees) comprises of 2 (two) males and 3 (three) females, all positions have been filled.

STAFF BREAK – DOWN

Table 25: Staff Break Down

DEPARTMENT	NO OF EMPLOYEES	MALE	FEMALES	NUMBER OF VACANCIES
MUNICIPAL MANAGER'S OFFICE	10	4	6	4
FINANCIAL SERVICES	13	6	7	5
COMMUNITY SERVICES	18	6	10	4
CORPORATE SERVICES	28	12	16	5
TECHNICAL SERVICES	24	21	3	3

3.3.7. EMPLOYMENT EQUITY AND WORKPLACE SKILLS PLAN

The EE Plan adopted in 2015 has been reviewed. It is going to LLF on the 18th June 2020 for LLF to note of the new & revised targets. The final plan will be taken to Council by the 31st July 2020. The Progress Report of the Employment Equity Plan is submitted to Council at the end of the 1st Quarter highlighting progress made. The employment Equity Plan was aimed at addressing the injustice of the past through the promotion of affirmative action and gender equity for the previously disadvantaged people. According to this plan, substantial progress has been made with regards to affirmative action.

Table 26: Employment Equity and Workplace Plan

Occupational Level	Male				Female				Foreign National		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	0	0	1	0	2	0	0	0	0	0	3
Senior Management	0	0	0	0	0	0	0	0	0	0	0
Professionally Qualified and Experiences specialist and mid management	0	0	0	0	0	0	0	0	0	0	0
Skilled Technical and academically qualified workers, junior management, supervisors, foremen and superintendent	7	0	0	0	17	0	0	1	0	0	25
Semi-skilled and discretionary decision making	13	0	0	0	9	0	2	1	0	0	25
Unskilled and defined decision making	25	0	0	0	10	0	0	0	0	0	35
Total Permanent	41	0	1	0	34	0	2	2	0	0	80
Temporary Employees	5	0	0	0	3	0	0	0	0	0	8
Grand Total	46	0	1	0	37	0	2	2	0	0	88

The Municipal Council has adopted a workplace skills plan which is in line with the capacity challenges that the municipality have. The municipality offered 24 Bursaries to its employees focusing mainly on our KPA's. Further- more 21 unemployed youth were trained in Bricklaying, Plumbing and Floor Tiling. 70 unemployed youth were offered learnerships in Community Housebuilding. 9 municipal employees from the Technical Services Department were trained on Floor Tiling and Plumbing.

The introduction of MSCOA required that 10 key employees be trained on how to properly capture through various financial systems. In relation to complying with Minimum Competency Levels, 2 Finance employees are currently undergoing MFMP Training.

The Employment Equity Plan is valid for 5 years with annual reviews. Targets have been met as we currently have 3 female employees in Top Management positions. Going forward there are targeted groups which we tend to meet by 2020. We also have 1 disabled person and we are working towards achieving the 1 percent goal.

Through the years, we have been complying with submission of EEA2 and EEA 4 to the Department of Labour.

IMPLEMENTATION OF WORKPLACE SKILLS PLAN AND EMPLOYMENT EQUITY PLAN

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

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

3.3.8. ICT POLICY FRAMEWORK

The ICT services have an IT governance framework which is implemented through the master systems plan. This plan is aimed at ensuring that the municipality has the necessary system in place to ensure that the municipality's performance improves. To ensure business continuity the Municipality has established an ICT Steering Committee which comprises of the Municipal Manager and all the departmental managers. The ICT Steering committee deliberates mainly on issues pertaining to ICT Governance and implementation. The Committee sits Quarterly to deliberate on IT related matters.

In the 2017/2018 financial year the ICT Steering Committee had adopted the ICT Framework Implementation Plan which was supposed to be implemented in phases and was also in the process of expanding our Server room to ensure that it complies with the relevant legislative requirements.

The Municipality had budgeted for the review of the ICT framework in the 2019/2020 financial year, however the project had to be postponed as the funds were redirected to COVID 19 expenditure.

The review of the ICT Framework will be catered for during the 2020/2021 budget review.

Table 27: ICT SWOT ANALYSIS

STRENGTH	WEAKNESS
<ul style="list-style-type: none"> ✓ Renowned ERP system; ✓ Use of modern technology; ✓ Good relations with stakeholders; ✓ All core ICT system to support the business are currently in place ✓ Strong commitment from the business support ICT initiatives ✓ Dedicated Server Room; ✓ Fully Management support of ICT ✓ ICT Steering Committee 	<ul style="list-style-type: none"> ✓ Uncontrolled usage of ICT services; ✓ Lack of ICT policies, standards and strategy; ✓ Poor Environmental control in the server room; ✓ Dependence on service providers for ICT support; ✓ Slow machines;
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ✓ Using ICT to enhance revenue Based; ✓ Speeding up ICT services; ✓ Existing modern technology base can be further exploited; ✓ Increase internet speed by passing the districts VPN; ✓ New Technology can enhance business operations; ✓ Maximum utilisation of Pastel Evolution to meet business needs 	<ul style="list-style-type: none"> ✓ Staff stress/moral is an issue as it may make the users negative towards ICT; ✓ Business units make decision which may impact ICT without consulting ICT; ✓ Constantly changing ICT technologies ✓ Increasingly sophisticated security risks and threats. ✓ More stringent audit focusing on controls; ✓ Trends towards e-government integration

3.3.9. ORGANISATIONAL DEVELOPMENT

INSTITUTIONAL ARRANGEMENT

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

- ✓ Infrastructure Committee
- ✓ Performance Management and Audit Committee
- ✓ Community and Administration and Corporate Services Committee
- ✓ Budget Steering Committee
- ✓ Finance Committee
- ✓ Local Labour Forum and
- ✓ Municipal Public Accounts Committee

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

MUNICIPAL POLICIES

The following policies are in place and adopted.

Table 28: Municipal Policies

Policy Name	Date of Adoption	Policy Name	Date of Adoption
Payroll Policy	30/06/2019	Mkhambathini Waste Management Plan	30/06/2019
Credit Control and Debt Collection	30/06/2019	Enterprise Risk Management Framework	30/06/2019

Policy Name	Date of Adoption	Policy Name	Date of Adoption
Appointment of Consultants	30/06/2019	Audit Committee Charter	30/06/2019
Contract Management	30/06/2019	Dress Code	30/06/2019
Funding and Reserves	30/06/2019	Incapacity: 30/0 to poor work performance 6/20	24/06/2019
Budget	30/06/2019	Placement	30/06/2019
Subsistence and Travel	30/06/2019	Confidentiality	30/06/2019
Petty Cash	30/06/2019	Procedure to be followed in instances where employees are unable to attend work as a result of imprisonment	30/06/2019
Rates	30/06/2019	Resignation	30/06/2019
Virement Policy	30/06/2019	Human Resources management & development strategy & implementation plan	30/06/2019
SCM	30/06/2019	Occupational Health and Safety	30/06/2019
Leave	30/06/2019	Employment 30/06/2019 and Conditions	24/06/2017
Training and Development	30/06/2019	Incapacity to Ill Health	30/06/2019
Employment Equity	30/06/2019	Internal Bursary	30/06/2019
Task Job Evaluation	30/06/2019	Public Participation Policy	30/06/2019
Sexual Harassment	30/06/2019	Batho Pele Policy	30/06/2019
Substance Abuse	30/06/2019	Mkhambathini Public Facilities Management Policy	30/06/2019
Standing Rules and Orders for the meetings of the council and its committees	30/06/2019	Performance Management Framework	30/06/2019

3.3.10. DEMOCRACY AND GOVERNANCE: INTERACTION WITH COMMUNITY

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

3.3.11. ACTION PLAN ON AUDITOR GENERAL'S FINDING

The table below is the Auditor -General's Action plan aimed at addressing the audit findings raised by the Auditor General during the audit of the 2019/2020 financial year. This is currently the Municipal updated Auditor-General Action Plan is attached below in the IDP.

FINAL IDP 2020/21

Table 29: Table 25: Action plan on AG findings

NATURE OF AUDIT QUERY	DETAILED FINDING	COMMITMENT BY MANAGEMENT	TARGET DATE	RESPONSIBLE OFFICIAL	PROGRESS
MATERIAL IMPAIRMENTS – CONSUMER DEBTORS	As disclosed in note 10 to the financial statements, material impairments of R10,71 million (2018: R9,17 million) was provided for as a result of irrecoverable consumer debtors.	Management should implement control measures to ensure that the outstanding debtors is reduced and implement the Credit control and debt control policy. The management will develop the credit control bylaw.	30 June 2020 28 February 2020	Acting CFO/ Accountant Budget Acting CFO	Accounts has been handed over to debt collectors for collection. That will reduce the debtor's book and impairment. Bylaw has been developed and approved by Council. Currently in the process for gazetting.
UNAUTHORISED EXPENDITURE	As disclosed in note 42 to the financial statements, the municipality incurred unauthorised expenditure of R3,23 million as a result of non-cash flow adjustments which were not budgeted for.	Management will review its annual budget during the adjustment budget and made provision for the non-cash items on the budget.	31 March 2020	Acting CFO	The private investigator was due to table the draft report to MPAC for discussion on 26 March 2020.
PREDETERMINED OBJECTIVES	I was unable to obtain sufficient appropriate audit evidence for the reported achievements of 2 of the 25 indicators relating to this programme. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report of the indicators Maqongqo and Njobokazi Electrification.	Management will ensure that all PMS files are submitted to the Office of the Municipal Manager quarterly to ensure that all POE's are correct and properly referenced. The management will also ensure that quarterly assessments are performed.	20 March 2020	MM	Mid-term review was used to address all the identified findings during 2018/19 audit and the management is waiting for the Q2 audit from Internal audit.
IDENTIFIED MATERIAL MISSTATEMENTS IN THE ANNUAL PERFORMANCE REPORT SUBMITTED FOR AUDITING.	These material misstatements were on the reported performance information of basic service delivery and infrastructure development. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.	The management will also ensure that the SDBIP is properly reviewed during the mid-year assessment. The management will ensure that Annual performance Report is finalised before 15 August 2020 to allow the detailed review by stakeholders to unfold before the report is submitted to Auditor-General	20 February 2020 14 August 2020	MM MM	APR Plan will be developed and closely monitored by MM to ensure that draft APR are ready for review before 10 August 2020.

IDENTIFIED MATERIAL MISSTATEMENTS IN THE ANNUAL FINANCIAL STATEMENTS SUBMITTED FOR AUDITING.	The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of commissions' revenue, grants, expenditure, property, plant and equipment and irregular expenditure identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.	The management will ensure that the Bi-Annual Financial Statements are prepared and submitted to Internal Auditors. The management will ensure that Draft Annual Financial Statements is finalised by 31 July 2020 to allow all other stakeholders to perform their reviews. The municipality must ensure that all sub-ledger accounts are reconciled on a monthly basis.	20 March 2020 30 August 2020	Acting CFO Acting CFO	<i>Bi-annual annual financial statements were due to be completed by March 2020</i> <i>AFS Plan will be developed and closely monitored by MM to ensure that draft AFS are ready for review before 10 August 2020.</i>
PROCUREMENT AND CONTRACT MANAGEMENT	Some of the bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 Preferential Procurement Regulation 8(2). Some of the contracts were awarded to bidders based on functionality criteria that were not stipulated or differed from those stipulated in the original invitation for bidding, in contravention of Preferential Procurement Regulation 4(1) and 4(2).	The management will ensure that the SCM Policy and SCM regulations are implemented by the municipality. Whole population of transactions from 01 July 2019 to 30 June 2020 will be reviewed and a disclosure where necessary will be made. All advert will be reviewed by office of the CFO before they are published to ensure compliance.	30 June 2020	Strategic Manager Technical/ Acting CFO / SCM Manager	<i>The matter has been resolved by ensuring that all advert comply with local content requirements and whole population has been tested.</i>
CONSEQUENCE MANAGEMENT	Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA. Irregular, fruitless and wasteful expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.	Management will be implemented internal controls which will assist the municipality in preventing the fruitless and wasteful expenditure. The management will appoint an independent investigator who will assist in investigating the transactions. The report with recommendations will be then submitted to MPAC until it reaches the council with MPAC recommendations.	10 December 2019 31 March 2020	Acting CFO / SCM Manager MM	<i>The private investigator was due to table the draft report to MPAC for discussion on 26 March 2020.</i>

3.3.12. MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT SWOT ANALYSIS

Table 30: MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT SWOT ANALYSIS

STRENGTH	WEAKNESS
<ul style="list-style-type: none"> ✓ The Portfolio Committee system is in place ✓ Council decisions are compliant with the MSA ✓ Communication Strategies and culture of public participation is being practiced through Imbizo, IDP Representative Forums, and suggestion boxes ✓ Human Resource Policies have been developed and adopted. 	<ul style="list-style-type: none"> ✓ Lack of sufficient capacity (vacancies); ✓ Vacancies of Senior Management level hampers the efficiency of the municipal units.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ✓ Opportunities exist to fill the vacant positions in order to beef up municipal capacity 	<ul style="list-style-type: none"> ✓ Insufficient budget to fill vacant positions; this results in posts remaining frozen, this hampers the municipality from delivering on some of its functions.

3.4. BASIC SERVICE DELIVERY

3.4.1. THE MUNICIPALITY AS WATER SERVICES AUTHORITY

The Municipality is not a water services authority uMgungundlovu District Municipality is responsible for all water related issues in Mkhambathini. However, all the project that are related to water services are undertaken by UMDM and are communicated through IGR Structures and Economic Sector, Investment & Infrastructure Development Subcluster which is chaired by the District and progress reports are tabled to council on a continuous basis. Umgungundlovu District Municipality has a number of water and sanitation projects that have been planned for current intervention this Financial Year for Mkhambathini Local Municipality.

WATER SERVICES

UMDM prepares all Operations and Maintenance plan for water and sanitation consultation with uMngeni Water and District WSDP was last reviewed in 2017 and has an adopted O&M plan. The following map indicates water sources of UMDM which provides for its surrounding municipalities.

The Link of the WSDP is included below:

<http://ws.dwa.gov.za/wsdp/Login.aspx?ReturnUrl=%2fWSDP%2f>

The percentage of the ward's population reliant on boreholes, springs, dams, water tanks, rainfall, and rivers for water supply (extracted from the 2016 Stats SA census data)

Table 31: Access to piped water

HOUSEHOLD ACCESS TO WATER	TOTAL NUMBERS
Piped (tap) water inside dwelling / institution	1 428
Piped (Tap) Water Inside Yard	5 730
Piped (Tap) Water On Community Stand: Distance Between 200m And 500m From Dwelling / Institution	2 194
Rain-Water Tank In Yard	212
Piped (Tap) Borehole In The Yard – Borehole Outside The Yard	375
Piped (Tap) Neighbours Tap	545
Piped (Tap) Public/Communal Tap	2 592
Water Carrier/Tanker	858
Flowing Water/Stream/River	1 439
No Access To Piped/Other (Tap) Water	86
Total	15 460

Source: Census 2016

ACCESS TO SANITATION

Access to sanitation within Mkhambathini Municipality is in a form of ventilated improved pit latrines. The Community Survey 2016 is revealing a positive story in the sense that access to sanitation at an RDP Standard has increased from 18.4% in 2011 to 56% in 2016, an increase by 37%. This point to the functionality of intergovernmental relations efforts by the municipality, uMgungundlovu District Municipality and sector departments ensure that all households have access to a dignified sanitation in Mkhambathini Local Municipality

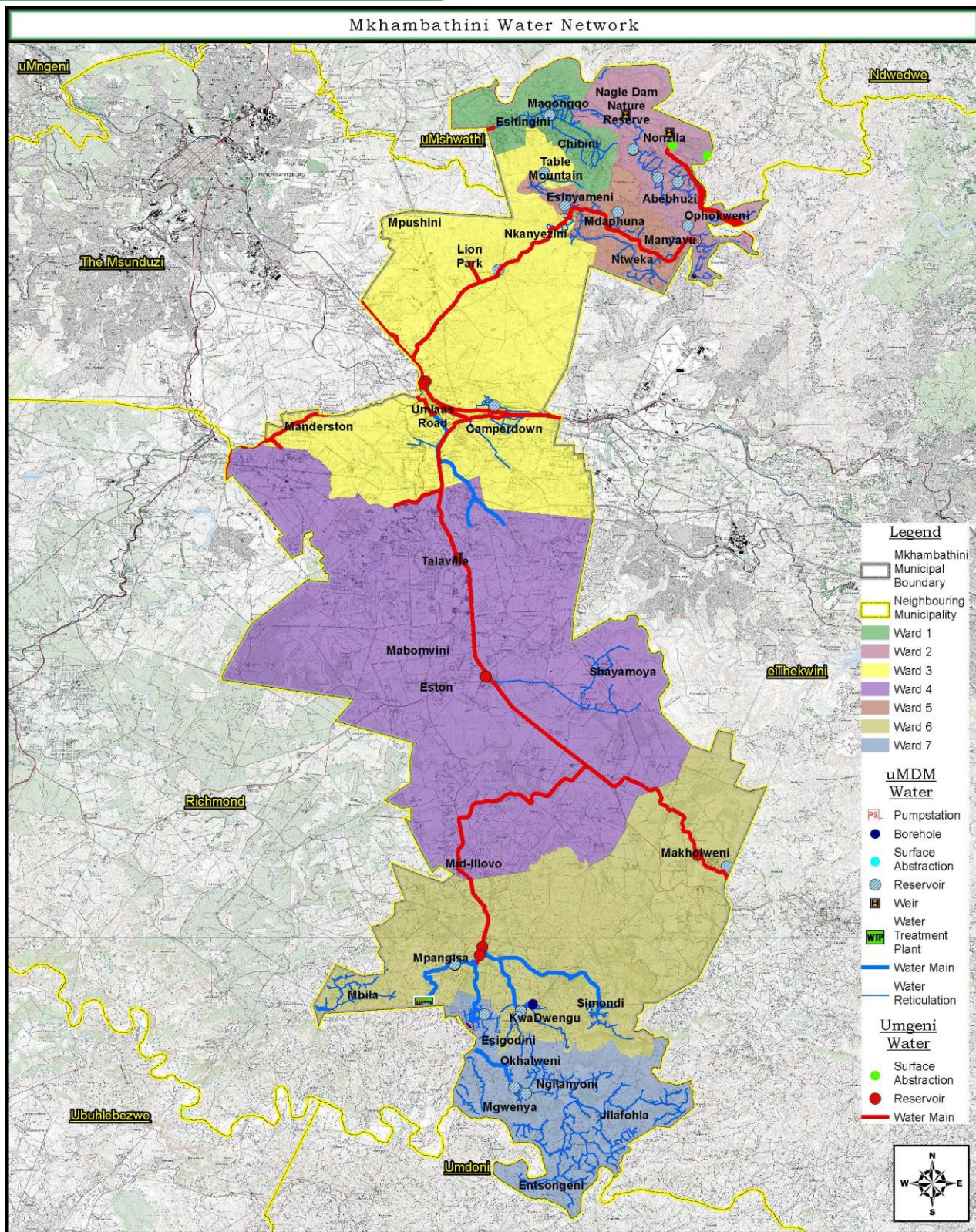


Figure 15: Water Supply per Ward by uMgungundlovu District Municipality

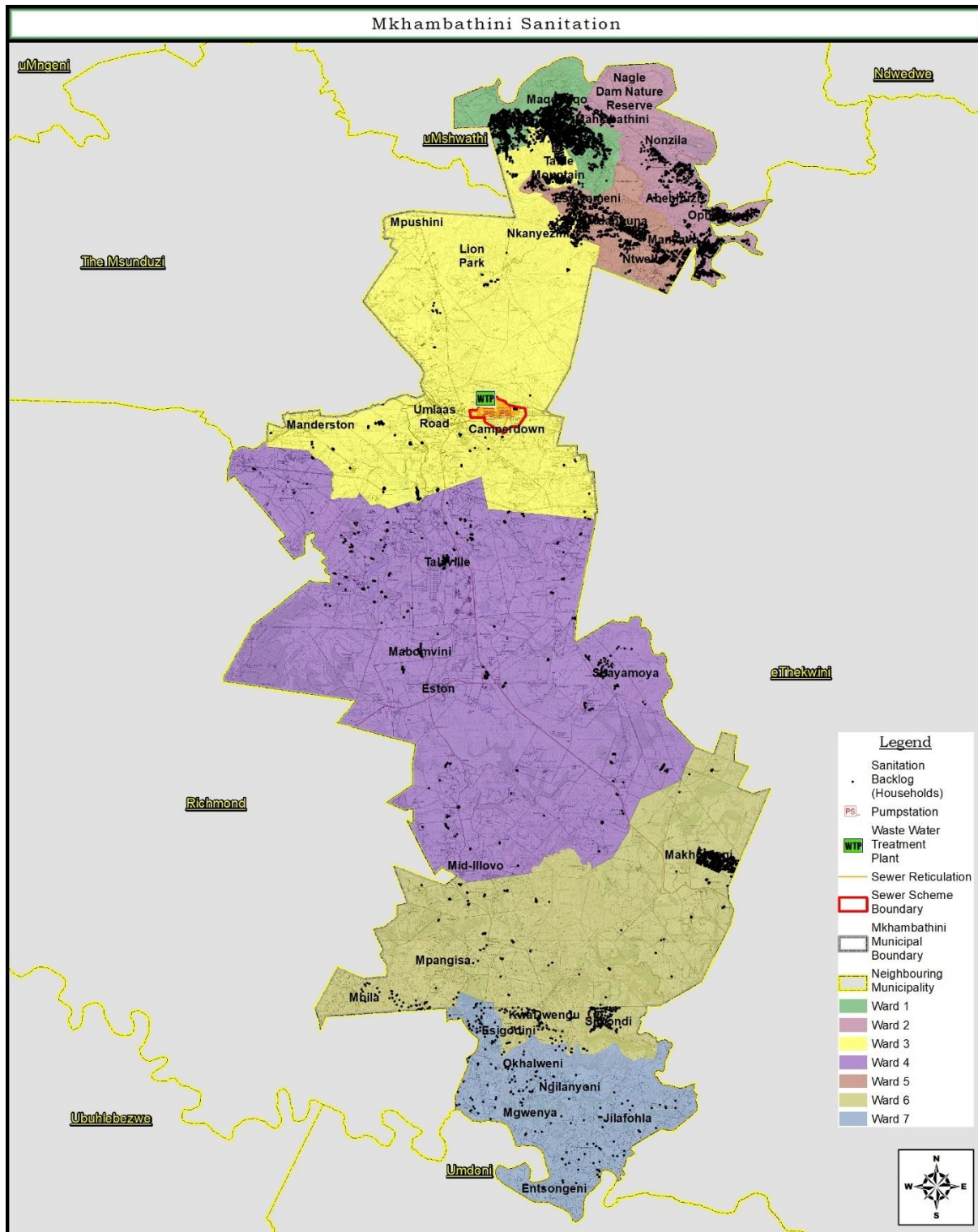


Figure 16: Map showing overall Access to Sanitation in Mkhambathini

Table 32: Access to Sanitation

Source: Census 2016

HOUSEHOLD ACCESS TO SANITATION	TOTAL NUMBERS
Flush toilet connected to a public sewerage system	450
Flush toilet connected to a septic tank or conservancy Tank	1 334
Chemical toilet	97
Pit latrine/toilet with ventilation pipe	4 669
Pit latrine/toilet without ventilation pipe	5 908
Ecological toilet (e.g. urine diversion; enviro-loo; etc.)	2 118
Bucket toilet (collected by municipality)	8
Bucket toilet (emptied by household)	8
Other	51
None	826
Total	15 460

The following table indicates the progress on the projects Umgeni Water is implementing for the Mkhambathini through uMgungundlovu District Municipality .

Table 33: UMGENI WATER PRIORITY PROJECT MKHAMBATHINI MUNICIPALITY

Strategic Integrated Project (SIP)	PGDS Goals	KZN PGDP Strategic Objective	uMgungundlovu Priorities	Umgeni Water Projects	Progress to Date 2020/21	Budget (subject to review)	OUTCOM E (AS PER 14 OUTCOM ES)	Sub-Outcome (of The 14 Outcomes)
SIP 18 Water and Sanitation	Goal 4: Strategic Infrastructre	Strategic Objective 4.5: Improve Water Resource Management and Supp	Operation and maintenance assets with relation to water	Sewage Water Borne Treatment Works	The new waste treatment works in the Camperdown urban part, to help reduce the cost of transporting sewage to the PMB works (conservancy tanks)	District and Umngeni Waters	Outcome 6: An efficient, competitive, and responsive economic infrastructure network	Sub-outcome 4: Maintenance and supply availability of our bulk water resources ensured
SIP 18 Water and Sanitation	Goal 4: Strategic Infrastructre	Strategic Objective 4.5: Improve Water Resource Management and Supp	Greater Eston Water at Mkhambathini		Phases 1-5 of water pipeline and reservoirs	to cost R186 million	Outcome 6: An efficient, competitive, and responsive economic infrastructure network	Sub-outcome 4: Maintenance and supply availability of our bulk water resources ensured

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

Table 34: Water Service Delivery Within Mkhambathini

	Census 1995	Census 2001	Census 2016
In dwelling/yard	3560	5722	5 730
Access to piped water	3621	5189	5 730

NEEDS AND PRIORITIES FOR WATER AND SANITATION SERVICES

Table 35: Needs and Priorities for Water and Sanitation Services

WATER AND WASTEWATER WORKS				
11	Mkhambathini	Upgrading of Manyavu Community Water Supply Scheme	Construction	R65,145,903.20
	Mkhambathini	Upgrade Nkanyezi Community Water Supply Scheme	Construction	R96,913,319.65
	Mkhambathini	Upgrade Manzamnyama Community Water Supply Scheme	Construction	R63,801,487.13
	Mkhambathini	Maqongqo Community Water Supply Scheme Phase 5	Construction	R19,116,346.37
	Mkhambathini	iThala Valley Community Water Supply Scheme COVID 19	Design stage	R 12 844 746,70

The following three major projects have either been commissioned or are in the process of being commissioned:

- The Eston uMbumbulu Pipeline, a steel pipeline, 450mm in diameter and 25k min length, was designed to supply 15MI/day to the area of uMbumbulu. This pipeline was successfully commissioned in June 2006 and is currently supplying just under 5MI/day.
- The South Coast Pipeline project has been completed, with some components already having been commissioned. The bulk water pipeline will improve the surety of potable water supply to the southern most portion of the eThekweni Municipality and the northern area of the Ugu District Municipality. This project comprises an 800mm diameter steel pipeline 22km in length, a 600mm diameter steel pipeline 13km in length, a 300mm diameter branch steel pipeline 4.5km in length, three reservoirs one each at Amanzimtoti Water Works, Quarry and Mgobhazini with a capacity of 15MI, 7.5M and 5MI respectively and two pumping stations, one at Umnini and one at Umfumi having a power requirement of 1MW and 200KW respectively
- Umgeni Water has a capital expenditure programme for the next five years of approximately R1.7 billion. To implement this programme, a Project Office was established. The major projects which this office is managing are the DV Harris to Umlaas Road pipelines, currently in various stages of design, to address both an increase in demand and eThekweni Water and Sanitation's (EWS) planned load shedding programme. Linked to this is the 57/ Western Aqueduct pipeline, currently out to tender of which the first 10km of 1 400mm diameter steel pipe is being implemented by EWS on behalf of UmgeniWater3.4.

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

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

SOLID WASTE MANAGEMENT

Refuse disposal is critical in creating an enabling environment for every resident of the municipality, more especially the younger generation as they are more exposed to hazardous conditions. The Municipality has improved

The collection of refuse within its jurisdiction comparing the Census 1996, 2001 and the 2011 Community Survey. The Census of 2011 indicates that 5.5% benefit from the local authority refuse removal and disposal while the 2001 Census indicates 5.2% . The Census of 2011 is in comparison with the Census 2016 which indicates an increase in the collection of refuse which is collected by the local municipality.

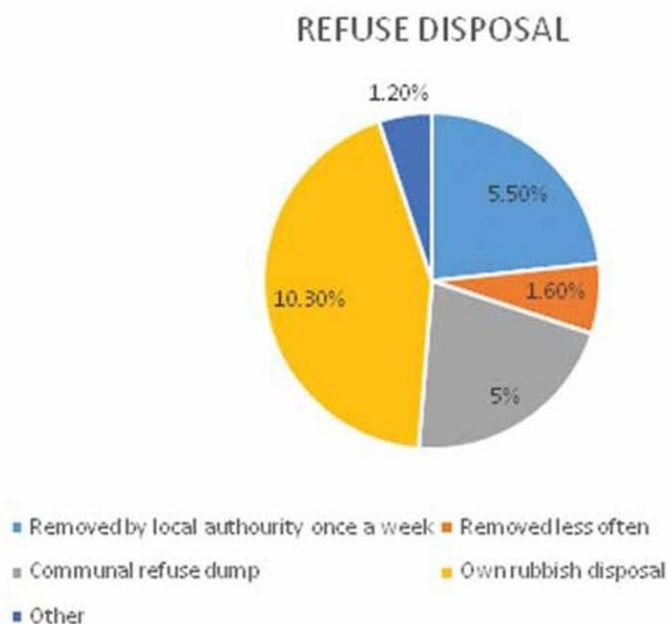


Figure 17: Refuse Disposal (Source: Census 2011, Statistics SA)

The table below is a indication of the nformation based on the Census 2016 in relation with Refuse Disposal within the Mkhambathini Local Municipality:

Removed by local authority/private company/community members at least once a week	Removed by local authority/private company/community members less often than once a week	Communal refuse dump	Communal container/central collection point	Own refuse dump	Dump or leave rubbish anywhere (no rubbish disposal)	Other	Total
1 302	407	555	0	12 398	768	29	15 460

Currently, the municipality does not have capacity to separate waste at source (between solid and recyclable waste), however the municipality is part of the Advanced Solid Waste Management Programme which is implemented by uMgungundlovu District Municipality and funded by KFW and the Department of Environmental Affairs nationally. The aim of this programme is to provide technical support to local municipalities in order to reduce waste disposed of at the landfill sites, with the end goal being to maximise job creation within the municipalities.

The municipality is currently exploring strategies of sorting and separating waste for recycling purposes, (this includes separation at sources) with the aim of reducing waste disposed of at the landfill site. The Municipality provides Solid Waste Services to its 480 Households. 300 Households are benefiting from a free basic service.

The municipality has noted a thorough review of the IWMP is currently underway. This is done in line with the current review of the National Waste Management Strategy as well as the population dynamics in various wards which have resulted to an increase in the levels of waste and illegal dump sites. The Department of Environmental Affairs has also greatly contributed to ensuring that the final plan speaks to the solid waste requirements and demand of the Mkhambathini Municipal area. The Draft IWMP is attached as annexure to the IDP.

MUNICIPAL LANDFILL SITE

Mkhambathini Municipality does not own a waste disposal site and thus utilizes the facilities of Msunduzi Municipality.

The waste within the municipality is collected on a weekly basis and transported to Msunduzi Municipality's New England Road Landfill site at a fee.

WASTE RECYCLING

Currently, the municipality is developing various recycling initiatives implemented at community level. However, during public participation meetings youth showed interest in having recycling as one of the youth programmes that can be implemented within the municipality as part of environmental care and job creation within the Municipal area. Through the integrated waste management plan that is currently under review, the municipality is looking into partnering with recycling organisations such as WESSA and Wildlands for assistance with setting up a recycling buy back centre which will be situated in ward 1, 2, and 3. Furthermore, there are also plans for community awareness campaigns on the importance of recycling and separation of waste at source.

TRANSPORTATION INFRASTRUCTURE NETWORK

The Municipality currently has a draft Comprehensive integrated Transport Plan, that has been note by council for future projections, the Integrated Transport Plan looks into providing the communities with access to better socio-economic opportunities. In order to effectively understand and have improved transport planning, The municipality is has to developed a Comprehensive Local Integrated Transport Plan which will be seek assistance from DOT and the district municipality in formalizing the final plan in line the with the National Land Transport Transition Act, Act No. 22 of 2000 as amended. It is a requirement that every Local Municipality prepares a set of transport plans and such plans need to be updated and give guidance to the contemporary transport operating environment. , however with better coordination between the various spheres of government and with the assistance from the Department of Transport .

Road Network

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

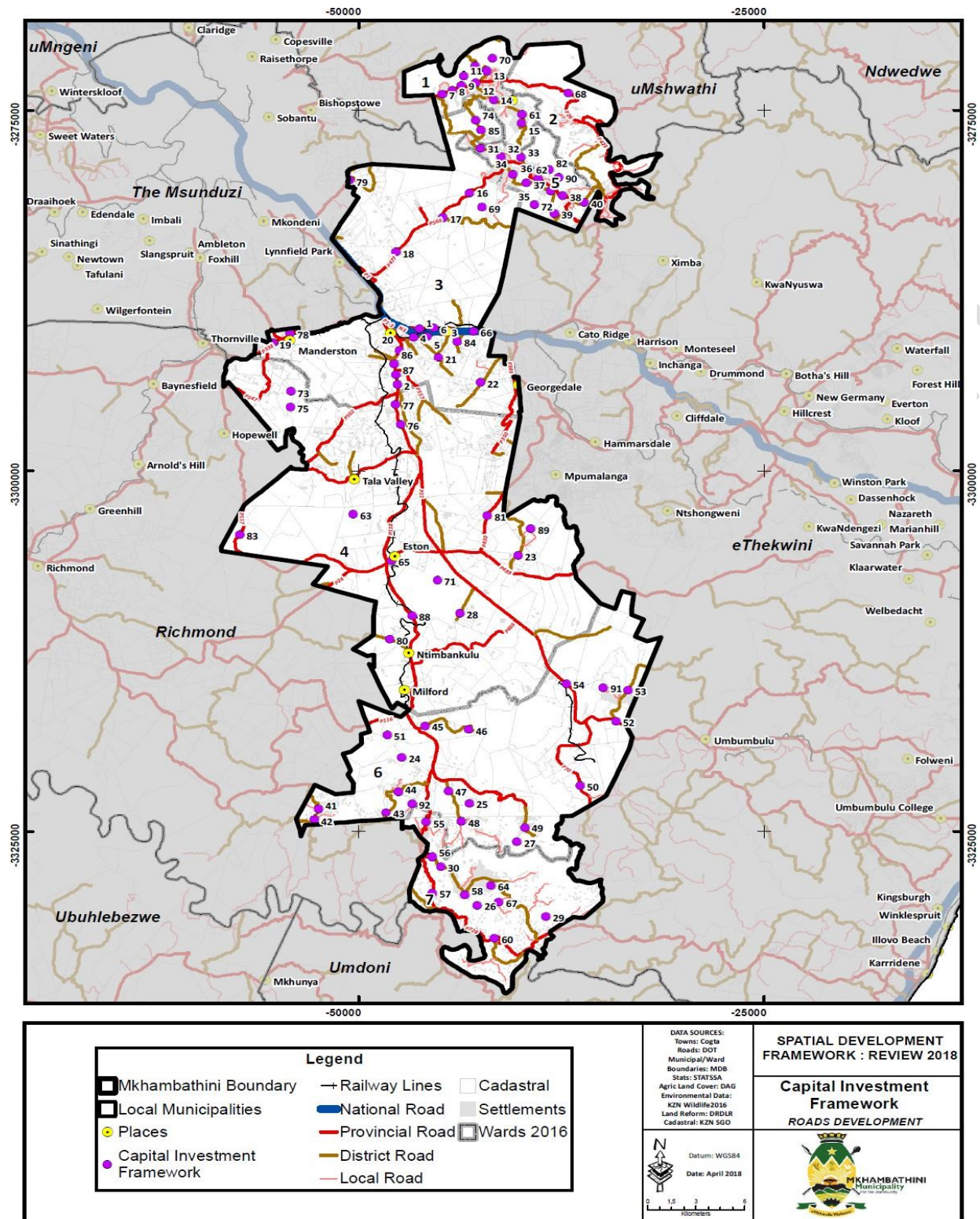


Figure 18: Map indicating Transport

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

Table 36: Road and Infrastructure

GRAVEL	SURFACED	TOTAL
367.23	162.24	529.47

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

INSTITUTIONAL RESPONSIBILITY

OPERATIONAL AND MAINTENANCE PLAN FOR EXISTING ROADS AND PUBLIC TRANSPORT

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

Table 37: Department of Transport: Roads Projects

Project Name	PROEJECT NO	2020-21 Budget
Upgrading of various raods (Design stage and supervision)	B22/0150/S	R2 000 000
Maintenance Contract (Richmind Zone)	C227/9521/S	R15 000 000
Regravelling of P115 (5km – 10km = 5km)	C227/1563/S	R2 000 000
Regravelling of D158 (17km – 22.5km = 5km)	C227/1565/S	R1 600 000
Upgrade of N3 from 2 lanes to 3 lanes (N3 Corridor Development)	SANRAL PROJECT	N/A

Table 38: Municipal Roads Maintenance Plan

NAME OF THE PROJECT	WARD NAME	ESTIMATED BUDGET
Regravelling of Access roads from various wards	All Ward	R9 000 000.00

ROAD NUMBER	PROJECT NAME	ACTIVITIES	BUDGET ALLOCATION
N/A	3559 Whitecliff uMgeni	New Pedestrian Bridge	R 1 000 000
N/A	3559 Whitecliff uMgeni	Design and Supervision	R 500 000
P21-1 (km15 to km18)	P21-1 (km15 to km18)	Heavy Rehab	R 68 796 000
P21-1 (km15 to km18)	Professional Fees	Heavy Rehab	R 1 938 290
P118 (km0 to km 1.8)	Professional Fees	Reseal	R 162 000

PROVISION OF NEW ROADS AND RELATED FACILITIES

The Following Rehabilitation Roads For 2020/2021

Road Names	Length (m)	Width (m)
Alfred Storm Drive	703	6
Ascent Cres	122	6
Bisset Street	146	5
Buchanan Road	254	6
Charlton Place	126	6
Faireview Road	791	6
Horizon Place	138	6
Leylands Place	100	5.7
Markham Place	77	5
Moodley Road	586	5
Norman Stone	360	6
Oehley Road	420	6
R103	445	6
Roberston Road	566	5
Summit Road	506	6

INTEGRATED DEVELOPMENT PLAN

Scott Street	474	6
Shepstone Street	500	6
Table Way	347	6
Taylor Way West	707	5
Thomas Jee Road	384	6
Valley View Road	374	5.5
Victoria Street	186	6
Willowpool Road	228	6.5
Wood Crescent	422	5
Circle/Taxi Rank	52	6

The following co-ordinates table present the location of some Mkhambathini Access Roads

Road Names	Co-ordinates	
	Start	End
Shepstone Street Ward 03	29°43'40.31"S and 30°32'22.33"E	29°23'46.47"S and 30°32'26.54"E
Thomas Jee Road Ward 03	29°43'39.62"S and 30°32'27.61"E	29°43'43.10"S and 30°32'35.79"E
Ukhalo Access Road Ward 7	30°02'17.3"S and 30°31'28.2"E	30°02'11.8"S and 30°32'50.9"E
Ophokweni Access Road Ward 2	29°39'27.8"S and 30°38'13.5"E	29°38'53.6"S and 30°38'28.1"E

INTEGRATED TRANSPORT PLAN (ITP)

The Municipality currently has a draft comprehensive integrated transport plan in place

Below is the map showing the municipality's Road Network that will inform the Transport Plan.

OPERATIONS AND MAINTENANCE PLAN

The Municipality has a Maintenance Plan which is currently in place, the maintenance plan is attached as annexure in the IDP

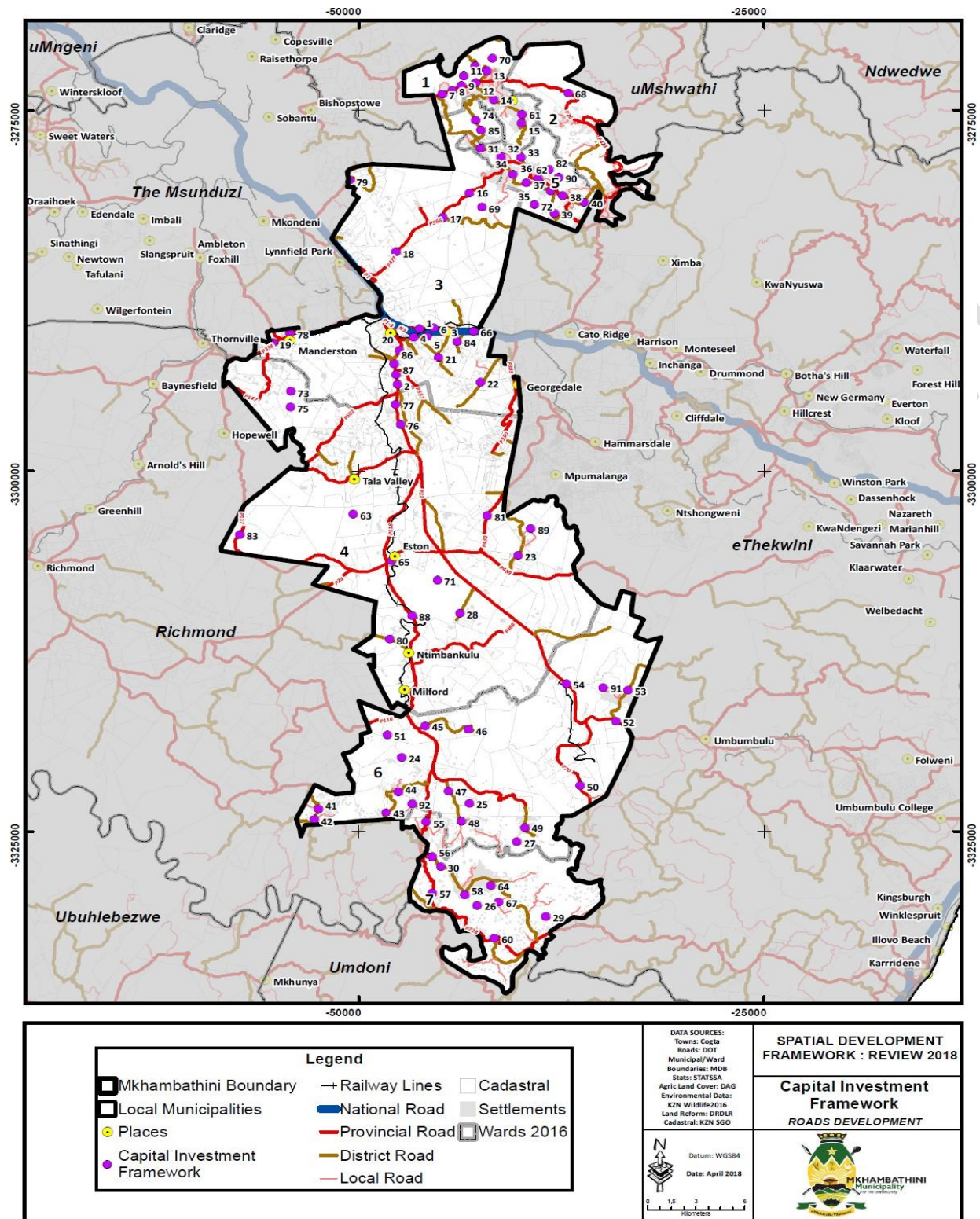


Figure 19: Map indicating Transport Routes

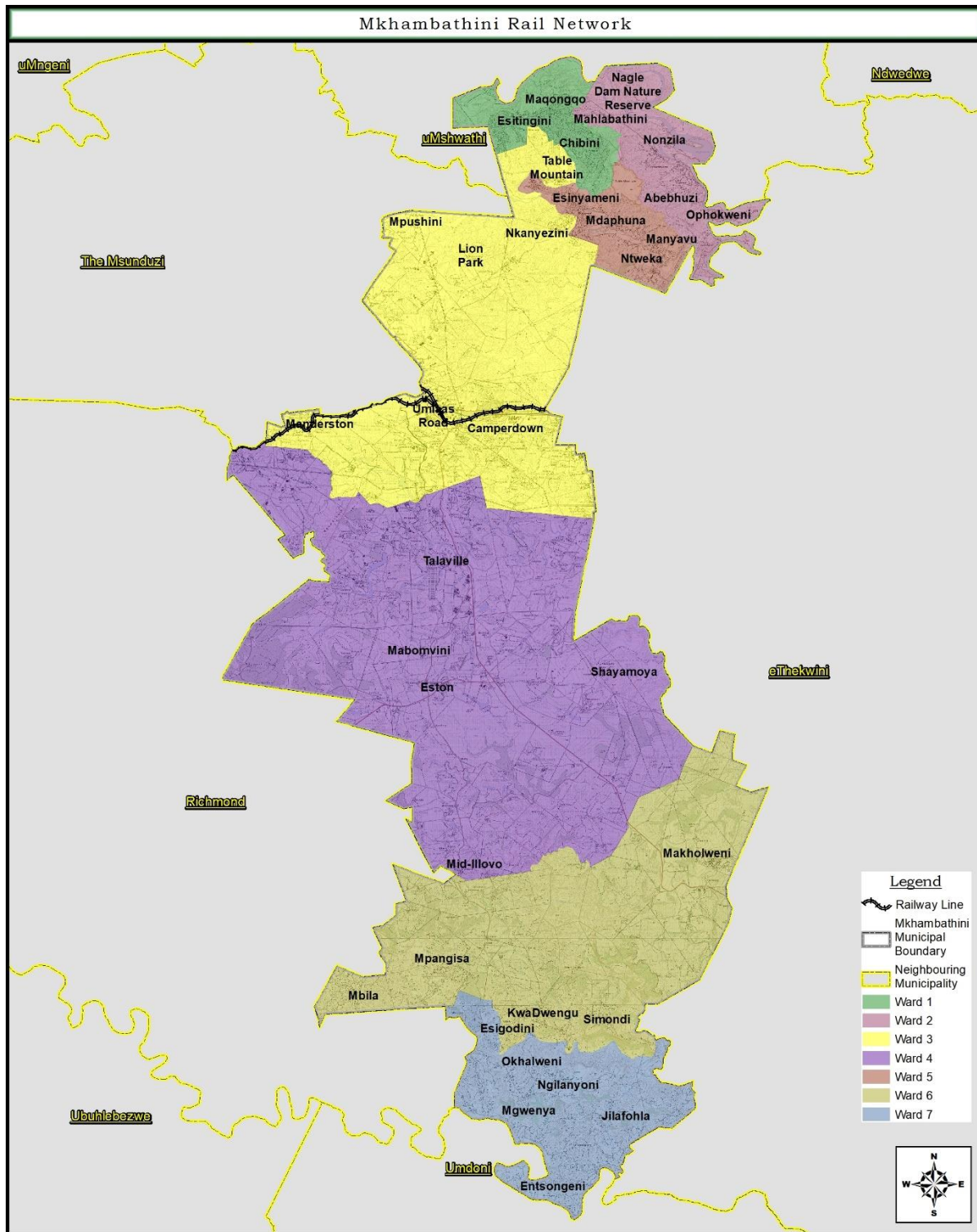


Figure 20: Map Showing Mkhambathini Rail Network

3.4.3. ENERGY

PROVISION OF ENERGY

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

There has been a substantial improvement in the percentages of households that use electricity for the following table depicts the results of the conducted 2016 Community Survey which have the total numbers of the various energy sources utilized in Mkhambathini Local Municipality (See Table Below):

Table 39 Energy/Fuel for Lighting , Heating and Cooking

Energy / Fuel	Census 1996	Census 2001	Census 2011	Census 2016
Lighting	2578	5329	9758	13 872
Heating	1484	2553	6441	12 607
Cooking	1734	3021	7767	12 693

(Energy Sources: Census 2011)

Table 40: Households access to electricity

INDICATOR	SUB-INDICATOR	KZN226
Households access to electricity	In-house conventional meter	1344
	In-house prepaid meter	12147
	Connected to other source which house- hold pays for	223
	Connected to other source which house- hold is not paying for	314
	Solar home system	2
	Other	25
	No electricity	1385
	TOTAL	15 460

ENERGY SECTOR PLAN

Apart from its social benefits, electricity is also a driving factor in the economy. Schedule 4B of the Constitution lists electricity and gas reticulation as a local government responsibility and as a consequence also plays an important revenue source for local government and the majority of households in the Mkhambathini municipality have electricity for lighting therefore has been a significant increase in households using paraffin whilst there has been a decrease in households using other forms of lighting. Renewable Energy to be regarded as an alternative form of energy for the less advantage households

Normally formal structures are supplied with electricity for lighting. The use of candles and paraffin is within areas where there are service backlogs. Rural communities experience electricity backlogs due to tenure rights where land is vested in privately own land. This makes it difficult for Eskom to supply electricity to these communities if the application for electricity is not made by the landowner.

Eskom is responsible for the Energy Sector Plan. The municipality only receive reports of the implementation, therefore. However, the Municipality has conducted its own survey relating to electricity backlog and an Electricity Master Plan was developed and approved by the council on the June 2019.

This Infrastructure Master Plan describes Mkhambathini Local Municipality electrical infrastructure plans and It is a comprehensive technical report that provides detailed information on the organization current infrastructure and on its future infrastructure development plans.

The backlog on electricity services is still significant and most households who do not yet have access are generally located in the rural areas of the country. Mkhambathini local municipality have to many households without electricity, hence Master Plan serves as to give a clear information items of backlog. The of households with no electricity are presented on Table 1-below show the households with no electricity. Over 3641 households without electricity in Mkhambathini. Table 1 below present all wards name and number of households without electricity within Mkhambathini Local Municipality.

Table : Number of household in different wards and areas.

Ward	N.o of Connections
1	259
2	516
3	1660
4	274
5	563
6	142
7	227

Table 41: Electricity Sector Plan

The study was done on below ward areas.

Table 1: Population by area: Ward 1

Characteristics	Cabazin	Chibini	Esinyameni	Maqonqo	Esitingini
Total population	1334	3717	1367	1307	2848
Population density	1350 persons/km ²	810 persons/km ²	562 persons/km ²	1406 persons/km ²	859 persons/km ²

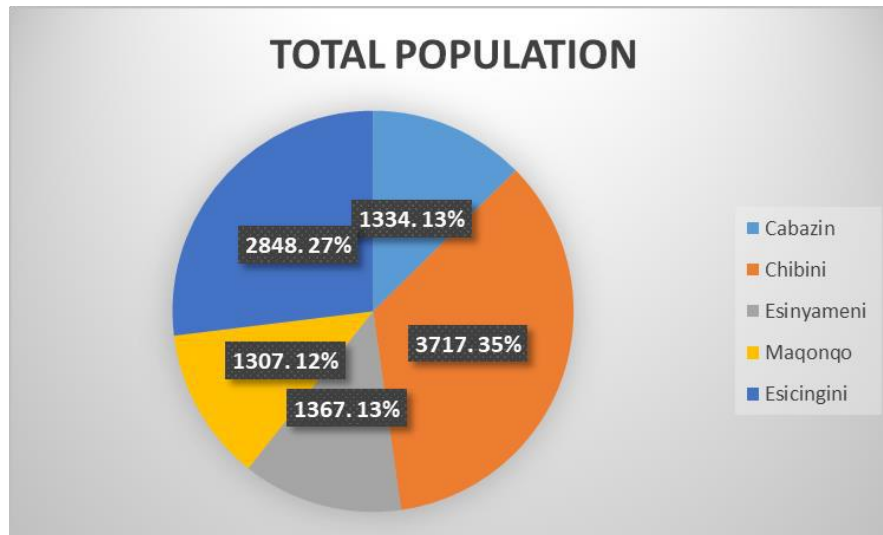


Table 2: Population by area: Ward 2

Characteristics	Abebhuzi	Manzamyama	Nagle	Oqweqweni	Ophokweni
Total population	2088	328	86	5922	2369
Population density	263 persons/km ²	399 persons/km ²	5 persons/km ²	278 persons/km ²	539 persons/km ²

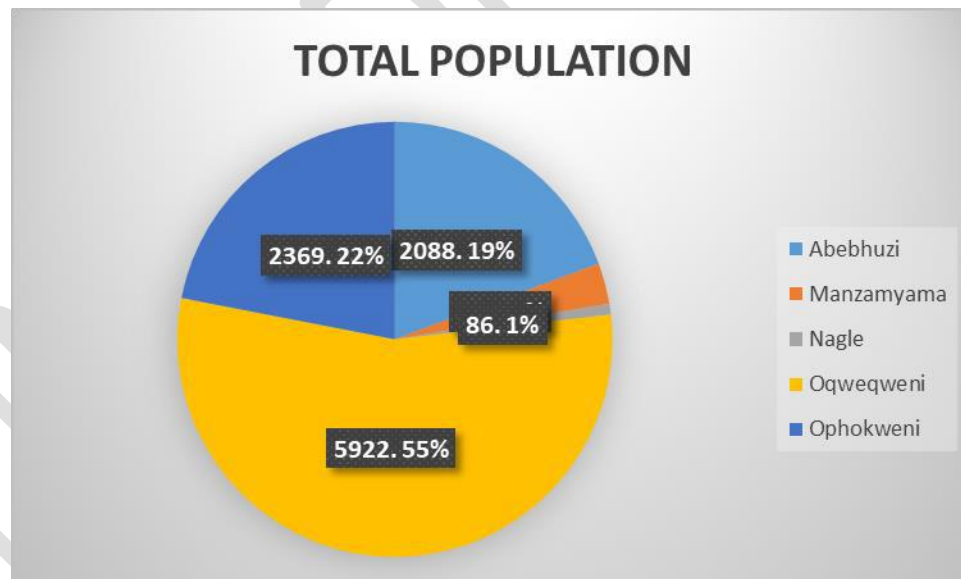


Table 3: Population by area: Ward 3

Characteristics	Camperdown	Mboyi	Mvuyane	Mbila
Total population	2101	1274	836	1515
Population density	339 persons/km ²	326 persons/km ²	577 persons/km ²	167 persons/km ²

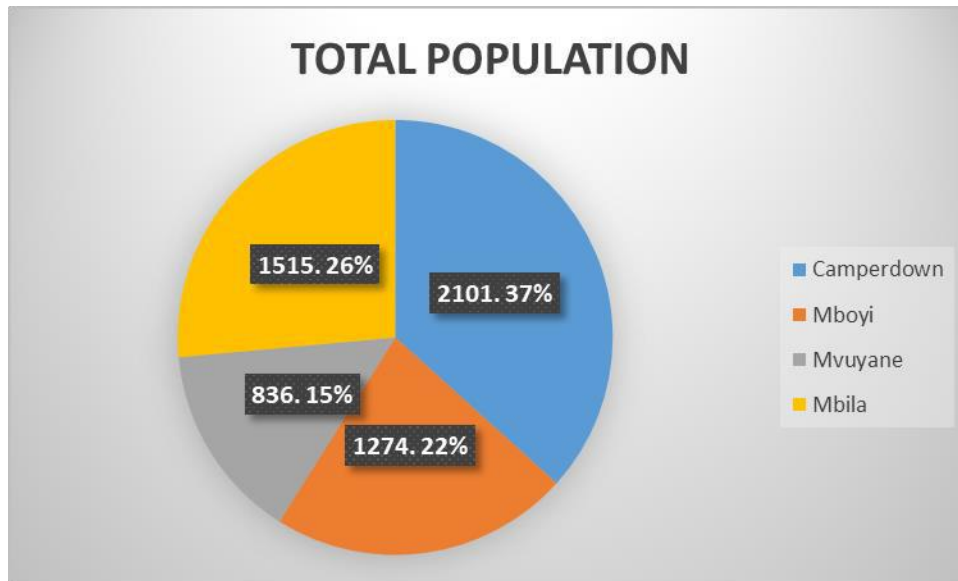


Table 4: Population by area: Ward 4

Characteristics	Total Population	Population density
Shayamoya	390	42 persons/km ²

Table 5: Population by area: Ward 5

Characteristics	Total Population	Population density
Ezinembeni	1965	307 persons/km ²
Mahlabathini	14465	22 persons/km ²

Table 6: Population by area: Ward 6

Characteristics	Dwengu	Makholweni	Mahlabathini	Mpangisa	Simondi
Total population	620	2117	259	848	669
Population density	138 persons/km ²	977 persons/km ²	401 persons/km ²	137 persons/km ²	92.2 persons/km ²

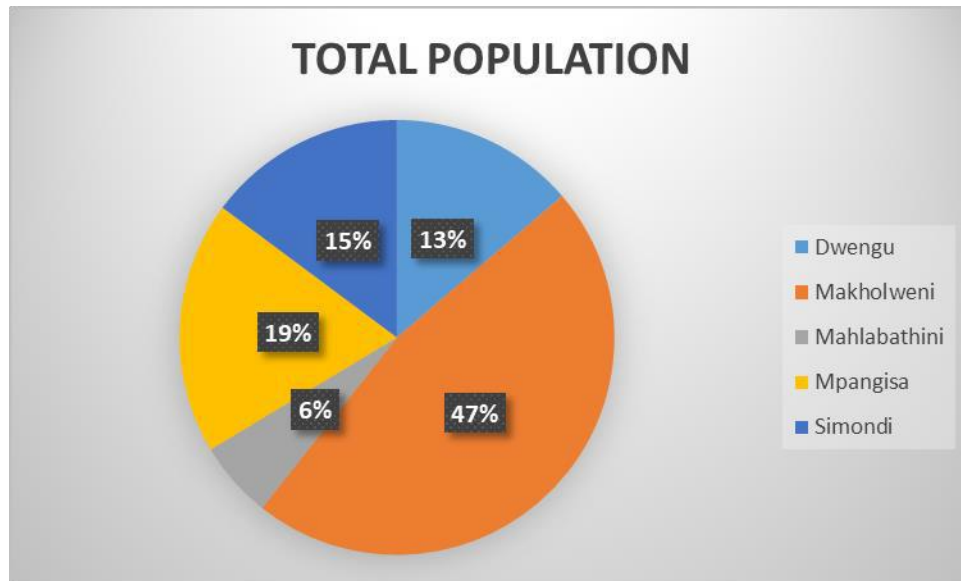
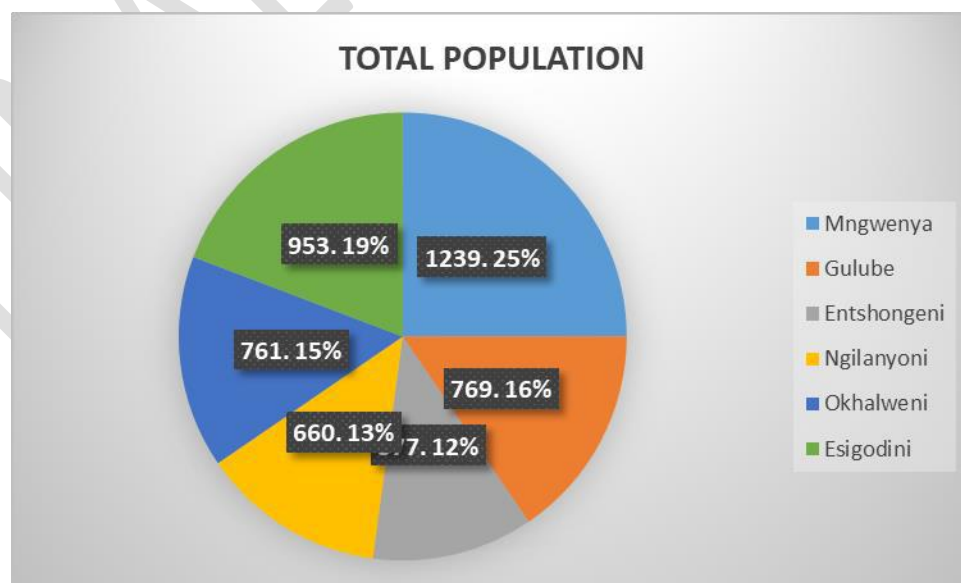
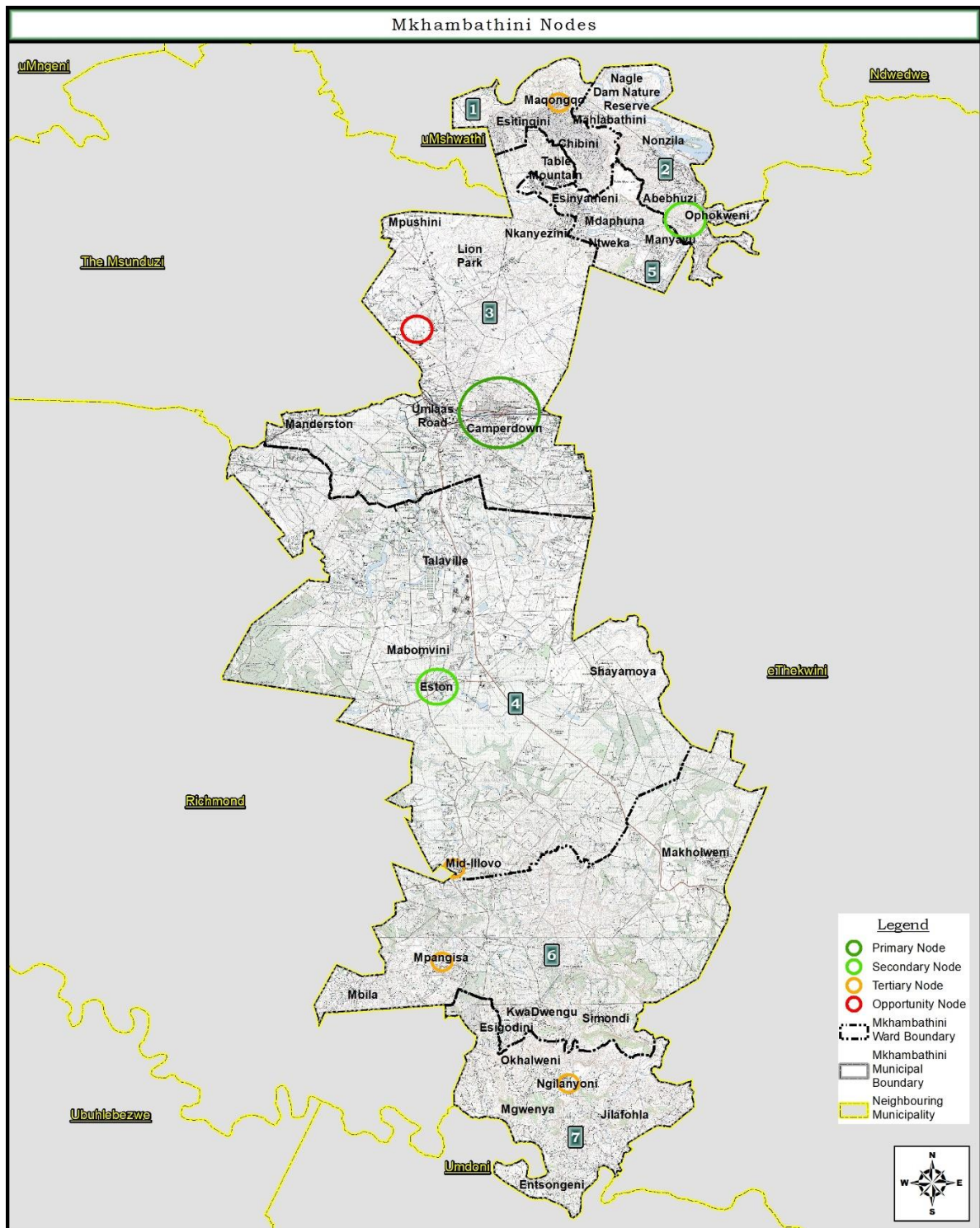


Table 7: Population by area: Ward 7

Characteristics	Mgwenya	Gulube	Entshongeni	Ngilanyoni	Okhalweni	Esigodini
Total population	1239	769	577	660	761	953
Population density	87 persons/km ²	284 persons/km ²	56 persons/km ²	107 persons/km ²	216 persons/km ²	189 persons/km ²





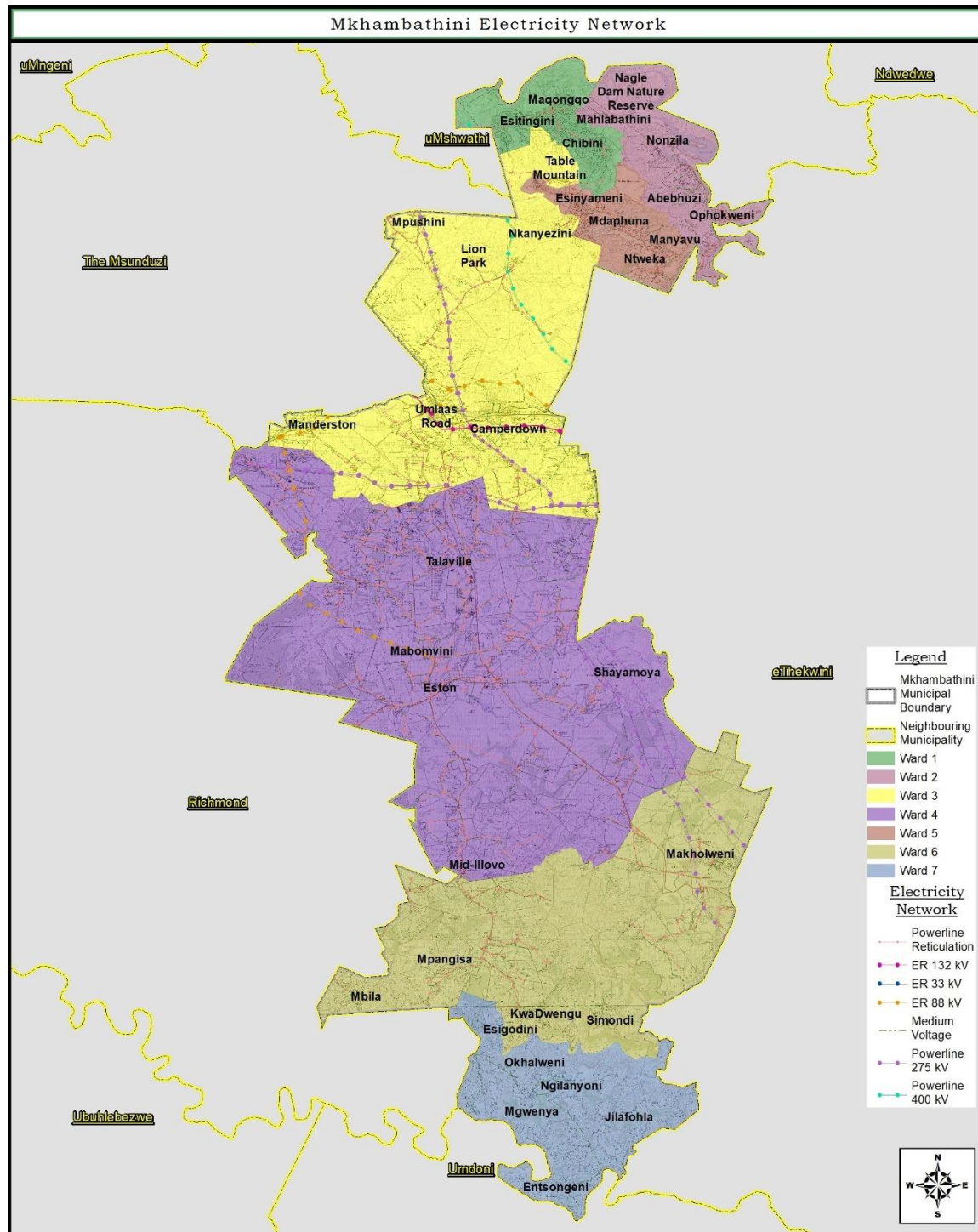
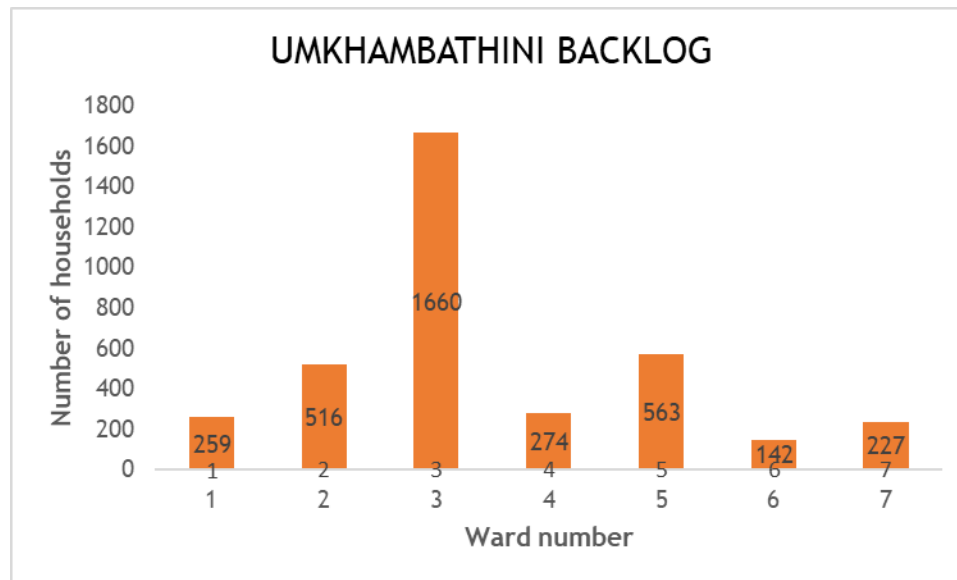


Figure 21: Map Showing Electricity Network

ESTIMATED BACKLOG



ELECTRIFICATION PROJECTS

Project Name	Project Number	No of Household to be electrified	Progress
Electrification of ward 2	MKH/ELE/WO2	516	Budgeted in 2020/21
Electrification of ward 1	MKH/ELE/WO1	259	No funding, application made from various government institutions
Electrification of ward 3	MKH/ELE/WO3	1660	
Electrification of ward 4	MKH/ELE/WO4	274	
Electrification of ward 5	MKH/ELE/WO5	563	
Electrification of ward 7	MKH/ELE/WO7	227	

Table 42: Estimated Backlog (2011 Census Stats SA)

Total Number of Households	No of Households	No of Household not electrified	% Electrified
12 550	7093	5457	57%

The number of households electrified based on completed INEP projects from 2001 to date excludes Eskom and Customer Funded Programme. The total backlog for electricity within Mkhambathini Municipality is 43%.

3.4.4. ACCESS TO COMMUNITY FACILITIES

There are 18 community halls within Mkhambathini Municipality, of which local community mainly uses these halls. The provision of services such as access to water, electricity and sanitation are limited to just a few of these halls. In addition, it is stated that some the halls are in a bad state of disrepair. In the strategic planning session, it was then decided that there needs to be a thorough assessment of all the community halls which guide the maintenance and servicing in the next coming five years. Mkhambathini Municipality does not have authorized cemetery sites and crematoria. Currently the communities within the rural areas bury in the homesteads and those that prefer to use cemeteries, including those in the urban areas use the sites in the neighboring municipalities (mainly Mophela and Catoridge in Ethekeeni, Msunduzi and Umshwathi).

Council has approved and adopted a Community Facilities Policy 31 March 2018

Table 43: Access to Community facilities

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

There is no standard prescribed in terms of population catchment for sports facilities but a 15 minutes' drive by Public Transport facilities is recommended. Mkhambathini does not appear to be encountering backlogs in terms of the adequacy of these facilities but the challenge is maintaining these to keep them in a proper condition.

Table 44: Community Halls Status

WARD	NAME OF THE HALL	CONDITION	STATUS
Ward 1	Gcina Hall	Maintenance Required	None
	Stingini Hall	Maintenance Required	Maintained in 2017/18 Year
	Maqongqo hall	Maintenance Required	Maintained in 2017/18 Year
Ward 2	Abebhuzi hall	Maintenance Required	Maintained in 2017/18 Year
	Ophokweni hall	Maintenance Required	None
	Ngangezwe hall	Maintenance Required	Maintained in 2017/18 Year
	Hlukana Hall	New	None
Ward 3	Nkanyezini Hall	Maintenance Required	None
	Camperdown Town Hall	New	Upgrade required
Ward 4	Njobokazi Hall	Maintenance Required	Maintained in 2017/18 Year
	Kwaponi Hall	Ground Works Required	None
	Dukes Hall	New	None
Ward 5	Mqampompweni hall	Maintenance Required	None
	Nkosi Mdluli Hall	New	None
	Ogagwini hall	Maintenance Required	None
Ward 6	Ismont hall	Maintenance Required	None
	KwaDwengu Hall	New	None
	Charles Mkhize hall	Maintenance Required	None
	Mpangisa Hall	New	None
Ward 7	Mpekula	Maintenance Required	None
	Esgodini Hall	Maintenance Required	None

This is highly unlikely, as Mkhambathini is well established, and with the amount of schools, several multipurpose facilities must have been constructed to be utilised by the community and the schools. The data indicating the number and location of community halls should be confirmed and the Municipality is in a process to map all these facilities. Mkhambathini makes provision of Early Childhood Development Centres within the municipal area .

3.4.5. COMPLETED 2018/2019 PROJECTS

Table 45: completed Projects 2018/2019 and 2019/20

PROJECT NAME	AREA	STATUS
Njobokazi Creche	Ward 4	Completed
Gulube Creche	Ward 7	Completed
Abebhuzi Creche	Ward 2	Completed
KwaDwengu Community Hall	Ward 5	Completed
Camperdown Town Hall	Ward 3	Completed
Nobhala Access Road	Ward 3	Completed
Inkosi Mdluli Community Hall	Ward 5	Completed
Mdala Access Road	Ward 4	Completed
Mkhishwa Access Road	Ward 6	Completed
Ezinembeni Creche	Ward 1	Work-in-progress
Manzamnyama Community Hall	Ward 2	Work-in-progress
Okhalweni Creche	Ward 7	Work-in-progress

3.4.6. HUMAN SETTLEMENT

The Municipality has approached the Department of Human Settlements for assist with reviewing our housing sector plan which is outdated and is currently being reviewed to intensify the alignment of KZN Human Settlements Master Spatial Plan, which aim to address the housing development within the municipality. This implies that future housing delivery and development that takes place within Mkhambathini should be incorporated with the master spatial plan which will look into supporting the process and guide spatial planning for local the municipality, based on the Master Spatial Plan Concept document the municipality's housing sector plan be in accordance with the spatial principles which look into the following:

- ✓ **Justice:** The human right to access and use land recognises that people must have access to land for the purpose of their livelihood..
- ✓ **Sustainability:** The core principle of sustainability emphasises environmental and social responsibility, integration and affordability.
- ✓ **Resilience:** "A Resilient City is one that has developed capacities to help absorb future shocks and stresses to its social, economic, and technical systems and infrastructures so as to still be able to maintain essentially the same functions, structures, systems, and identity"¹ and the following design principles are applied: diversity, redundancy, modularity and Independence of System Components, feedback sensitivity capacity for adaptation, environmental responsiveness and integration
- ✓ **Quality:** Human settlements on well-located land where suitable locations that are responsive to a localised development context and subject to particular developmental objectives.
- ✓ **Efficiency:** Asset management that results in value creation is important for the future vibrancy of land markets.
- ✓ **Good administration** Enhanced governance and participation process (SPLUMA, 2013)

Additional to the above spatial principles the alignment of the Municipalities Housing Sector Plan to the KZN Human Settlements MSP should:

- Create a spatial framework to guide investment by all state departments and state-owned companies and specifically the Human Settlements Sector
- Provide guidance to the implementation of all MTSF targets in alignment with a spatial plan and approval of projects
- Support the process and guide spatial planning for the Local Municipality and Provincial authorities.

PRINCIPLES ON SUSTAINABLE HUMAN SETTLEMENTS

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

The focus on the provision of housing should not only be on housing delivery but also on housing development with a greater positive impact for the residents to be able to sustain their livelihood within that locality and within the vicinity of social facilities and economic opportunities to make it easier for the community to commute, in order to obtain services and employment opportunities.

This requirement is intended to address the legacies of the past whereby individuals (especially the less privileged) were subjected to poor living conditions with a serious lack of amenities to sustain their livelihood within those settlements. The provision of housing should be an integrated approach to development using the delivery of shelter as a primary focus but including amongst other things basic service delivery (i.e. potable water, appropriate sanitation and access to electricity), obtaining or upgrading of land tenure rights, ease of access to adjacent communities and economic services, job creation plus skills transfer (i.e. during construction stages) and the outcomes should also build self-esteem in the end users.

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

RURAL HOUSING DEMAND

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

URBAN HOUSING DEMAND

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

Figure 22: Population and Household Increase Graphs

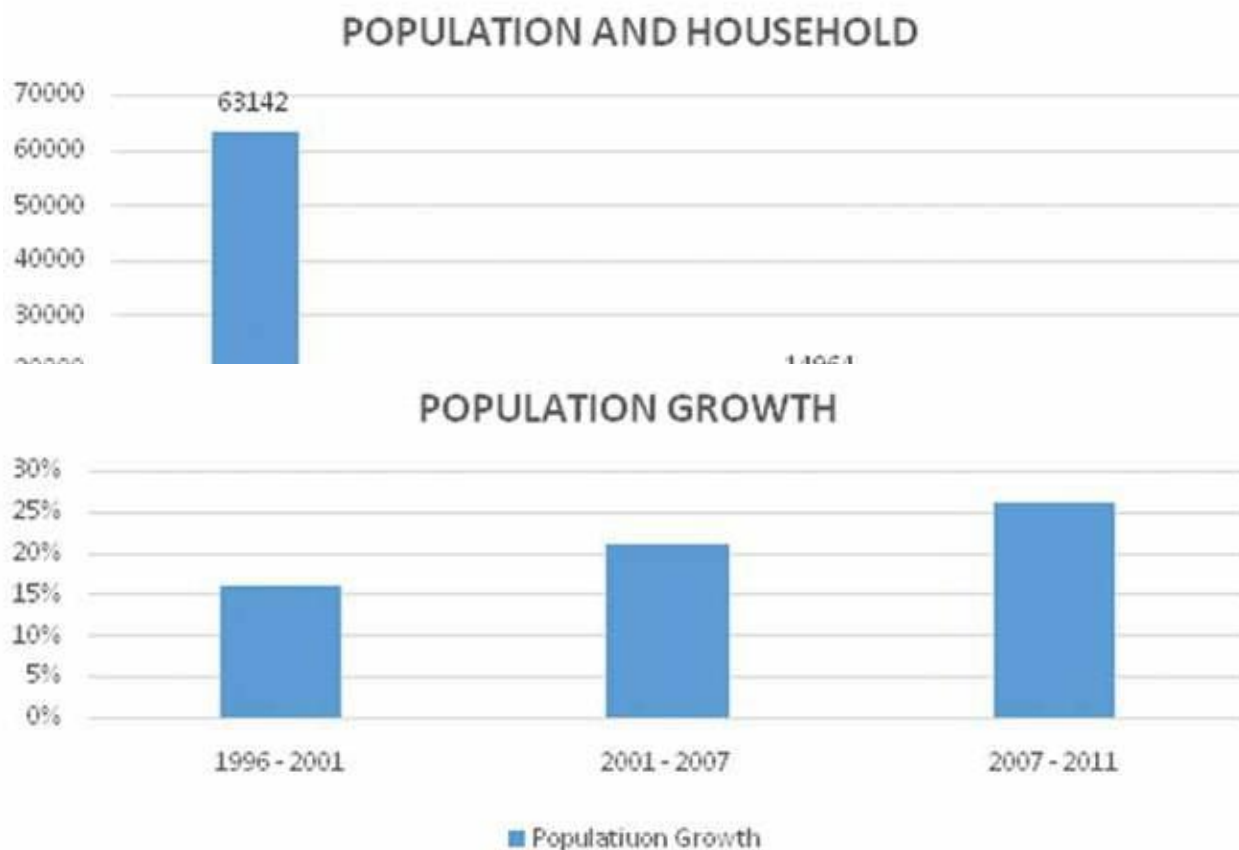


Table 46: Projects under the implementing stage

PROJECT NAME	HOUSING UNIT	COMPLETION YEAR	STATUS
Maqongqo Rural housing Project	500	2015-2019	Under construction
Mbambangalo Rural Housing Project	500	2015-2019	Under construction
Kwa-Mahleka Rural Housing Project	500	2015-2019	Completed
KwaNjobokazi Rural Housing Project	401	2015-2019	Under construction

Table 47: Projects at planning stage

PROJECT NAME	HOUSING UNITS	EXPECTED COMPLETION YEAR	STATUS
Stockdale Project	250	2018-2021	detailed environmental study is required
Portjie Slums Clearance Project	500	2018-2021	land issues

Table 48: Projects at inception stage

PROJECT NAME	HOUSING UNITS	STATUS
Rental stock	400	Planning stage
Rural housing Project Ward 2	1000	Planning stage
Rural housing Project Ward 5	1000	Planning stage

Table 49: Housing Projects Breakdown

PROJECT NAME	WARD	NO OF SUBSIDIES	PROJECT VALUE	MONIES SPENT TO DATE	START DATE	END DATE	HOUSES BUILT TO DATE
KwaMahleka Rural Housing	5	500	R36 742 530	R23 770 972.93	June 2012	June 2015	220
Mbambangalo Rural Housing	1	1500	R123 632 115	R119 526 139.48	June 2012	June 2015	1500
KwaNjobokazi Rural Housing	4	400	R41 043 191.55	R9 491 412.99	March 2013	March 2015	78
Maqongqo Rural Housing	1	500	39 260 581.55	R32 484 765.18	May 2007	June 2013	405

Table 50: New potential projects

Stockdale:	This project has been recently approved by the Department of Human Settlements for 250 units for the Financial Year.
Portje:	This is a slums clearance project which is planned to have approximately 481 units. However, there is a land issue, the owners challenged the expropriation.
Mkhambathini Ward 7 & 6:	A service provider has been appointed and currently on site for the construction stage. No challenges reported.
Mkhambathini Wards 2 & 5:	These are new projects and the service provider still needs to be appointed. The project is planned for 2021-2024 financial years.

Table 51: Other Potential Projects:

WARD	NUMBER OF BENEFICIARIES
Mkhambathini Ward 6	200 units
Mkhambathini Ward 3	400 units

Middle income development the land is owned by Ethekewini Metro. The municipality is engaging the Metro to transfer the land with an aim of building rental stock.

2016 COMMUNITY SURVEY INDICATOR

Table 52: Dwelling Type

Year	FORMAL	TRADITIONAL	INFORMAL	OTHER
2011	26040	1347	2723	380
2016	32904	1563	3052	374

Source: (2011 Census Stats SA)

OPERATION SUKUMA SAKHE: HOUSING DELIVERY CASES

- 32 units have been profiled from various wards. The service provider has been appointed but reluctant to start the construction due to the reasons that the houses are far apart and this might cost more than the allocated funds. Discussions are held with other service provider.
- Beneficiaries assisted under Mbambangalo Project, all houses are completed, 5 beneficiaries already benefiting from the Maqongqo Housing Project.
- The contract for the previously appointed service provider for 32 interventions was terminated in October 2013. A new service provider is being engaged to take over the project. One house got burnt at Maqongqo and will form part of Operation SukumaSakhe.
- Three projects have been identified from ward 2, 5 and 6 and the beneficiaries are currently being verified.

TOTAL HOUSING DEMAND AND BACKLOG

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

TELECOMMUNICATION INFRASTRUCTURE

Mkhambathini is supplied with the necessary telecommunication infrastructure, such as coverage by cell phone service provider and Telkom. As such, the area is serviced with communications technology which is easily accessible to individuals Telecommunication infrastructure is still a challenge within the broader Mkhambathini area. Challenges range from different networks coverage, Internet accessibility as well as availability of other telecommunication services. With special reference to the rural wards in

Mkhambathini area, there is a huge challenge of lack of network coverage for cell phone usage. As a result, the municipality undertook to conduct a survey in all seven wards to establish the areas that lack network coverage. The survey was conducted between July-October 2017 and the GPS Coordinates were taken from all wards and sent to various network providers [see attached GPS Coordinates from all 7 wards].

Table 53: Mkhambathini Municipality GPS co-ordinates survey Result

AREA	GPS CO-ORDINATE
✓ Phoswa Farm	S 29 44 139 E 030 31 107
✓ Mavalindlela	S 29 44 897 E 030 30 345
✓ Killarney Isles	S 29 45 282 E 030 30 387
✓ Mandalay Farm	S 29 44 744 E 030 29 457
✓ Atlas Farm	S 29 46 366 E 030 31 491
✓ Mpushini	S 29 41 888 E 030 29 630
✓ Do Vale Farm	S 29 46 226 E 030 30 457
✓ Cosmo School	S 29 46 311 E 030 29 920
✓ Cosmo Farm	S 29 46 218 E 030 29 648
✓ Malandela	S 29 47 227 E 030 32 413
✓ Ja Paul & Sons Farm	S 29 47 073 E 030 30 730
✓ LionPark	S 29 39 942 E 030 31 222
✓ Umlaas Road: Evengrass	S 29 45 282 E 030 30 387
✓ Evengrass	S 29 46 944 E 030 28 518
✓ Lion ParkSites	S 29 38 957 E 030 32 877
✓ Lettie Mkhize Creche	S 29 48 533 E 030 30 314
✓ Vans Manderstone	S 29 44 292 E 030 26 326
✓ Ngomankulu	S 29 47 479 E 030 28 143
✓ Nkanyezini	S 29 38 248 E 030 33 822
✓ Beaumont Farm	S 29 47 929 E 030 27 825
✓ Okhalweni	S 29 40 016 E 030 37 684
✓ Ngangezwe	S 29 39 406 E 030 37 061
✓ Ntweka	S 29 37 916 E 030 34 318
✓ Khalamanzi	S 29 38 579 E 030 36 594
✓ Mbungwini	S 29 38 338 E 030 36 263
✓ Ophokweni	S 29 39 545 E 030 38 194
✓ Manzamnyama	S 29 38 429 E 030 38 924
✓ NagleDam	S 29 37 869 E 030 38 647
✓ Emabomvini	S 29 51 359 E 030 29 884
✓ Mbutho Primary	S 29 51 428 E 030 35 284
✓ Gcina Primary	S 29 35 785 E 030 35 315

AREA	GPS CO-ORDINATE
✓ Redlands Farm	S 29 51 788 E 030 30 023
✓ Eston	S 29 52 059 E 030 31 638
✓ Baniyena Clinic	S 30 07 106 E 030 35 243
✓ Dukes Farm	S 29 52 083 E 030 32 581
✓ Muzi Hall	S 29 51 721 E 030 35 422
✓ Stoney Ridge	S 29 51 937 E 030 29 961
✓ Uminathi School	S 29 51 807 E 030 35 241
✓ Waverly Farm	S 29 52 091 E 030 30 538
✓ Mbutho	S 29 51 853 E 030 35 269
✓ Brendasfontein Store	S 29 51 853 E 030 35 270
✓ Bebhuzi	S 29 36 651 E 030 38 313
✓ Maqongqo	S 29 34 907 E 030 32 266
✓ Eston Primary	S 29 52 378 E 030 29 994
✓ Number 2	S 29 36 004 E 030 37 706
✓ Maguzi Clinic	S 29 34 779 E 030 33 851
✓ Njabulo Clinic	S 29 36 174 E 030 38 032
✓ Villa Maria School	S 29 34 738 E 030 34 200
✓ Number 1	S 29 35 432 E 030 36 964
✓ Njobokazi	S 29 52 578 E 030 34 776
✓ NagleDam	S 29 35 387 E 030 37 669
✓ Nonzila	S 29 34 554 E 030 35 413
✓ WhiteCity	S 29 34 332 E 030 34 407
✓ Desdale	S 29 55 501 E 030 32 639
✓ EMakholweni	S 29 57 606 E 030 38 864
✓ Mid-Illovo	S 29 59 347 E 030 31 910
✓ Emdakeni	S 30 00 098 E 030 31 148
✓ Jabula Store	S 30 00 228 E 030 31 755
✓ Mpangisa	S 30 00 835 E 030 30 934
✓ SDingane	S 30 02 076 E 030 32 753
✓ Kwathomi	S 30 01 948 E 030 01 948
✓ Esgodini	S 30 02 537 E 030 32 823
✓ Gulube Primary	S 30 02 552 E 030 31 473
✓ Dwengu	S 30 02 678 E 030 33 650
✓ DwenguEzansi	S 30 02 797 E 030 34 154
✓ Sgodini Hall	S 30 03 083 E 030 32 115
✓ Gulube2	S 30 03 334 E 030 31 282
✓ Baniyena	S 30 03 747 E 030 31 421
✓ Embo	S 30 04 279 E 030 32 527

AREA	GPS CO-ORDINATE
✓ Othiyeni	S 30 04 387 E 030 33 912
✓ Ngilanyoni	S 30 04 323 E 030 35 242 S 30 04 840 E 030 33 007
✓ Mgwenywa	S 30 05 052 E 030 31 678
✓ Mpekula/Jilafohla	S 30 05 099 E 030 34 679
✓ Mgwenya2	S 30 05 463 E 030 31 744
✓ Endaya	S 30 05 765 E 030 35 368
✓ Ntsongeni	S 30 06 960 E 030 34 629

FINAL IDP 2020/21

SERVICE DELIVERY AND INFRASTRUCTURE: SWOT ANALYSIS

Table 54: Service delivery and infrastructure: SWOT analysis

STRENGTH	WEAKNESS
<ul style="list-style-type: none"> Electricity supply has been reasonable extended to the rural areas i.e. tribal council areas. The location of the municipality near Oribi Airport in Pietermaritzburg, King Shaka International Airport and Dube Trade Port is an advantage for investment and trading opportunities within the area. A very small housing backlog exists within the urban area. availability of Housing Sector plan availability of (SDF) Spatial Development Framework Plan Well defined nodal areas in the municipality Functional Shared Services Model to support development and spatial planning. Government Grants Strong intergovernmental relations 	<ul style="list-style-type: none"> Lack of bulk water infrastructure to support development within some parts of the municipality. Most of the roads (69%) within the Municipality are gravel which limits the development prospects in some areas. There is no storm-water master plan resulting in ad hoc project implementation. There is general lack of public transport facilities in the Mkhambathini Municipality, the few existing alternatives are informal and require serious upgrading. There is a huge housing backlog in rural areas. There is a huge housing backlog in rural areas. Lack of available land for Housing Development Slow pace on the implementation of housing projects Most people will move to urban centres Backlogs in the provision of other basic services: Access to refuse removal Lack of Waste Disposal Facilities Land Fill Site Inadequate capital projects funding
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Plans to construct a new Waste Water Treatment Works with a 2MI capacity within Camperdown will unlock development opportunities. The National government's massive investment in rail infrastructure may 	<ul style="list-style-type: none"> ✓ Failure to implement the National Environmental Management Waste Act No. 59 of 2008 (extending waste management to tribal council areas) due to unaffordability of this service. ✓ Failure to deliver community facilities (health and libraries) that are needed due to disqualification by
<ul style="list-style-type: none"> result in the revamp of the railway line connecting Durban-Pietermaritzburg-Witwatersrand. This will be of great benefit to Mkhambathini. 	<ul style="list-style-type: none"> planning standards, resulting in community uproar. ✓ Delays in grant approval for housing projects ✓ Climate change ✓ Fleet breakdowns ✓ Natural disasters ✓ Constrained infrastructure (Electricity substations); ✓ Vandalism of municipal assets by the community ✓ Privately owned land/Out of boundary ✓ Illegal dumping and connections ✓ Poor quality of emerging contractors

3.5. LOCAL ECONOMIC DEVELOPMENT (LED) SOCIAL DEVELOPMENT ANALYSIS

3.5.1. LOCAL ECONOMIC DEVELOPMENT STRATEGY/PLAN

On 29 November 2017, the Council of Mkhambathini Municipality adopted the revised LED Strategy. The revision of the strategy was outsourced. However, a project steering committee was set up to facilitate the process and ensure public representation. The stakeholders that were involved in the process were Department of Economic Development, Tourism and Environmental Affairs, COGTA, SALGA, Department of Agriculture, uMgungundlovu District, Mkhambathini Community Tourism Association, Beaumont, Umgeni Water, Cooperatives, SMMEs and Mkhambathini Planning section, Rural Development. The strategy aims to provide guidance and direction to the municipality's Local Economic Development unit.

The ultimate objectives of the municipality in developing, adopting, and implementing the LED strategy are mainly to achieve.

- ✓ A co-ordinated economic development approach that ensures that the municipality retains a systematic competitive advantage.
- ✓ An optimisation of the LED resources within the municipality to retain and attract investment.
- ✓ A single differentiated LED strategy that reflects a unique nature of Mkhambathini.

The development of the LED strategy was done through the project steering committee which involve various stakeholder representing the community, business, agricultural, government and tourism industry. The municipality's LED Strategy is aligned with the PGDP, DGDP and is currently being reviewed to align with the DDM priorities. The Mkhambathini Municipality's LED Unit has developed a good working rapport with UMEDA which is the District Development Agency. Currently the major project being jointly implemented/ developed is the RASET programme as well as the N3 Corridor Development project.

Currently the municipality has not been able to set aside a budget for research and development. However, the municipality is open to allowing university students wanting to do research within the municipality. Deliberations of collaborations with institutions of higher learning are underway. The development of the strategy was driven by the core and enabling pillars of the National Framework on LED.

The task of economic development is a domain on local government, just as it is for National government. While the national government sketches broad strategic road maps such as the National Development Plan, Local government represents the most relevant space through which meaningful development can take place. This is mainly because the government is closest to the people on a local level. As such, local government relates to the context, culture and challenges in a more constructive way than other tiers of government. Section 2.1.4 and section 2.3 both illustrate how the LED strategy has been linked with the PGDP and DGDP.

Further to this, the LED strategy document attached as an annexure to this IDP further explains this link (on pages 7-9)

3.5.2. LOCAL ECONOMIC DEVELOPMENT INTERVENTIONS

Section 2.8-2.9 of the Mkhambathini Municipality's LED Strategy refers to the municipality's spatial development plans.

The vision of the municipality as per the SDF is that Mkhambathini intends to have;

"A municipal spatial structure which promotes the sustainable use of land, biophysical and infrastructural resources for the economic and social growth and development towards the most equitable distribution of local opportunities to various role-players within the municipality."

It is to be noted that the municipality is currently reviewing the SDF to ensure compliance with the SPLUMA requirements and accommodate the planned development as per the N3 Corridor development plans.

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

Table 55: Local Economic Development Projects

COOPERATIVE NAME	PROJECT DESCRIPTION	CHALLENGES	SUPPORT REQUIRED	ESTIMATED FIGURE	WARD
Umnothowezwe	Piggery farming and is owned by 100% Youth.	Ward issues resulted in the project moving to another area	Sows, Boars, Weaners and Grower; Feeds, and Medication	R50 000	1
Zamokuhle	Vegetable growing (project functional)	Working tools, water shortages, fencing of the gardens.	Fencing, Watering material, and seeds	R140 000.00	2
Siyanqoba Indlala	Vegetable growing (Project Functional)	Water shortage, insecticides destroying vegetables, working tools	Watering material, and seeds	R40 000.00	4
Imbokodo Farming and Projects	Vegetable Growing (Project functional 100% owned by Youth)	Lack of production skills	Fencing of the Garden Watering material and seeds	R140 000.00	5
Thubalethu	Vegetable growing (Project Functional 5 Youth members participating and adults)	Water shortage	Fencing of the Garden, Watering Material, chemicals and seeds.	R125 000.00	6

Table 56: Other Local Economic Development Activities

ITEM	OBJECTIVE	ACTIVITY	AMOUNT	TARGET DATE
Crafters Support	To ensure that the material produced in in line with the changes in the crafters market	Procure Beads, Cloths, Wool, Machinery and Skills in Financial Management	R40 000.00	March 2021
Cultural Festival	To promote and instill cultural activities within the Municipality.	Hold Cultural and talent search, participate in the district completion.	R331 800.00	September 2020
Artists Capacity Building	To identify artists with a potential to grow in the industry	Coordinate workshops for artists in consultation with department of arts and culture	R33 600.00	April 2021
Reeds dance	To coordinate reed dance activities	Promote moral regeneration with young and old girls Participate in the reed dance held in KwaNongoma on an annual basis	R94 200.00	September 2020
Support to all cooperative	To promote agricultural activities implemented by cooperatives within the Municipality.	Construction and handover five borehole for to support irrigation system for cooperatives.	R750 000	June 2020

The Local Economic Development role players within Mkhambathini Municipality are firstly the Municipal Council, Traditional Authorities, all the communities and residents within the seven (7) wards of Mkhambathini, business community, uMgungundlovu District Municipality, investors, uMgungundlovu Development Agency, Government Departments and government entities (ie: Eskom, Umgeni Water).

3.5.3. LOCAL ECONOMIC DEVELOPMENT SWOT ANALYSIS

Table 57: LED SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ✓ Led Unit in place ✓ Functional LED Support structures ✓ Led, PSC in place ✓ Informal Traders Chambers in place ✓ Commercial and Subsistence ✓ Location in relation to the economic Hub (Durban and Pietermaritzburg) ✓ Good Weather conditions 	<ul style="list-style-type: none"> ✓ Few alternatives approach to sustainable development and as recycling, exploitation of natural and renewable energy sources. ✓ Insufficient funding support LED programmes ✓ Poor Monitoring and Evaluation
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ✓ Agricultural, Tourism ✓ Sand mining ✓ Establishment of business chamber ✓ LED partnership (Private and Social) ✓ LED Strategy Reviewable ✓ National and Provincial Focus on the N3 Corridor Development 	<ul style="list-style-type: none"> ✓ Impact of Global Warming ✓ Land Ownership ✓ Unreliable Water Supply ✓ Poverty ✓ Lack of Proper road infrastructure ✓ Lack of proper road infrastructure

3.5.4. KEY ECONOMIC DRIVERS

AGRICULTURE

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

Furthermore, the municipality is working with the Department of Rural Development, the Department of Agriculture and Umgungundlovu District Municipality to develop a business plan geared to setting up a Mkhambathini Farmer Support Unit that will feed to the Umgungundlovu agri-park. The farmers identified will also be assisted to venture into agri-processing. The business plan is still at research phase of ensuring that all developing farmers within Mkhambathini are included.

The municipality is working closely with the development agency (UMEDA) to ensure that there is no red tape that will hinder the development of emerging farmers.

SMME's

The existence of a strong and dynamic small, micro and medium enterprises (SMMEs) sector indicates a relatively good health of the local economy.

The Municipality has successfully established sector specific forums for engagement and action on various LED related programmes within those sectors. In the ended financial year, the Business forum (SMMEs and Cooperatives), Agricultural forum, Informal Traders forum and Arts and Craft Council were re-established.

Mkhambathini municipality has a strong mix of the SMME sector, which in many instances is positioned to take full advantage of the locality – between the port of Durban and the Capital City of Pietermaritzburg. These range between:

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

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

TOURISM

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

- ✓ Eco-tourism: Private game ranches offering up-market accommodation and wildlife trails for visitors include the following:
- ✓ Tala Valley Game Ranch,
- ✓ Killarney Game Ranch
- ✓ Mgwahumbe Game Lodge
- ✓ Table Mountain
- ✓ WhiteLodge
- ✓ INsingizi Lodge,
- ✓ Emoyeni Guest Lodge
- ✓ Sugar Fields Bird and Breakfast
- ✓ Lion Park, and Zoo
- ✓ African Bird of Sanctuary

Agro-tourism: The Sakabula Circuit comprises several auto routes that meander through the municipality, linking it to adjacent area (Thornville, Baynesfield, Richmond, and Byrne Valley) and

offers scenic views as well as country attractions, such as fresh produce, clothing and farm stalls as well as accommodation.

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

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

3.5.5. KEY NATURAL RESOURCES

MINING

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

THREATS/CONSTRAINTS FACING LOCAL FIRMS/INDUSTRIES AND BUSINESS

Challenges facing Local Firms/ Industries and businesses:

- ✓ Tax Burden
- ✓ CAPEX Requirements
- ✓ New Competition
- ✓ Skills Shortage in the Sectors
- ✓ Lack of Land
- ✓ Poor Roads Conditions
- ✓ Insufficient Water and Electricity Provisions Planning and Zoning Regulations
- ✓ Difficulty in accessing business licensing and operational permits.

KEY ECONOMIC PARTNERS

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

Table 58: Key Economic Partners

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

3.5.6. PROGRAMME SEEKING TO TRANSFORM LOCAL TOURISM PLAYER

The Municipality through the LED and Tourism section has established a database of tourism players within the Municipal boundaries. The Municipality assisted in developing a marketing brochure which will be distributed through the District wide tourism. A tourism forum has been established with tourism players within the municipality.

3.5.7. PROGRAMME TARGETING EMERGING FARMERS

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

Furthermore, the municipality is working with the Department of Rural Development, the Department of Agriculture and uMgungundlovu District Municipality to develop a business plan geared to setting up a Mkhambathini Farmer Support Unit that will feed to the uMgungundlovu agripark. The farmers identified will also be assisted to venture into agriprocessing. The business plan is still at research phase of ensuring that all developing farmers within Mkhambathini are included

3.5.8. PROGRAMME TARGETING TO IMPROVE COMPETITIVENESS OF SMME'S/COOPERATIVES

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

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

3.5.9. INITIATIVE AIMED AT REDUCING RED TAPE

The municipality is working closely with the development agency (UMEDA) to ensure that there is no red tape that will hinder the development of emerging farmers also noting that, Mkhambathini Municipality's LED Unit has developed a good working rapport with UMEDA which is the District Development Agency.

3.5.10 PROGRAMME TARGETING INFORMAL ECONOMY

The municipality currently does not have an adopted informal economy policy. This will be developed and adopted before the end of 2020/2021 financial year. The Municipality has developed a draft Business Investment and Retention policy which is yet to be submitted to Council.

The informal Economy makes an important contribution to the economic and social life of most South African Citizens, including most residents in Mkhambathini. It developed rapidly in the 1990's due to deregulation of the economy and the transition to a democratic political system, The Informal economy in Mkhambathini municipal area is heterogenic, ranging from child careers and domestic workers. The sector is often characterised by its flexibility, creativity, resilience to absorb shocks, and its ability to adapt to changing external environments.

However, by its description it falls outside the regulatory environment in which all formal businesses and their workers operate, increasing the risks faced by informal economy workers and enterprises, and reducing the support and protection of these workers and enterprise can receive from government. Informal traders in Mkhambathini, as represented in the following figure, provide a variety of merchandises to their clients that cut across many economic activities. Some of them include beading work, live chicken, dressmakers, hairdressers, spaza shops with variety of goods.

The municipality's Local Economic Development unit facilitated training for the informal sector businesses that carried out by SEDA, with the aim of capacitating them with business skills that enable growth and development of their businesses. Furthermore, the Department of Small Businesses through SEDA is in the process of procuring business resources for the informal businesses that were trained.

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

The following projects were identified during the public consultative meetings in March 2017.

Table 59: Women, Youth and PLWD Programmes

WOMEN	YOUTH	DISABLED
<ul style="list-style-type: none"> Beadwork 	<ul style="list-style-type: none"> Swimming Tissue Making 	<ul style="list-style-type: none"> Centre for Physio Shoe Making Tissue Making Bead Work

3.5.12. SECTORS GENERATING JOBS

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

Table 60: Agricultural sectors share of contribution towards formal employment

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

Table 61: Manufacturing

Mkhambathini	Manufacturing
2008	934
2009	974
2010	905
2011	922

Table 62: Finance

Mkhambathini	Financial Services
2008	643
2009	667
2010	635
2011	666

Table 63: Community Services

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

While the declining performance of primary and secondary sectors in terms of overall contribution towards employment has contributed to the country's industrial base losing share of the overall share of the market in terms of export opportunities, etc. the performance of tertiary sectors such as financial and community services has been generally positive. However, the growth in terms of employment and overall GVA of the tertiary services has generally been from a relatively low base compared to the size of the primary and secondary sectors.

While the decline in the share of employment contribution by primary and secondary sectors can be attributed to factors such as globalisation and restructuring of international trade requirements, there are also a number of domestic factors (both at national and local levels) which may be contributing to this state of affairs. These may include the following:

- ✓ Land claims process;
- ✓ Lack of skills;

- ✓ Limited contribution of subsistence-based agriculture; and
- ✓ Rising cost of capital and related input costs

SMME'S

The existence of a strong and dynamic Small, Micro and Medium Enterprises (SMMEs) sector indicates the relatively good health of the local economy. Based on general personal observations and experience with the local business environment within Mkhambathini Municipality, there is a fairly strong mix of the SMME sector, which in many instances is positioned to take full advantage of the locality between the port of Durban and the Capital City of Pietermaritzburg. These range between informal traders, which are largely concentrated along the Camperdown CBD, small scale poultry production projects, furniture manufacturing operations, Bed and Breakfast establishments and relatively large-scale feed operations and sugar mills.

Spatially, subsistence and informal operations with limited economic and business infrastructure are located within the largely traditional authority areas, which are located at the extreme ends of the Mkhambathini Municipality. Medium and relatively large-scale business operations (both commercial and industrial in nature) are usually found within the central and generally flatter areas of Mkhambathini Municipality. These areas are well served with economic, communication, institutional and transportation infrastructure.

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

AGRICULTURE

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

The importance of the agricultural sector within Mkhambathini Municipality is underlined by the sector's overall contribution to formal employment as well as GVA. Latest figures show that the agricultural sector is the second biggest, after community services. This is crucial in the sense that while there has been a clear pattern which indicates the decline in terms of the current economic sectors' ability to absorb internal labour and the increase in the reliance towards government support – grants, etc; the capacity of the agricultural sector creates a strong balance.

It is also crucial to note that a large section of the agricultural sector the performance of the subsistence agricultural sector – has never been included in formal policy and strategic documents. As a result, this crucial sector remains invisible when it comes to strategic decision-making processes that can contribute to further growth and development of the sector. Measures are urgently needed for Mkhambathini Municipality to incorporate the developments that are taking place within the subsistence agricultural sector as it supports most people within the Ingonyama Trust land.

TOURISM

Tourism is identified as one of the strategic economic sectors in South Africa. It has the inherent potential to positively impact other sectors of the economy including retail and financial services sectors. Tourism also has high capacity to create jobs for both urban and rural areas and earn the country valuable foreign exchange. Mkhambathini Municipality has a comparative advantage in tourism, which can also be attributed to its locational advantage relative to Durban and Pietermaritzburg. However, it also has its own unique natural, land- scape-based and cultural attributes making it an important contributor.

Attractions range from natural based resources such game reserves, Bed and Breakfast establishments, venture-based activities such as the Duzi and Comrades Marathon and a host of others. Although Mkhambathini has an extensive network of operators which provide an institutional base within which tourism as a sector can be promoted and developed, there is no properly recognised tourism body such Msunduzi Tourism, KZN tourism and so on found in other areas. There is a Tourism Plan in place for the Mkhambathini Municipality. This plan highlights several advantages which both existing and new entrants in the sector could take full advantage of.

MANUFACTURING

The manufacturing sector is the fourth largest sector within the Mkhambathini Municipality in terms of its contribution to employment and economic growth and development objectives. However, its overall share of contribution has been declining during the last few decades. As a secondary sector, it plays particularly important development objectives in terms of job creation and supporting other industries within the local economy. Mkhambathini Municipality has become particularly attractive to industrial investors due to its relatively cheap electricity compared to eThekweni and Msunduzi Municipalities.

Relatively cheap land has also been cited as an additional reason which contributes to the increasing number of industrialists choosing to locate within or near the Mkhambathini Municipality. The third factor that has also been highlighted relates to the location of the Mkhambathini Municipality relative to the N3, the Durban and therefore the overall proximity to export markets. There is an urgent need for the Mkhambathini Municipality to look at compiling and developing its industrial development strategy that will translate these comparative advantages into competitive ones that will seek to achieve the following:

- ✓ Enhance the potential of the agricultural sector.
- ✓ Unlock further industrial development opportunities; and

- ✓ Enhance the potential for logistics and transportation sectors.

MINING

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

3.5.13. IMPLICATIONS

While the Mkhambathini Municipality's economy is considerably smaller than those of Durban and Pietermaritzburg, it is nevertheless intractably linked. It draws a lot of its comparative advantages from the characteristics displayed by these larger economies. The structure of the Mkhambathini Municipality has changed over time. Those economic activities in the primary and secondary sectors which were traditionally used to create and maintain jobs have been shading employment. The role of job creation is now being played by sectors including the following:

- ✓ Informal sector; and
- ✓ Tertiary economic activities

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

- ✓ Develop LED Strategy including SMME and Tourism.
- ✓ Develop informal sector strategy.

3.5.14. TEMPORARY JOBS

Since 2005 to date, 8 people per ward have been employed by the municipality on a rotational and renewable contract basis, cleaning the school yards, halls, crèches and sport fields. The Expanded Public Works Programme (EPWP) is one element within a broader government strategy to reduce poverty through the alleviation and reduction of unemployment. The Expanded Public Works Programme involves creating work opportunities for unemployed persons, and so allowing them to participate economically and contribute to the development of their communities and the country.

Mkhambathini Local Municipality is currently implementing four grant funded projects. The targeted project participants are women and the youth. The focus of the projects is to alleviate poverty and to give young people the necessary work exposure to improve their ability to obtain future sustainable work outside the programme. About 172 short term job opportunities were created in 2017/2018, resulting to 100% grant expenditure as per the Incentive Grant Agreement.

The four projects are as follows:

Figure 24: EPWP Projects

PROJECT	EPWP SECTOR	OUTPUT	NUMBER EMPLOYED
My job, my future		Poverty Alleviation and skills development	7
Ngezandla zethu		Poverty Alleviation and skills development	70
Town Beautification	Environment and Culture Sector	Poverty Alleviation and skills development	30
Sports Stars		Poverty Alleviation and skills development	14

Another job creation project implemented within the municipality is the Community Works Project. This is the programme of the Department of Cooperative Governance and Traditional Affairs (COGTA), implemented by an implementing agency, Insika. The project currently employs 1060 young people from various wards within Mkhambathini Municipality.

3.5.15. STRATEGY TO ENSURE JOB SUSTAINABILITY

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

3.5.16. GREEN JOB INITIATIVES

The Municipality is engaging with WESSA and uMngeni Water to facilitate the creation of Green Job initiatives. Due to limited budget, a business plan for funding has been developed. The Municipality is also looking at creating programmes that make pronouncement of Green Job Initiatives that will enhance job creation within the municipality.

3.5.18 ROLE OF THE MUNICIPALITY: POLICY/REGULATORY ENVIRONMENT

INFORMAL ECONOMY POLICY

The municipality currently does not have an adopted informal economy policy. This will be developed and adopted before the end of 2020/2021 financial year. The Municipality has developed a draft Business Investment and Retention policy which is yet to be submitted to Council.

The main aim of the policy is to regulate the Informal economy, to ensure that the informal traders are taken seriously as business people who also contribute the economy and to also ensure that they are included in the municipal budget. A database on informal traders within Mkhambathini has been developed and the Informal Chamber has also been established and launched. The municipality still has to develop an Informal Economy By- law which is a rule or law established by the municipality to regulate the functioning of the informal traders in line with the

policy. Street vendors form part of the informal traders and are therefore covered by the Informal Economy Policy.

INVESTMENT/RETENTION POLICY

The Municipality has developed a draft Business Investment and Retention policy which is yet to be submitted to Council.

DATABASE FOR MUNICIPAL LAND

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

POLICY REGULATING STREET VENDORS

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

DATABASE FOR SMME'S AND COOPERATIVES

The Municipality has a list of up to date SMME's and Cooperatives database which is maintained by LED section. These lists are consolidated through the Ward Committees and Ward Councillors and are updated on an ongoing basis. The municipality has successfully resuscitated all sub-forum that will make up the Mkhambathini Local Economic Development Forum. The Business forum, Tourism Forum, Agri- forum and Informal Traders forum all meet biannually. The Mkhambathini Local Economic Development Forum will be up and running at the start of 2018/2019 financial year.

PRIVATE SECTOR RESOURCES

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

RESEARCH AND DEVELOPMENT

Currently, Mkhambathini Municipality has not been able to set aside a budget for research and development. However, the municipality is open to allowing university students wanting to do research within the municipality. Deliberations of collaborations with institutions of higher learning are underway.

CAPACITY CONSTRAINTS AND CHALLENGES

The introduction of Economic Hubs and Agricultural programs the LED office has spent most time preparing municipal submissions to the District and this has put a strain on the performance of the unit as a result some of the ward based project which were planned to last part of the year were not achieved.

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

CAPACITY NEEDS

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

INSTITUTIONAL ARRANGEMENTS

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

BUDGET: LED PLAN

LED programmes/ initiatives are budgeted for in the 2018/2019 MTERF Budget. Furthermore, the municipality is working with UMEDA to secure funding of the major LED Catalytic projects.

3.5.19. CAPACITY OF THE MUNICIPALITY

LED UNIT

The LED unit falls under the Community Services section of the municipality and is implemented and facilitated by the LED Officer who reports directly to the Manager of Community Services. The municipality has successfully resuscitated all sub-forum that will make up the Mkhambathini Local Economic Development Forum. The Business forum, Tourism Forum, Agri-forum and Informal Traders forum all meet bi-annually. The Mkhambathini Local Economic Development Forum will be up and running at the start of 2020/2021 financial year. The municipality's LED Manager participates in the District LED Forum. The Municipality also participates in various LED clusters and forums coordinated by the District as part of the District Development Model.

MONITORING AND EVALUATION PLAN

The municipality's LED strategy has a detailed monitoring and evaluation framework. It is to be noted that the LED Strategy is translated into specifically defined actions/projects which are required to assist the Municipality in initiating the LED process within the Mkhambathini Municipality. These actions take the form of projects with catalytic effects in an attempt to further stimulate public and private sector investment towards building a self-sustaining regenerative momentum.

RESEARCH AND DEVELOPMENT BUDGET

Research and Development which was budgeted for under the Office of the Municipal Manager has to be utilized to accommodate Covid-19 measures and priorities in the municipality.

PLAN TO MOBILISE PRIVATE SECTOR RESOURCES

The LED strategy clearly states the municipality's plan to mobilise private sector resources hence the detailed funding strategy is **included on page 48 (of the attached LED strategy).**

Furthermore, the municipality is assisted by UMEDA to access major investors world-wide for the purposes on N3 corridor development. Furthermore, the municipality has also started engaging private developers and landowners for the purpose of developing the municipal area.

PRIVATE SECTOR FUNDING TO IMPLEMENT LED PROJECTS OR CATALYTIC PROJECTS

Currently, the major challenges are linked to the fact that the breakthrough in the municipality's catalytic projects is highly dependent on other sectors, so this is outside the control of the municipality. Currently the installation and reticulation of the wastewater treatment works which is bound to be a breakthrough in the growth and development of the municipality's economic sector is being implemented through the District and Umngeni Water.

3.5.20. SOCIAL DEVELOPMENT

PROGRESS WITH THE ROLLOUT OF THE POVERTY ERADICATION MASTERPLAN.

The Municipality's LED strategy that was adopted by Council in November 2017 aims to fast track the municipality's efforts to eradicate poverty. The LED unit together with the Office responsible for implementation of Operation Sukuma Sakhe are currently working on the Municipality's poverty eradication master plan in line with the projects identified in the LED strategy as well as issues raised at the war room meetings.

PRIORITIES PER WARD

Table 65: Service Delivery Priorities Per Ward

WARD	PROJECT NAME
Ward 1	<ul style="list-style-type: none"> ✓ Access Roads to be rehabilitated. ✓ Electricity ✓ Mast Lights
Ward 2	<ul style="list-style-type: none"> ✓ Housing (RDP) ✓ Electricity (In-Fills and green fills) ✓ Creches (Early Childhood Development Centres) ✓ Mast Lights ✓ Access Roads to be rehabilitated.
Ward 3	<ul style="list-style-type: none"> ✓ Electricity In-Fills ✓ Access Roads to be Rehabilitated ✓ Mast Lights ✓ Old Age home
Ward 4	<ul style="list-style-type: none"> ✓ Community Halls ✓ Access Roads to be rehabilitated. ✓ Electricity In-Fills ✓ Mast Lights ✓ Taxi Rank
Ward 5	<ul style="list-style-type: none"> ✓ Access Road to be Rehabilitated ✓ Community Halls ✓ Mast Lights ✓ Electricity (In-Fills and green fills)

Ward 6	<ul style="list-style-type: none"> ✓ Electricity (In-Fills) ✓ Sanitation ✓ Housing (RDP) ✓ Mast Lights
Ward 7	<ul style="list-style-type: none"> ✓ Creches (Early Childhood Development Centres) ✓ Access Road to be Rehabilitated ✓ Mast Lights ✓ Electricity (In-Fills and green fills)

3.5.21. HEALTH AND EDUCATION SECTORS SITUATIONAL ANALYSIS

EDUCATION SECTOR ANALYSIS

Education level have a major bearing on the quality of life. The ability of an individual to perform certain basic functions due to illiteracy is also part of elements that define human poverty. Low educational levels are likely to push individuals to unemployment and to low paying jobs. Low educational levels also limit the ability of an individual to learn new skills and be trained. Generally, majority of the population in the municipal area have no high educational level.

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

- ✓ Low Information and Technology Skills base
- ✓ Migration of youth to urban areas
- ✓ High unemployment rate
- ✓ High dependency rate
- ✓ Employment of low paying jobs
- ✓ Increase in indigent dependency

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

The Municipality has a vast amount of Early Childhood Centres within the municipal wards there are about 14 ECDs located within the 7 wards of the municipality the following Early Childhood Development Centres within the wards are:

No	Name of Childhood Development Centre	Ward
1.	Njobokazi Creche	Ward 4
2.	Gulube Creche	Ward 7
3.	Abebhuzi Creche	Ward 2
4.	Njobokazi Creche	Ward 4
5.	Nonzila Creche	Ward 2
6.	Makhokhoba Creche	Ward 3

7.	Dukes Creche	Ward 4
8.	Mhali Creche	Ward 5
9.	Dwengu Creche	Ward 6
10.	Nsongeni Creche	Ward 7
11.	Khalweni Creche	Ward 7
12.	Ngoloshini Creche	Ward 7
13.	Ediphini Creche	Ward 7
14.	Ezinembeni Creche	Ward 1

The Following are schools around uMkhambathini Municipality

Table 66: Ward 1 Primary Schools

No	Name of School	Principal
1	Mboyi Primary School	Mr. ZG Mngadi
2	Gcina Primary School	Mr. NJ Mthembu
3	Villa Maria Primary School	Mr. SS Ntaka
4	Maqonqo Primary School	Mrs. Mkhize

Table 67: Ward 1 High Schools

No	Name of School	Principal
1	Mbambangalo High School	Mr. Sibisi
2	Mcoseli High School	Mr. Mtolo

Table 68: Ward 2 Primary Schools

No	Name of School	Principal
1	Nonzila Primary School	Mrs. KJ Ntaka
2	Phangidawo Primary School	Mr. S Mtshali
3	Mphayeni Primary School	Mrs. BB Ngubane
4	Sansikane Primary School	Mr. LE Phetha
5	Table Mountain School	Mr. ZAM Ngidi

Table 69: Ward 2 High Schools

No	Name of School	Principal
1	Inhlanhlayabebhuzi High School	Mr. SPT Hlongwane
2	Banqobile High School	Mr. SB Nkwanyana
3	Ngangezwe High School	Mr. FF Ngubane

Table 70: Ward 3 Primary Schools

No	Name of School	Principal
1	Mpushini Primary School	Mrs. Mbanjwa
2	Ntweka Primary School	Ms NC Mkhize
3	Nkanyezini Primary School	Mr. TJ Vezi
4	Mander Stone Primary School	Ms

Table 71: Ward 3 High Schools

No	Name of School	Principal
1	Nobhala High School	Mr. SN Mkhize

Table 72: Ward 4 Primary Schools

No	Name of School	Principal
1	Camperdown Primary School	Mrs SN Mchunu
2	Cosmoore Primary School	Ms Ndlovu
3	Sethabe Primary School	Mrs. Zungu
4	Mabovini CP School	Mr. BW Maphanga
5	Emfeni Primary School	Mrs Masikane
6	Fairleigh Primary School	Ms RN Dlamini
7	Mabutho Primary School	Mr. FP Nzimande

Table 73: Ward 4 High Schools

No	Name of School	Principal
1	Mabovini High School	Mr. BW Maphanga

Table 74: Ward 5 Primary Schools

No	Name of School	Principal
1	Kwagwegwe Primary School	Mrs. NM Makhanya
2	Power Court Primary School	Mrs. DG Buthelezi
3	Sikhukhukhu Primary School	Mr. TB Wanda
4	Amandlakhe Primary School	Mr. JM Gumede

Table 75: Ward 5 High Schools

No	Name of School	Principal
1	Gcewu High School	Mr. GL Manzini
2	Khayelihle High School	Mr. RN Makhanya

Table 76: Ward 6 Primary Schools

No	Name of School	Principal
1	Desdale Primary School	Mrs. Jordan
2	Itilongo Primary School	Mr. Mofokeng
3	Mpulule Primary School	Ms BB Njapha
4	Egalaji Primary School	Mrs. YB Mtungwa

Table 77: Ward 6 High Schools

No	Name of School	Principal
1	Muntunjani High School	
2	Senzakahle High School	Mr. F.J. Gwamanda
3	Ismont High School	Mrs Khumalo speak Zanele
4	Dwengu high school	Mr Z.M.Chonco

Table 78: Ward 7 Primary Schools

No	Name of School	Principal
1	Gulube Primary School	Mrs. CD Shange
2	Mid-illovo Primary	MR Ndlovu
3	Ondini Primary School	Mr. ME Mhlongo
4	Thembalethe Primary School	Mr TP Gumede
5	Thimuni Primary School	Mr. DI Khawula
6	Baniyena Primary School	Mr. Meyiwa
7	Engoloshini Primary School	Mr. SH Muthwa
8	Othiyeni Primary School	Mr. MN Mhlongo
9	Silokomane Primary School	Mrs. JV Mvubu
10	Ngilanyoni Primary School	Mr. DM Shandu

Table 79: Ward 7 High Schools

No	Name of School	Principal
1	Nsikakazi High School	Mr Ndlovu
3	Nsongeni High School	Mr. Mngadi (tch)

HEALTH SECTOR ANALYSIS

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

The municipality has developed an HIV/AIDS strategy, which will be rolled out from July 2017 – July 2021. This strategy looks at broad programmes of dealing with pandemic in the greater municipal area in the next five years. The fight against HIV/AIDS is handled in a coordinated manner by government departments and NGO's. Community involvement in AIDS awareness campaigns is crucial where strategies like abstinence, education and other relevant methods are embraced with active participation from councillors, traditional leaders, church leaders, school stakeholders, and sports stakeholders.

3.5.22 SAFETY AND SECURITY

The Municipality has a number of police stations within its jurisdiction. The current state is that the communities in other areas indicate that the station is not properly servicing them, as there is a level of resources for the police to perform their jobs. During the public participation process the following issue were to be considered to improve this service:

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

MUNICIPAL SAFETY PLAN

The municipality has developed a draft community safety plan that has been noted by council. The plan has been drafted and the municipality will be assisted by the Department of Community Safety and liaison to assist us into looking the safety measures and guidelines of developing a plan which contains the strategic interventions formulated to improve the safety of the community, visitors and those who do business in Mkhambathini Local Municipality. The municipality will coordinate the implementation of this Community Safety Plan, which can only be implemented through a multi-disciplinary approach outlined in the 1996 National Crime Prevention Strategy in partnership with Disaster Management Unit of UMDM and Community Safety and Liaison Department.

COMMUNITY DEVELOPMENT (VULNERABLE GROUPS)

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

PLANS TO RESPOND TO VULNERABLE GROUPS

In line with the Provincial special programmes as well as Operation Sukuma Sakhe, the municipality has a special programme unit which are specifically made of the following sectors within the Municipality:

- ✓ Children
- ✓ Senior Citizens
- ✓ Persons living with Disabilities; and
- ✓ Gender.

These sectors are to have forums which are sub forums of the Mkhambathini Special Programmes Forum. It is to be noted that the Disability Forum was established in 2017 and the Municipality is in the process of setting up the other sub-forum. The special programmes forum will be launched in 2020/2021 under Operation Sukuma Sakhe, the Municipality through the Mayor champions the Local Task Team that Monitors the functionality of the war rooms in all seven (7) wards of the municipality. Furthermore, the municipality implements campaigns called operation MBO where in various essential Departments gather to render services to the communities in need for the purposes of speeding the process of obtaining legal documents, social grants, access to schoolsetc.

FOOD PRODUCTION INITIATIVES

Through the Department of Agriculture's Extension Officers, communities, cooperatives and Households are assisted to access resources for starting and sustaining food gardens. Furthermore, the Municipality has an Agri-Forum open to all community members interested in farming and small-scale gardening.

NATIONAL SCHOOL NUTRITION PROGRAMME (NSNP)

Presently the Department of Education implements the National School Nutrition Programme. It should be noted that once the Food Production Initiatives programme are functioning well the Municipality will work together with the DoE to ensure sustainable NSNP.

3.5.23. SOCIAL DEVELOPMENT SWOT ANALYSIS

Table 80: Social Development SWOT Analysis

STRENGTH	THREAT
<ul style="list-style-type: none"> ✓ Health inter-departmental cooperation ✓ Good Communications internally and externally with the departments ✓ Good team spirit and dedication to serving the community 	<ul style="list-style-type: none"> ✓ High rate of poverty ✓ High unemployment rate ✓ High illiteracy rate ✓ High dependency to the municipality by communities ✓ Safety of the community
OPPORTUNITIES	WEAKNESSES
<ul style="list-style-type: none"> ✓ Ability to source funding from government ✓ Vastness of Mkhambathini Area ✓ Construction of Weigh Bridge and Vehicle Testing Centre ✓ Stable Climate Conditions ✓ Untapped Heritage Market for Tourism; 	<ul style="list-style-type: none"> ✓ Insufficient budget to execute mandate of the department ✓ Not all policies and by laws are in place ✓ Low revenue-base ✓ Occupational Health and Safety (across the board) ✓ Lack of elderly centres ✓ Inadequate infrastructure development to address Local Economic Development initiatives.

3.6.1 FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS

The Mkhambathini Municipality has a clear workable financial plan in line with the Three-year funding model. Furthermore, the municipality is viable and is striving to ensure that it remains viable, this is assisted by Senior Managers being able to analyse financial reports and identify risks related to municipal spending patterns. The municipality always strive to be realistic in budgeting given its limited revenue streams. The Municipal ratio currently is 7:1, this translate that the municipal current assets are 7 times higher than municipal current liabilities which is above the norm of 3:1. This indicative, that should the municipal liabilities be due, the municipality will be in the position to pay them. The indigent register has currently been reviewed by the municipality on an annual basis.

It is include as an Annexure in the IDP

The financial plan is broken down as follows.

CAPITAL FUNDING AND EXPENDITURE TO ADDRESS SERVICE DELIVERY

THREE YEAR FUNDING MODEL

Table 68: Three Year Funding Model

Projects	2020/2021 FY	2021/2022 FY	2022/2023 FY	Nature of the Project	Funding Source
Fencing of Municipal Building	1,000,000	N/A	N/A	New	Own
New Computers and Printers	300,000	N/A	400,000	New	Own
Camperdown Hall (Phase 2)	3,000,000	N/A	N/A	New	Own
Construction of Municipal Offices	10,000,000	14,000,000	5,000,000	New	Own
Municipal Vehicles	N/A	1,200,000	N/A	Renew	Own
Furniture	400,000	N/A	1,200,000	Renew	Own
Mgwaphuna Access Road	3,750,000	N/A	N/A	New	MIG
Ntweka Access Road	N/A	2,770,000	N/A	New	MIG
Qedazulu Access Road	7,590,000	N/A	N/A	New	MIG
Nonzila Access Road	N/A	3,750,000	N/A	New	MIG
Kwenzokuhle Hall	4,656,000	2,412,000	N/A	New	MIG
Manzamnyama Road	N/A	N/A	3,775,660	Renew	MIG
Makhokhoba Road	N/A	3,075,660	N/A	New	MIG
Nene Access Road	N/A	2,477,822	N/A	Renew	MIG
Ondini Access Road	N/A	N/A	3,053,226	New	MIG
D1143 Phase One	N/A	N/A	1,678,888	Renew	MIG
White City Creche	N/A	N/A	2,970,000	New	MIG
Ward -Sports field	N/A	2,541,518	N/A	New	MIG
Manderstone Creche	N/A	N/A	3,053,226	Renew	MIG
Mkhize Access Road	N/A	N/A	3,250,000	New	MIG
Total Capital Budget	30,696,000	20,728,450	18,701,942		

FUNDS RECEIVED OVER THREE YEARS

Table 81: Funding Received over Three Years

	2020/2021	2021/2022	2022/2023
MIG Funds	15,996,000	17,027,000	17,781,000
Electrification	5,000,000	8,000,000	9,000,000
Own Funding	9,700,000	15,200,000	6,600,000

FUNDS SPENT AND UNSPENT OVER THREE YEARS

Table 82: Funding Expenditure Over Three Years

	2020/2021	2021/2022	2022/2023
Capex Spent	15,996,000	17,027,000	17,781,000
Capex Funds Unspent	0	0	0
Electricity Spent	5,000,000	8,000,000	9,000,000
Electricity Unspent	0	0	0

PRIORITIZATION AND DURATION OF THREE-YEAR PROJECTS

Table 83: Project Prioritisation over Three Years

Projects	WARD	FINANCIAL YEAR	DURATION	Nature of the Project	Funding Source
Fencing of Municipal Building	Institutional	2020/2021	2020/2021	Renew	Own
New Computers and Printers	Institutional	2020/2021	2020/2021	New	Own
Camperdown Hall (Phase 2)	3	2020/2021	2020/2021	New	Own
Construction of Municipal Offices	Institutional	2020/2021	2020/2021	New	Own
Municipal Vehicles	Institutional	2021/2022	2021/2022	New	Own
Furniture	Institutional	2020/2021	2020/2021	New	Own
Mgwaphuna Access Road	4	2020/2021	2020/2021	New	MIG
Ntweka Access Road	5	2021/2022	2021/2022	New	MIG
Qedazulu Access Road	5	2020/2021	2020/2021	New	MIG
Nonzila Access Road	2	2021/2022	2021/2022	New	MIG
Kwenzokuhle Hall	6	2020/2021	2020/2021	New	MIG
Manzamnyama Road	2	2022/2023	2022/2023	Renew	MIG
Makhokhoba Road	3	2021/2022	2021/2022	New	MIG
Nene Access Road	5	2021/2022	2021/2022	Renew	MIG
Ondini Access Road	6	2022/2023	2022/2023	New	MIG
D1143 Phase One	7	2022/2023	2022/2023	Renew	MIG
White City Creche	1	2022/2023	2022/2023	New	MIG
Ward -Sports field	1	2021/2022	2021/2022	New	MIG
Manderstone Creche	3	2022/2023	2022/2023	Renew	MIG
Mkhize Access Road	4	2022/2023	2022/2023	New	MIG

CATALYTIC PROJECTS

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

Table 64: Catalytic Projects

1. Housing along the Required Mr 566 Road- North of the N3 toward the Magqonqo area Immediate Action	
Current Status	Information gleaned from the Planning Department at the Mkhambathini Municipality suggests that the housing development along this Road is illegal. However, the growth along this corridor provides the impetus for further development within this area and the possible spin offs that emanate from such a development.
Way Forward	<ul style="list-style-type: none"> ✓ Trust to determine how to deal with illegal occupants. ✓ Development Concept Plan to be initiated. ✓ Establishment of Conditions for Township to be drafted & SPLUMA Application
Estimated Benefits of Project	<p>Value/</p> <p>Potential jobs during construction of development</p> <p>Although illegal, each house within this area has an estimated value for top structure of between R400 000.00 and R450 000.00. The market value is within the R700 000, 00- R800 000.00 value. Possible rates revenue to be received on each house is:</p> <p>$R800\ 000,00 - (R15000,00 + R285\ 000.00) \times 0.01148 = R5\ 740.00$ per property per year.</p>
Non Implication Action	<p>Loss of rates revenue of approximately R6000.00 per house per year.</p> <p>Sprawl development, unplanned development within the vicinity which may result in squatter development.</p> <p>If planning not approved, no services to residents, which may culminate into potential health risks and environmental degradation.</p> <p>Continuous illegal sale of property.</p>
2. N3 Development- - Immediate Action Required	
Current Status	<p>The N3 Corridor Plan suggests that the area alongside the N3 (route) promote the mixed use development, industrial as well as commercial development. Rainbow Farms have decided to close operations (and sell) within Mkhambathini Municipality. The knock on effect has been a loss of jobs by the people that are employed at a local level, and the absence of other employment opportunities within Mkhambathini .The sale of Rainbow farms has possibly not seen the appropriate Market response or the development potential of this land .Currently the portion of Rainbow Farms (Rem of 106 & portions 2 to 9 of Erf 106) alongside the N3 Corridor has been released from Act 70 of 70, and falls Within the Camperdown Scheme (zoned as Urban Agriculture).</p>
Way Forward	<ul style="list-style-type: none"> ✓ This provides an ideal opportunity for a private developer to purchase land and develop this land. ✓ Are zoning application (under SPLUMA) to a Core Mixed Use Zone will be in order to change the use of this land and ✓ allow for a mixed use development. ✓ An investment prospectus will be required to help market the property potential of this property. (Rem of 106).

3. Mayibuye Game Reserve- Current Development already on the go	
Current Status	<p>The Mayibuye Game Reserve has featured as a Special Zone in the Mkhambathini Town Planning Scheme with as planning approval for the development, as well as Environmental Authorisation. The Reserve is fenced and has employed approximately 70 local people to eradicate alien vegetation on the property.</p> <p>The Reserve has a conceptual design but has yet to submit a planning approval that will allow for some residential development and lodge style accommodation. The possibility of the complete development with the inclusion of wild life will allow for an estimated 300 extra jobs from the local populace, as well as a future rates base for the Municipality.</p> <p>The project will include:</p> <ul style="list-style-type: none"> ✓ 187 1 ha residential sites ✓ 3 Lodges ✓ 2x Garden Centres ✓ Craft Villages ✓ 18 (Commercial) X 2,500m² Sites allowing bulk of 1,250m² of bulk on each. ✓ 120 lifestyle villages ✓ Animal Rehabilitation Centres etc.
Way Forward	<ul style="list-style-type: none"> ✓ Final designs and SPLUMA application to be submitted to MLM for approval. ✓ Municipality to partner with the developers to provide opportunities for the local people in terms of SMME development, as well as assimilate a database of potential construction workers (local) who can be used during the construction of the reserve. ✓ In terms of skills building, partnership with the Municipality may lead to further training of the local populace
Estimated Value/ Benefits of Project	<ul style="list-style-type: none"> ✓ Employment opportunities during the construction phase and more permanent job opportunities when development comes online. ✓ Increase in Tourism revenue ✓ Increase within the housing market

4. Magqonqo Development Node- Long term Development Plan- possibly 5-10 year timeframe	
Current Status	<ul style="list-style-type: none"> ✓ The Department of Rural Development and Land Reform, under its Rural Development Programme, seeks to: ✓ “initiate, facilitate, coordinate and catalyse the implementation of a Comprehensive Rural Development programme that leads to sustainable, equitable and vibrant rural communities.”(http://www.ruraldevelopment.gov.za) ✓ Magqonqo, as per Mkhambathini’s SDF (2018/19) suggests, that this node is a rural service centre. When compared to the secondary nodes of Eston and Mid-illovo, it is apparent that this area is denser and more vibrant than the secondary nodes. ✓ Magqonqo falls under Ingonyama Trust Land. The settlement of Magqonqo has, according to census 2011 data, an estimated 1000 households (4 people per household). This suggests that the population in 2011 was 4000 for just the Magqonqo settlement. ✓ Camperdown, which is the primary node, had an estimated household count of 800, with a population of approximately 3600 people.
Way Forward	<p>The municipality will need to liaise with the Traditional Council and ITB, in order to find a way forward.</p> <p>It is suggested that a functional area plan be concluded in this area to position this area as a potential secondary node, and provide an implantation framework that will reassess the integrated needs of the growing community with an emphasis on the infrastructural component.</p>
Estimated Value/ Benefits of Project	<p>If the matter is concluded with the blessings of ITB, the Municipality could extract a rates base from this community especially with regard to further economic expansion and possible diversification in terms of housing typologies.</p> <p>Formalization of area and possible investment into the area</p>
Non Action Implication	<p>Loss of a possible rates base.</p> <p>Sprawl development that will put pressure on existing infrastructure and possible deterioration of environmentally sensitive areas.</p>
5. Industrial Investment Prospectus- Immediate Action Required	
Current Status	<p>Land allocated along the N3 within the Camperdown Interchange and Umlaas Road Interchange has already been placed with the urban edge of the Camperdown area and has been zoned between Mixed Use Development and Industrial Development. There is approximately 100ha available for industrial expansion.</p>

Way Forward	<p>In order to stimulate industrial and mixed-use expansion it is advised that the Municipality put together an Investment Prospectus with the aid of the uMgungundlovu Development Agency to draw in more Industrial Development.</p> <p>To ensure that Industrial Development is promoted, the planned Waste Water Treatment Works for the Camperdown area needs to be construction (either as a modular phased approach or the entire project) Possible Incentive Scheme, as in Rates Reduction by the Municipality for New Developers for a specified period .In order to stimulate industrial and mixed use expansion it is advised that the Municipality put together an Investment Prospectus with the aid of the uMgungundlovu Development Agency to draw in more Industrial Development.</p>
Estimated Value/ Benefits of Project	<p>On the estimated 200 ha of land, it is assumed that the development potential may be around 4 Billion Rand. The estimated rates revenue that the Municipality will receive per annum = R4 billion x 0.00789 = ± R32 million rand.</p>
Non-Action Implication	<p>Possible illegal Sprawl Development- informal settlement. Loss of ± R32 million rand in rates. Continued disinterest by Industrial/ Mixed Use and retail developers in the area.</p>
6. Rural Development- ITB (Ward 6 and 7) Medium Term Development	
Current Status	<p>This LED strategy proposes a Multi-purpose facility, that can be used for social interactions as well as skills development center and/ or Adult Basic Education.</p> <p>The area is, however, scenic and may offer Tourism potential, in the form of Adventure tourism, however the absence of infrastructure within these wards, make it difficult to promote overnight accommodation</p>
Way Forward	<p>SMME forum to be established to determine: Need and location of multi-purpose facility SMME training and mentorship.</p>
Estimated Value/ Benefits of Project	<p>Social and economic upliftment of the community: Addressing immediate social need (OSS) Sustainable livelihood</p>

7. Agricultural Development	
Current Status	<p>It is important to note that there has been a national drive toward the inclusion of Agri-hubs and the promotion of food security. Mkhambathini like all other local Municipalities will need to put into place a Farmer Production Support Unit. Mkhambathini has a large agricultural component. Several farms are commercial in nature, and production includes citrus, vegetables, as well as sugar-cane production. Information gleaned during stakeholder participation suggests that one farmer is producing Dragon Fruit and has tapped into the global market exporting this fruit to countries in the East. This suggests that there may well be diversification in terms of the type of crops produced in Mkhambathini.</p>
Way Forward	<p>Finalisation of the Agri-Business Plan:</p> <ul style="list-style-type: none"> ✓ Determine percentage of agriculture product produced per annum ✓ Determining type of support to emerging farmers ✓ Training and mentorship amongst other things <p>Farmer Support Unit needs to be work shopped to understand its best location. Partnerships between cooperatives and commercial farmers to diversify type of crop production. Funding source to help emerging farmers protect their livestock and crop production. Possible Agri- processing facility that supports the local farmers both commercial and emerging farmers.</p>
Estimated Value/ Benefits of Project	<p>The estimated value of this project has not yet been quantified. The UDA may be able to assist. This project also as a social component. It is suggested that the Agri-processing industry may absorb local labour and help alleviate poverty in some households.</p>
District Catalytic interventions : which are current and planned intervention	
	<ul style="list-style-type: none"> ✓ Greater Eston Water At Mkhambathini Phases 1-5 of water pipeline and reservoirs to cost R186 million. ✓ Sewage Water Borne Treatment Works ✓ The new waste treatment works in the Camperdown urban part, to help reduce the cost of transporting sewage to the PMB works (conservancy tanks) or the lower densities imposed because of the land are required for the septic tank/soak away systems. ✓ Umkhomazi Hydro-Electricity Generation ✓ The uMkomaas hydro electricity power generation facility in Mkhambathini as one of the projects identified in the UMDM Renewable Energy Plan, and is currently underway. ✓ N3 Upgrade ✓ The capacity of the N3 corridor will be expanded to accommodate the SIP2 and associated impacts. The Pietermaritzburg Bypass (SIP 2)Design phase, total project cost R2,036 billion (construction unfunded) ✓ Dry Port ✓ Camperdown has been identified as a possible location of the proposed inland dry port (logistics), which presents significant development opportunities for this area ✓ Asbestos Cement Pipe Replacement in Howick, Camperdown, Wartburg and Richmond ✓ Mkhambathini Ventilated Improved Pit Backlog Toilet

INTEGRATED DEVELOPMENT PLAN

	<ul style="list-style-type: none"> ✓ Mkhambathini Ventilated Improved Pit Replacement Toilets ✓ Mkhambathini Bulk Sewer Outfall <p>Development of Richmond Commonage: Establishment of a housing estate that is multi-dimensional. It is anticipated to stimulate growth in Msunduzi and Camperdown. Inclusive of petroport / truck stop, retail space, Proposed Light Industry and a private hospital.</p>
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Catalytic Projects and Budgets

As per Provincial and District Profile and District IDP

Project Name	Sector	Date Created	Last Update	Local Municipality	Latitude	Longitude	Project Status	Project Start Date	Estimated Project Completion Date	Total Project Cost
Baniyena Clinic (Eden)- New borehole	Health	15-Jun-17	21-Oct-19	Mkhambathini	-30,11872	30,58766	Construction 76% - 99%	2018/04/02	2020/03/31	1248236
RESEAL OF P21-1 (KM 30 TO KM 36.21)	Transport	18-Apr-19	14-Oct-19	Mkhambathini	-29,9964144	30,5739579	Design	2019/04/01	2020/03/31	15199000
RESEAL OF P21-1 (KM22 TO KM26)	Transport	18-Apr-19	14-Oct-19	Mkhambathini	-29,9964144	30,5739579	Design	2019/01/02	2020/03/31	7572000
Injabulo Clinic (Northdale) -New borehole	Health	15-Jun-17	21-Oct-19	Mkhambathini	-29,60278	30,63203	Construction 76% - 99%	2018/04/02	2020/03/31	1207652
Manyavu CSC Major	COGTA	26-Apr-19	15-Oct-19	Mkhambathini	-29,65739	30,61561	Tender	2018/09/30	2019/11/30	1100000
REHABILITATION OF P338 (KM0 TO KM11,6)	Transport	15-Apr-19	31-Oct-19	Mkhambathini	-29,9964144	30,5739579	Design	2019/04/02	2020/03/31	143181000
REHABILITATION OF P566 (KM0 TO KM8)	Transport	15-Apr-19	14-Oct-19	Mkhambathini	-29,9964144	30,5739579	Design	2019/01/02	2020/03/31	80980000
Mapumulo N Imizi Rehab	COGTA	01-May-19	03-May-19	Mkhambathini	-29,582361	30,564189	Feasibility	2019/05/31	2019/10/31	92592
DWENGU SECONDARY SCHOOL	Education	01-Nov-18	16-May-19	Mkhambathini	-30,04392	30,5605	Project Initiation	2018/12/20	2019/08/20	5696000
UPGRADE OF P489 (KM 0 TO KM 6)	Transport	22-Apr-18	12-Apr-19	Mkhambathini	-29,867913	30,534394	Construction 1% - 25%	2018/04/01	2021/03/31	12979194

INTEGRATED DEVELOPMENT PLAN

Project Name	Project Type (Description)	Project Status	Financial Year	Sector	Municipality	Latitude	Longitude	Total Project Cost	Actual Expenditure 2019/20
Asbestos Cement Pipe Replacement in Camperdown	Asbestos Cement Pipe Replacement in Camperdown	Registered	2019/20 - 2020/21	MIG	Umgungundlovu	Unknown	Unknown	R55 667 705.00	Unknown
Mkhize LD	Rehabilitation of Imizi Yezizwe	Tender process	19/20	COGTA	Mkhambathini	- 30,041567	30,656722	R 200 000,00	R 0
Maphumulo N	Rehabilitation of Imizi Yezizwe	Tender process	19/20	COGTA	Mkhambathini			R 200 000,00	R 0
Manyavu	Rehabilitation of Traditional Administrative Centre	Bid Evaluation	19/20	COGTA	Mkhambathini	-29.65700	30,61491	R 1 300 000,00	R 0
Zamokuhle Creche	ECD's	Procurement Stage	2019/20	Sports and Rec	Mkhambathini	3	Unknown	Unknown	R60 000,00
Development of a Land Use Scheme for Mkhambathini Local Municipality	Development of a Land Use Scheme	Implementation (Phase 4 of 8)	2019/20	DRDLR	Mkhambathini	N/A	N/A	R750 000,00	R225 000,00
Upgrading of the Nkanyezini Community Water Supply Scheme (AFA) MIS 306637	Upgrading of the Nkanyezini Community Water Supply Scheme (AFA) MIS 306637	Registered	2019/20 - 2020/21	MIG	Umgungundlovu	Unknown	Unknown	R149 347 481.0	Unknown
Upgrading of the Manyavu Community Water Supply Scheme (AFA) MIS 306738	Upgrading of the Manyavu Community Water Supply Scheme (AFA) MIS 306738	Registered	2019/20 - 2020/21	MIG	Umgungundlovu	Unknown	Unknown	R79 668 401.00	Unknown
Upgrading of Manzanymyama Water Supply Scheme (Phase 2)	Upgrading of Manzanymyama Water Supply Scheme (Phase 2)	Registered	2019/20 - 2020/21	MIG	Umgungundlovu	Unknown	Unknown	R66 741 783.00	Unknown
iThala Valley Community Water Supply Scheme COVID 19	iThala Valley Community Water Supply Scheme COVID 19	Registered	2019/20 - 2020/21	MIG	Mkhambathini	Unknown	Unknown	R 12 844 746,70	Unknown
Creche and Hall	Makhokhoba Creche and Hall	Registered	2019/20 - 2020/21	MIG	Mkhambathini	Unknown	Unknown	R6 000 000.00	Unknown
Okhalweni Creche	Okhalweni Creche	Registered	2019/20 - 2020/21	MIG	Mkhambathini	Unknown	Unknown	R4 396 813.89	Unknown
Amanzamnyama Hall Ward 02	Amanzamnyama Hall Ward 02	Registered	2019/20 - 2020/21	MIG	Mkhambathini	Unknown	Unknown	R7 241 199.34	Unknown

INTEGRATED DEVELOPMENT PLAN

Project Name	Project Type (Description)	Project Status	Financial Year	Sector	Municipality	Latitude	Longitude	Total Project Cost	Actual Expenditure 2019/20
Manzamnyama Water	Water Provision	Current	Unknown	W&S	Unknown	Unknown	Unknown	Unknown	34 383 724,00
Mkhambathini VIP Backlog Toilet	Sanitation Provision	Current	Unknown	W&S	Mkhambathini	Unknown	Unknown	Unknown	2 000 000,00
Hiring of Water Tanker	Water Distribution/ Treatment Plants	Current	Unknown	W&S	All	Unknown	Unknown	Unknown	78 531 297,60
Water quality monitoring- Water quality testing _ Take samples for analyses, etc.	Water Distribution/ Treatment Plants	Current	Unknown	W&S	All	Unknown	Unknown	Unknown	1 987 272,00
Operations & Maintenance - Water/Sewer Pump Stations - Electrical	Water Distribution/ Treatment Plants	Current	Unknown	W&S	All	Unknown	Unknown	Unknown	7 448 892,54
Water quality monitoring- Water quality testing - Purchase of Chemicals	Water Distribution/ Treatment Plants	Current	Unknown	W&S	All	Unknown	Unknown	Unknown	1 035 000,00
Operations & Maintenance - Water/Sewer Pump Stations – Mechanical	Water Distribution/ Treatment Plants	Current	Unknown	W&S	All	Unknown	Unknown	Unknown	10 448 892,54
Operations & Maintenance - Water/ Sewer Pump Stations - Civil	Water Distribution/ Treatment Plants	Current	Unknown	W&S	All	Unknown	Unknown	Unknown	5 000 000,00
DWS Licence/Fuel for small plant/Sundries	Water Distribution/ Treatment Plants	Current	Unknown	W&S	All	Unknown	Unknown	Unknown	700 000,00
small tools & minor equipment	Water Distribution/ Treatment Plants	Current	Unknown	W&S	All	Unknown	Unknown	Unknown	2 000 000,00
Operations & Maintenance - Sanitation Sewer Pump Stations	Sanitation Treatment	Current	Unknown	W&S	All	Unknown	Unknown	Unknown	73 140 000,00

The Municipality also have projects for the development of Mkhambathini Municipality which are not funded and these projects are as follow:

REF NO	PROJECT NAME
1.	Upgrading of Old Main Road – R103 (from umlaas Road intersection to Muslim University)
2.	Pedestrian sidewalks from Oehley Road to Squires Place
3.	Streetlights from Oehley Road to Squires Place
4.	Intersection of N3 off-ramp and old main road to be upgraded to a circle
5.	Upgrading of D409 and P419 intersection
6.	Revamping of Camperdown Community Park
7.	Construction of Camperdown Town Clinic
8.	Construction of Camperdown Town Creche
9.	Upgrade of Old Main Road (R103) and Scott Street intersection
10.	Upgrade/ Extension of Msunduzi Bridge with link Mkhambathini Municipality and Ethekwini Municipality. (-29.661152, 30.636203)
11.	Donate/ make available the portion of Land for Waste-Water Treatment Plant, Lot 106 of Camperdown which will service Camperdown.
12.	Upgrade of Camperdown Taxi Rank
13.	Construction of Mkhambathini Community Health Centre
14.	Camperdown residential project

OTHER PROJECT WHICH ARE CATERGORIZED MUNICIPALITIES WISHLIST AS PER WARD

WARD	PROJECT
Ward 1	<ul style="list-style-type: none"> Ezibhananeni Crèche Upgrade of Maqongqo SportField, with indoorsport and grandstands Estinini SportsField White City Crèche Ezinembeni Access Road Echibini Access Road Ezibhananeni Access Road Estingini Access Road
Ward 2	<ul style="list-style-type: none"> Nonzila Gravel Road Nonzila Crèche Manzamyama Gravel Road No. 7 Access Road Upgrade of Ophokweni SportsField with Grandstands Ophokweni Access Road
Ward 3	<ul style="list-style-type: none"> Makhokhoba Access Road Ntweka Access Road Mboyi Bridge Cosmoore Crèche
Ward 4	<ul style="list-style-type: none"> Cattle Deep Mkhize Access Road Dlamini Access Road Eston Sports Field
Ward 5	<ul style="list-style-type: none"> Qedazulu Access Road Ntweka Access Road Mkhize Access Road Nene Access Road Embhoshongweni Access Road eQeleni Access Road Upgrade of Banqobile Sportsfield with Grandstands
Ward 6	<ul style="list-style-type: none"> Kwenzokuhle Community Hall eSiggumeni Access road Dwengu Access road Esigodini Access Road
Ward 7	<ul style="list-style-type: none"> Jikafohlo Access Road Matigulu Access Road Bhora Access Road Mndayi Access Road Njangcwini Cattle Deep Gulube Sportsfield Thimon Community Hall

MUNICIPAL ASSET MANAGEMENT STRATEGY

The municipality has an asset management register that is updated on an ongoing basis in the municipality. On the 27th of May 2018, Council adopted the Mkhambathini Public Facilities Management Policy which forms part of asset management.

INVESTMENT REGISTER

INSTITUTION	OPENING BALANCE 01/07/2018	INVESTMENT IN CURRENT YEAR	WITHDRAWAL	BALANCE AS AT 30 JUNE 2019	INTEREST EARNED
STANDARD BANK	15,618,893	0	(15,618,893)	0.00	0.00
STANDARD BANK	41,568,543	87,618,893	(72,052,519)	57,134,917	4,539 279

Summary

- ✓ The Total interest received from the investment (for the period 1 July 2018 – 30 June 2019) = R4,539,279
- ✓ The total amount on current investment and call account as at 28 May 2020 = R70 263 130

CAPABILITY OF THE MUNICIPALITY TO EXECUTE CAPITAL PROJECTS

The Municipality has enough capacity to execute all its capital projects and is currently looking for other revenue streams that might fund additional capital project. The municipality have engaged Department of Co-operative Governance and Traditional Affairs, Department of transport and Department of Energy for acceleration of service delivery.

Table 84: Three-year capital budget for capital projects (2020/2021 – 2022/2023)

Year 1 (2020/2021)	Year 2 (2021/2022)	Year 3 (2022/2023)
15,996,000	17,027,000	17,781,000

Table 85; Percentage Spent on Capital Projects for Three Years

Year 1 (2020/2021)	Year 2 (2021/2022)	Year 3 (2022/2023)
100%	100%	100%

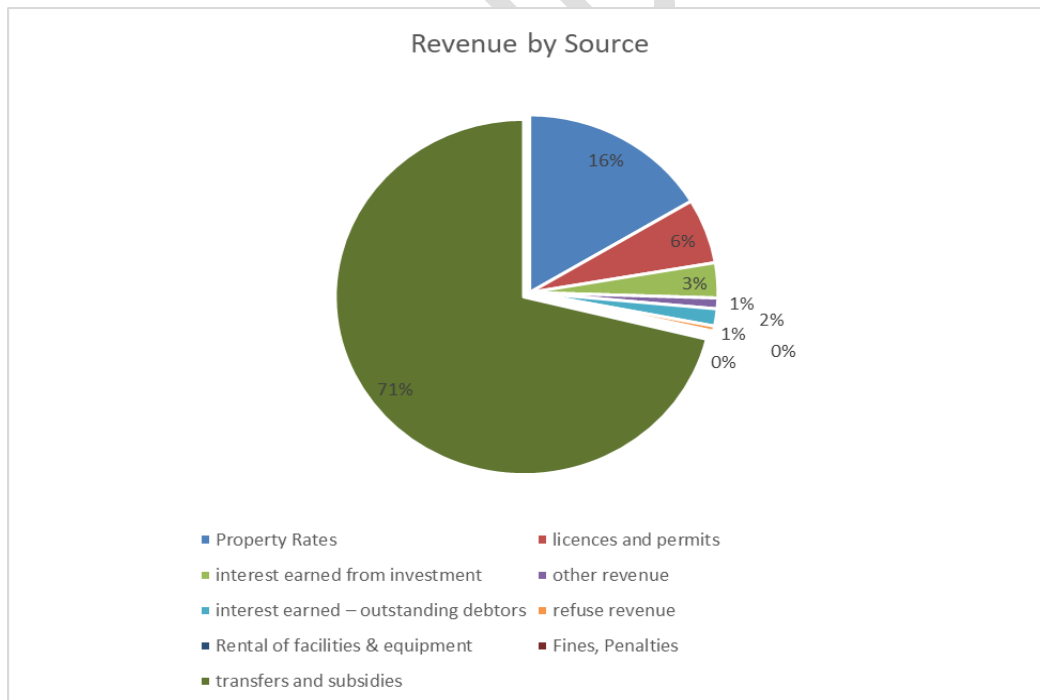
REVENUE BASE

The revenue base of Mkhambathini Municipality has increased from R100,790,125 in 2019/20 to R120 631 000 in 2020/21 financial year. This represents a 20% growth, or a Rand figure of R19 840 875.00. If we further examine the various sources of Revenue during the applicable period, the following scenario emerges:

2019/20 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK

Table 86: Budgeted Financial Performance (revenue management)

KZN226 Mkhambathini - Table A4 Budgeted Financial Performance (revenue and expenditure)							
Description	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source							
Property rates	22,114	18,699	18,699	18,699	19,782	20,969	22,227
Service charges - electricity revenue	(296)	(296)	(296)	(296)	–	–	–
Service charges - refuse revenue	542	542	542	542	574	609	645
Rental of facilities and equipment	326	326	326	326	345	366	388
Interest earned - external investments	3,409	3,409	3,409	3,409	3,850	4,081	4,326
Interest earned - outstanding debtors	1,811	1,811	1,811	1,811	1,883	1,959	2,037
Fines, penalties and forfeits	28	28	28	28	34	36	38
Licences and permits	6,717	6,717	6,717	6,717	7,121	7,548	8,001
Transfers and subsidies	69,072	68,915	68,915	68,915	85,868	75,423	80,081
Other revenue	640	640	640	640	1,174	1,230	1,289
Gains							
Total Revenue (excluding capital transfers and contributions)	104,362	100,790	100,790	100,790	120,631	112,221	119,032



The municipality depends on grants mostly. The total projected income of R 120 631 million is made up of Property Rates (16%), licences and permits (6%), interest earned from investment (3%), other revenue (1%) and interest earned – outstanding debtors (2%).

EXPENDITURE

The municipal expenditure has increased from R104 864 000 in 2019/20 adjusted budget to R121 537 000 in 2020/21 financial year draft budget. This represents a 16% growth, or a Rand figure of R16 673 000.00. The breakdown in expenditure by category is summarized in the table below. From the table, it can be concluded that the projected biggest operating expenditure of the Mkhambathini Municipality for 2020/21 Financial Year (37%) is employee related costs, (25%) contracted services, (16%) other expenditure, (9%) depreciation and impairment of assets and (5%) will be spent on the remuneration for councillors. Given that the National Treasury prescribes a 40% threshold for employee related expenses, the municipality will exceed the threshold however the insourcing of some services resulted to the increase which include the security services and VIP protection for Political Officer Bearers.

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 R11 173 million for the 2020/21 financial year. Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

The social package assists households that are poor or face other 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.

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. And takes the form of social relief for the family of deceased persons who are destitute without income.

Table 87: Expenditure Indicator

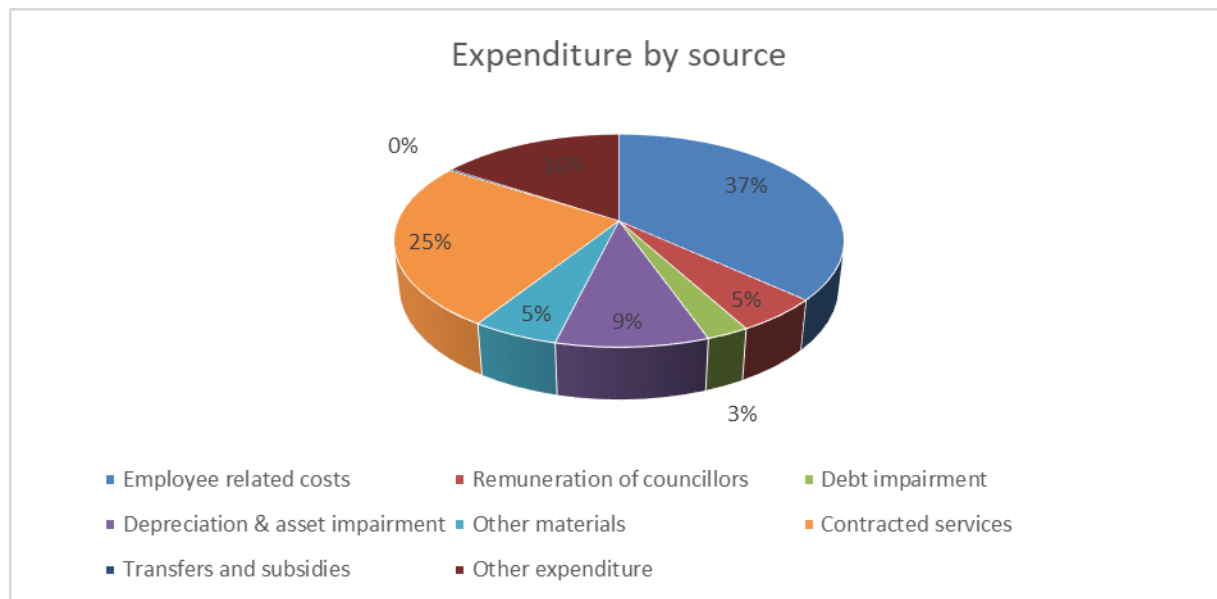
KZN226 Mkhambathini - Table A4 Budgeted Financial Performance (revenue and expenditure)							
Description	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure By Type							
Employee related costs	38,327	38,580	38,580	38,580	44,692	50,764	53,761
Remuneration of councillors	5,989	5,989	5,989	5,989	6,374	6,540	6,577
Debt impairment	2,755	2,755	2,755	2,755	3,140	3,580	4,081
Depreciation & asset impairment	8,294	10,158	10,158	10,158	11,173	12,291	13,520
Finance charges	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–
Other materials	4,690	4,690	4,690	4,690	6,367	4,208	4,539
Contracted services	23,987	24,058	24,058	24,058	30,420	26,896	28,720
Transfers and subsidies	–	–	–	–	309	340	374
Other expenditure	17,737	18,634	18,634	18,634	19,062	19,854	20,476
Losses							
Total Expenditure	101,779	104,864	104,864	104,864	121,537	124,472	132,048

The budgeted allocation for employee related costs for the 2020/21 financial year totals R 44 692 million. An annual increase on salaries of 5 per cent and 7 per cent has been included in the two outer years of the MTREF to be conservative and implement cost cutting measures. 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 R11 173 million for the 2020/21 financial year.

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

The expenditure as per chart is as follows:



IMPLICATIONS: FISCAL CAPACITY TO IMPLEMENT CAPITAL PROJECTS

Despite heavy reliance on government grants, limited generation of own revenue and huge expenditure on salaries, the municipal budget shows a surplus of R4 mill in total which include the expenditure of R14,3 million which is non-cash items therefore when non-cash items are taken out the municipality have surplus. This is an indication that the municipality can accommodate additional expenditure for some of the capital projects that the IDP has prioritized.

BUDGET PROVISION FOR FREE BASIC SERVICES

Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other 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.

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. And takes the form of social relief for the family of deceased persons who are destitute without income.

The Free Basic Services is funded through the equitable share which is received from National Government. There are currently 300 households who are registered as indigents in 2017 but that database is reviewed on an annual basis for ensuring that the Municipality cover all affected families.

The following table indicate the budget provision for free basic services:

Table 88: Electrification Indicator

Services	
Eskom Free Basic Electricity	3,895
Rebate	1,507,430
Total	1,511,325

COST OF FREE BASIC SERVICES IN THE LAST THREE YEARS

Table 89: Cost of Free Basic Services

2019/2020	2020/2021	2021/2022
R 297,040	R309,425	R 374,404

INDIGENT LEVEL GROWTH

Table 90: Indigent Level Growth

2019/2020	2020/2021	2021/2022
NIL	NIL	NIL

BUDGET ALLOCATED TO PEOPLE WITH DISABILITY

The following is the budget allocated to people with disability.

Table 91: budget allocated to people with disability

DISABILITY PROGRAMME	2019/2020	2020/2021	2021/2022
Disability Forum Awareness Campaigns	R 130 000.00	R 136,000.00	R 142,300.00
Annual Disability Celebration	R 204 000.00	R 213,700.00	R 223,885.00
Disability District Games	R 265 000.00	R 277,750.00	R 291,137.50

REVENUE ENHANCEMENT AND PROTECTION STRATEGIES

REVENUE ENHANCEMENT MECHANISMS

Mkhambathini Municipality has resolved to implement the Municipal Property Rates Act, 6 of 2004 (Act No. 6 of 2004) [the MPRA] on 1 July 2009. This is one of the mechanisms that the municipality hope that it will be useful in terms of enhancing revenue base. Section 3 of the MPRA requires the Municipality to adopt a policy consistent with the MPRA on the levying of rates on ratable property in the Municipality. The municipality currently has a draft Revenue Enhancement Strategy in place.

This Rates Policy for Mkhambathini Municipality determines how properties are rated and must be read in conjunction with the MPRA and ancillary legislation. This policy takes effect from 1 July 2009. This is the effective date of the first valuation roll prepared by the municipality in terms of the MPRA and must accompany the municipality's budget for the financial year. The Rates Policy

will be reviewed annually, and if necessary, amended by the Municipality such amendments to be affected in conjunction with the Municipality's annual budget in terms of Sections 22 and 23 of the Municipal Financial Management Act.

The municipality has identified challenges within its revenue value chain which could potentially be turned around to opportunities. The municipality is currently faced with an increasing arrear debt of approximately R 29 million (based on a debtors age analysis of 30 June 2019), with over R 22 million outstanding for a period of exceeding 120 days. This is considered very high, given the financial position / sustainability of the municipality.

The following are factors contributing to an increased debtors book balance and other challenges faced by the municipality:

- ✓ Lack of or outdated policies and procedure manuals
- ✓ Weak control environment
- ✓ Incomplete customer information in the customer data master-file

In line with best practices the framework for the revenue enhancement strategy, considering the unique requirements of Mkhambathini Municipality comprised a phased approach, with timeframe(s) for the implementation of the strategic interventions. The municipality have developed the revenue enhancement strategy which will be tabled to Council for approval in May 2020 to assist the municipality in implementing the strategies and trying to take advantage of the municipal location including being on the N3 corridor.

MUNICIPAL CONSUMER DEBT POSITION (DEBT MANAGEMENT)

During 2018/2019 period, consumer debtors represent a figure of R18,359,940 or 22% of current assets. There was 35% movement in terms of percentage compared to 2017/2018 financial year. The percentage of consumer debtors which are categorized as long-term receivable amount, however, has increased sharply. The municipality is currently implementing the Credit and Debt Control Policy in trying to reduce the amount outstanding from debtors. The overdue accounts have been handed over to the municipal attorney for collection.

The same data is presented in tabular format below:

Table 92: Municipal Consumer Debt Position

	2018/2019	2019/2020	2020/2021
Rates	14,291,859	18,614,206	19,781,621
Refuse	525,667	541,780	574,287

Table 93: Allowance for impairment

	2018/2019	2019/2020	2020/2021
Impairment	(2,754,50.03)	(741,640)	(1,539,532)

Table 94: Net balance

Debtors	2016/2017	2017/2018	2018/2019
Current (0-30 days)	400,439	4,819,162	3,475,105
30 Days	340,852	1,241,725	1,015,705
60 Days	198,619	587,580	884,217
90 Days	250,411	502,891	801,231
120 Days	64,476	491,835	725,336
180+ Days	9,595,957	5,929,109	11,458,346
Debtors Discounting	5,380,870	9,174,672	10,714,203
Provision for Bad Debts	2,000,000	2,080,000	2,163,200

There is a huge increase in 180-day debt, to an amount greater than all other debtor's period combined and this is a worrying trend in the 2019 period. The municipality have engaged with Municipal Attorneys for the collection of the outstanding debts.

3.6.2 FINANCIAL MANAGEMENT

BUDGET AND TREASURY OFFICE

SUPPLY CHAIN MANAGEMENT

The municipality has in place tender committees to ensure compliance and sound controls over the handling of procurement matters above R200 000. The bid committees are in place and have been reviewed in the 2019/2020 financial year in order to improve efficiencies within the system and will continue to be reviewed annually.

The Supply Chain Management policy is reviewed annually as all other municipal policies, the issue of making provision for disabled people to qualify for tenders will be considered when the policy is reviewed in the 2020/2021 financial year and will be approved by council accordingly after considering all relevant structures of the municipality.

The performance of the bid committees underpins the provision of services. It is therefore important that the municipality is able to play close monitoring over the procurement cycle to ensure service delivery targets are met. Each committee is constituted with the right calibre of employees with an intent to ensure the right balance of expertise within the committee system. In the 2019/2020 the performance against the critical targets set within the SDBIP in relation to the efficiency of committee reflected a slow move between the evaluation committee and the adjudication committee which mainly due to lack of quorum thus delaying the conclusion of tenders after closure. The bid specification committee performed with efficacy and managed to perform in lesser time than projected in the SDBIP.

The poor performance in the speedy conclusion of tenders was also hampered by the lack of implementation of procurement plan which will be enhanced during 2020/2021. The procurement plan is linked to the timeframes set in the SDBIP in finalizing the tender process.

within stipulated timeframes in order for the municipality to meets its service delivery commitments as suggested in the SDBIP.

The stipulated table below gives an oversight of the challenges experienced with the SCM unit which have been supported by the measures taken to address these challenges with the timeframe as follow:

KEY CHALLENGES	<ul style="list-style-type: none"> ✓ Vacant posts within the unit ✓ Office space ✓ Storeman/ handyman
MEASURES TAKEN TO ADDRESS THE CHALLENGES	<ul style="list-style-type: none"> • Currently the approved organizational structure 2019/2020 financial year have a Vacant Post within the SCM Unit, this makes the unit not be able to function accurately as they is no segregation of duties within the unit. • Vacant post is the SCM accountant who will deal with reports and reconciliation of purchase orders and invoices received. • The unit need a Storeman or a dedicated person who will be responsible for receiving delivered goods to the municipality and keep them for collection by the relevant department who ordered those goods. • Office space is a challenge within the unit to occupy all the officials within the SCM unit, officials include the SCM Manager, Scm clerk and finance intern. These officials exclude the SCM Accountant should it be fiiled he/she will be required to seat in this office as well. • When goods and services are procured, they come to Scm office as we do not have a store room or warehouse then the office becomes crowded.

TENDER AWARD PROGRAMME (PROCUREMENT PLAN) FOR 2018/2019 PROJECTS

The municipality has developed a schedule of procurement plan for all 2018/2019 projects to ensure that projects are efficiently and effectively implemented. The schedule is presented on the table found on the next page.

Table 95: schedule of procurement plan in respect of advertised competitive bids (2018/19 financial year)

Bid Number	Project Name & Brief Description	Estimated value (including all applicable taxes)	Envisaged date of advertisement in the website, newspapers or other media	Envisaged closing date of bid	Envisaged date of bid Evaluation Committee	Envisaged date of bid Adjudication Committee	Envisaged date of award
MKH02018/05	Construction of Nkosi Mdluli Hall	R 4159 971,00	20-Apr-18	04-May-18	08-May-18	10-May-18	25-May-18
MKH02018/03	Construction of Nobhala road	R 2850 500,00	30-Apr-18	18-May-18	21-May-18	23-May-18	07-Jun-18
MKH02018/04	Construction of Mdala road	R 53 475,00	20-Apr-18	04-May-18	09-May-18	10-May-18	25-May-18
MKH02018/06	Construction of Mkhishwa road	R 2775 660,00	20-Apr-18	04-May-18	07-May-18	10-May-18	25-May-18
MKH02018/07	Construction of Ezinembeni Creche	R 2700 000,00	30-Apr-18	18-May-18	22-May-18	23-May-18	07-Jun-18
MKH02018/08	Project names to be confirmed	R 200 000,00	19-Oct-18	20-Nov-18	25-Nov-18	30-Nov-18	18-Dec-18
MKH02018/09	Project names to be confirmed	R 200 000,00	19-Oct-18	20-Nov-18	25-Nov-18	30-Nov-18	18-Dec-18
MKH02018/10	Project names to be confirmed	R 200 000,00	19-Oct-18	20-Nov-18	25-Nov-18	30-Nov-18	18-Dec-18
MKH02018/11	Project names to be confirmed	R 200 000,00	19-Oct-18	20-Nov-18	25-Nov-18	30-Nov-18	18-Dec-18
MKH02018/12	Project names to be confirmed	R 200 000,00	19-Oct-18	20-Nov-18	25-Nov-18	30-Nov-18	18-Dec-18
MKH02018/13	Project names to be confirmed	R 200 000,00	19-Oct-18	20-Nov-18	25-Nov-18	30-Nov-18	18-Dec-18
MKH02018/14	Project names to be confirmed	R 200 000,00	19-Oct-18	20-Nov-18	25-Nov-18	30-Nov-18	18-Dec-18
MKH02018/15	Project names to be confirmed	R 200 000,00	19-Oct-18	20-Nov-18	25-Nov-18	30-Nov-18	18-Dec-18
MKH02018/16	Project names to be confirmed	R 200 000,00	19-Oct-18	20-Nov-18	25-Nov-18	30-Nov-18	18-Dec-18
MKH02018/17	Project names to be confirmed	R 200 000,00	19-Oct-18	20-Nov-18	25-Nov-18	30-Nov-18	18-Dec-18
MKH02018/18	Project names to be confirmed	R 200 000,00	19-Oct-18	20-Nov-18	25-Nov-18	30-Nov-18	18-Dec-18
MKH02018/19	Project names to be confirmed	R 2800 000,00	30-Jul-18	31-Aug-18	05-Sep-18	10-Sep-18	25-Sep-18
MKH02018/20	Project names to be confirmed	R 1800 000,00	30-Jul-18	31-Aug-18	05-Sep-18	10-Sep-18	25-Sep-18
MKH02018/21	Appointment of service provider Installation of Bins	R 400 000,00	31-Aug-18	30-Sep-18	06-Oct-18	12-Oct-18	27-Oct-18

INTEGRATED DEVELOPMENT PLAN

MKH02018/22	Purchase of plastic Installation of Bins	R	146 000,00	31-Jul-18	31-Aug-18	05-Sep-18	10-Sep-18	25-Sep-18
MKH02018/23	Appointment of service provider for training of	R	500 000,00	30-Sep-18	20-Nov-18	26-Nov-18	03-Dec-18	18-Dec-18
MKH02018/24	Purchase of EPWP Uniform	R	1034 000,00	31-Jul-18	31-Aug-18	05-Sep-18	10-Sep-18	25-Sep-18
MKH02018/25	Appointment of Service provider for the Employee Wellness	R	120 000,00	30-Oct-18	20-Nov-18	25-Nov-18	30-Nov-18	18-Dec-18
MKH02018/26	Appointment of Service provider for the Supply and Delivery of x2 Bakkie	R	1090 000,00	31-Aug-18	30-Sep-18	06-Oct-18	12-Oct-18	27-Oct-18
MKH02018/	Appointment of Service provider for the Youth	R	200 000,00	30-Nov-18	18-Dec-18	21-Dec-18	21-Dec-18	21-Dec-18

27								
MKH02018/28	Appointment of Service provider for the Career	R	190 000,00	31-Jan-19	31-Aug-18	05-Sep-18	10-Sep-18	25-Sep-18
MKH02018/29	Appointment of Service provider for the Matric	R	120 000,00	15-Jul-18	31-Aug-18	05-Sep-18	10-Sep-18	25-Sep-18
MKH02018/30	Appointment of Service provider for the Christmas Celebration	R	194 000,00	30-Oct-18	20-Nov-18	25-Nov-18	30-Nov-18	18-Dec-18
MKH02018/31	Appointment of Service providers for the Disability Awareness	R	120 000,00	31-Jul-18	31-Aug-18	05-Sep-18	10-Sep-18	25-Sep-18
MKH02018/32	Appointment of Service providers for the Disability Celebration	R	194 000,00	30-Oct-18	20-Nov-18	25-Nov-18	30-Nov-18	18-Dec-18
MKH02018/33	Appointment of Service providers for the Gender Programme	R	80 000,00	31-Jan-19	28-Feb-19	05-Mar-19	10-Mar-19	25-Mar-19
MKH02018/34	Appointment of Service providers for the Senior Citizens Games	R	415 000,00	31-Jan-19	28-Feb-19	05-Mar-19	10-Mar-19	25-Mar-19
MKH02018/35	Appointment of Service providers for the Local SALGA Games	R	266 500,00	31-Aug-18	30-Sep-18	06-Oct-18	12-Oct-18	27-Oct-18
MKH02018/36	Appointment of Service providers for the District SALGA Games	R	525 000,00	31-Aug-18	30-Sep-18	06-Oct-18	12-Oct-18	27-Oct-18
MKH02018/37	Appointment of Service providers for the Provincial SALGA Games	R	495 000,00	30-Oct-18	20-Nov-18	25-Nov-18	30-Nov-18	18-Dec-18
MKH02018/38	Appointment of Service providers for the Health Awareness	R	160 000,00	31-Aug-18	30-Sep-18	06-Oct-18	12-Oct-18	27-Oct-18
MKH02018/39	Appointment of Service provider for SMME & Cooperative training	R	93 000,00	31-Aug-18	30-Sep-18	06-Oct-18	12-Oct-18	27-Oct-18
MKH02018/40	Appointment of Service provider for Mkhamba Fair event	R	280 000,00	30-Oct-18	20-Nov-18	25-Nov-18	30-Nov-18	18-Dec-18
MKH02018/41	Appointment of Service provider for Reed Dance	R	127 800,00	31-Jul-18	31-Aug-18	05-Sep-18	10-Sep-18	25-Sep-18
MKH02018/42	Appointment of Service provider for Arts and	R	650 000,00	31-Jul-18	31-Aug-18	05-Sep-18	10-Sep-18	25-Sep-18
MKH02018/43	Appointment of Service provider for Material used for Mandela Day	R	100 000,00	30-Sep-18	20-Nov-18	26-Nov-18	03-Dec-18	18-Dec-18
MKH02018/44	Purchase of Material for voter registration	R	270 000,00	31-Jul-18	31-Aug-18	05-Sep-18	10-Sep-18	25-Sep-18

Annexure A

Assessment Of Service Providers 2019/2020 For Period Of January – March 2020

BID NO.	DESCRIPTION	WARD NUMBER	SERVICE PROVIDER AWARDED TO	CONTRACTED AMOUNT PER CONTRACT	DATE OF AWARD	DATE CONTRACT END DATE	REASON FOR TERMINATION	ASSESSMENT OF SERVICE PROVIDER'S PERFORMANCE
MKH02019/010	CONSTRUCTION OF NOBHALA GRAVEL ROAD	3	MSOMI'S PROPERTIES HOLDING (PTY) LTD	R 5 494 661.59	04 APRIL 2019	04 DECEMBER 2019	N/A	GOOD
MKH02018/003	WARD 4 ELECTRIFICATION PROJECT Phase 2	4	SIYATHEMBA ELECTRICAL PTY LTD	R 5 467 000.00	11 NOVEMBER 2019	30 APRIL 2020	N/A	GOOD
MKH02019/24	AMANZAMNYAMA COMMUNITY HALL Ward 2	2	VITSHA TRADING	R 6 154 298.49	02 SEPTEMBER 2019	16 MARCH 2020	N/A	GOOD
MKH02019/21	EZINEMBENI CRÈCHE Ward 1	1	NONGAFA TRADING ENTERPRISE	R 3 888 104.00	08 SEPTEMBER 2019	18 MARCH 2020	N/A	GOOD
MKH02019/22	OKHALWENI CRÈCHE Ward 7	7	S4H CIVIL (PTY) LTD	R 3 890 351.01	02 SEPTEMBER 2019	16 MARCH 2020	N/A	GOOD
N/A	WARD 6 ELECTRIFICATION PROJECT	6	IZINGODLA ENGINEERING (PTY) LTD	R 5 000 000.00	13 JANUARY 2020	30 APRIL 2020	N/A	GOOD
N/A	RENOVATION OF MUNICIPAL BUILDING	3	MASAKHANE MINING ENGINEERING CC	R 2 210 779.78	29 AUGUST 2019	30 JANUARY 2020 revised 30 MARCH 2020	N/A	GOOD
N/A	INTOKOZO CRECHE-	1	COSMIC GOLD TRADING	R 776 202.74	19 December	18 February 2020	N/A	GOOD
N/A	NTOBENI CRECHE	2	SINESIHLA GROUP JV AZANESIPHO	R 841 491.20	15 JANUARY 2020	17 February 2020	N/A	GOOD
N/A	NKANYEZINI COMMUNITY HALL	3	DAVPORT TRADING	R 1 080 423.85	18 JANUARY 2020	30 MARCH 2020	N/A	GOOD
N/A	LETTY MKHIZE CRECHE	4	AMAHLANGU CIVILS	R 863 109.50	07 JANUARY 2020	30 APRIL 2020	N/A	GOOD
N/A	PONTSHO GRAVEL ROAD	5	LANDCORP TRADING CC	R 1 212 226.50	07 JANUARY 2020	17 APRIL 2020	N/A	GOOD
N/A	ISMONTI COMMUNITY HALL	6	JEAMBA'S MARKETING AND DISTRIBUTION ENTERPRISES	R 784 869.25	N/A	N/A	N/A	N/A
N/A	MANTUNGWINI ACCESS ROAD	7	ZAMLON CIVILS AND PROJECTS	R 891 060.00	14 JANUARY 2020	17 APRIL 2020	N/A	GOOD

3.6.3 TECHNICAL SERVICES

The grant with most allocation is the Equitable Share which has approximately R62,733,000 for 2019/2020 financial year. It is followed by Municipal Infrastructure Grant with an allocation of R16,076,000 while Department of Energy have allocated R5,476,000 for electrification programmes.

MUNICIPAL INFRASTRUCTURE ASSETS AND MAINTENANCE (Q&M)

The Asset and Infrastructure Maintenance plan is attached as an annexure to the IDP. Aligned to the priority given to preserving the maintaining the Municipality's current infrastructure, the 2018/2019 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulation, operating repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchase of materials and contracted services.

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

Table 96: Repairs and Maintenance

Description	2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Roads Structure	2,758,600	2,000,000	2,080,000
Halls	3,122,000	6,000,000	6,240,000
Capital Spares	695,131.40	-	-
Total	6,575,000	8 000 000	8 320 000

Source: 2018/19 Medium Term Revenue & Expenditure Framework

Repairs And Maintenance

The repairs and maintenance is budgeted for in the municipal budget to accommodate the repair of assets making sure that they run effectively in response to service delivery. The value of the repairs and maintenance budget is determined by the value of assets that the municipality have in the fixed asset register. Below is the table with the FAR value compared to the repairs and maintenance budget.

Fixed Assets Register value 2019/2020	Repairs and Maintenance budget 2019/2020 Financial year	Repairs and maintenance expressed as a %	Above/ below the norm
R182 928 244.93	R8 000 000.00	4,37%	Below

Repairs and maintenance is below the norm of 8% which is noted by the municipality hence the increase in the budget for the upcoming three financial years have been forecasted as follows:

1. Financial year 2020/2021

Fixed Assets Register value 2020/2021	Repairs and Maintenance budget 2020/2021 Financial year	Repairs and maintenance expressed as a %	Above/ below the norm
R182 928 244.93	R16 500 000.00	11%	Above

2. Financial year 2021/2022

Fixed Assets Register value 2021/2022	Repairs and Maintenance budget 2021/2022 Financial year	Repairs and maintenance expressed as a %	Above/ below the norm
R182 928 244.93	R12 750 000.00	6.97%	Below

3. Financial year 2022/2023

Fixed Assets Register value 2021/2022	Repairs and Maintenance budget 2021/2022 Financial year	Repairs and maintenance expressed as a %	Above/ below the norm
R182 928 244.93	R13 575 000.00	7.42%	Below

The repairs and maintenance plan of the municipality is below the norm of 8% however, this is planned in the next coming 3 financial year to be fixed as the budget for repairs and maintenance increases year after year. It is projected that by the end of the third financial year the municipality will be near the norm of 8% as it is projected that it will be seating at 7.42%.

3.6.4 FINANCIAL RATIOS

In 2018/2019, as highlighted above, 70,57% off all assets of Mkhambathini Municipality are non-current, with all non-current assets falling in the property, plant and equipment category. 29.43% of total assets are current, and almost 80% of current assets consist of cash or cash equivalents. When compared to the 2018 year, we see the following comparison:

3.6.5 HISTORICAL FINANCIAL RATIOS

Table 97: Historical Financial Ratios

	2018/2019	2019/2020	2020/2021
Cash Coverage Ratio	7.0 Month(s)	8.3 Month(s)	8.0 Month(s)
Current Ratio	4,3: 1	5,3: 1	6,2: 1

3.6.6 CASH FLOW IMPROVEMENT PLAN

The municipality has improved its cash flows position by 17% and the entities working capital management has improved in the 2019. Cash flows from investing activities also increased by 8% due to the higher investment made during the previous years which was funded through surplus over the years which is evidence in the significant growth in the cash flows from financing activities.

Table 98: Cash flow improvement plan

R thousands	Audited Outcome	Adjusted Budget	Budget Year 2020/21	Budget Year +2021/22	Budget Year +2022/23
<u>Cash flows</u>					
Net cash from (used) operating	28,171,674	31,258,192	20,844,160	33,643,109	28,168,949
Net cash from (used) investing	(22,014,108)	(26,290,430)	(28,546,876)	(30,044,276)	(23,843,320)
Net cash from (used) financing	-	-	-	-	-
Cash/cash equivalents at the year beginning	52,815,823	58,973,389	63,941,151	56,238,435	59,837,268
Cash/cash equivalents at the year end	58,973,389	63,941,151	56,238,435	59,837,268	64,162,897

FINANCIAL RATIOS INCLUDING AUDITED OUTCOME

Table 99: Financial Ratios

	2018/2019	2019/2020	2020/2021	2021/2022
Current Ratio	4,3: 1	5,3: 1	6,2: 1	6,5: 1
Capital Expenditure to Total Expenditure	0.21	0.21	0.22	0.19
Debt to Revenue	0%	0%	0%	0%
Collection Rate	72%	91%	95%	98%
Remuneration (Employees and Councillors) to Total Expenditure	46%	46%	42%	40%
Distribution Losses: Electricity	N/A	N/A	N/A	N/A
Distribution Losses: Water	N/A	N/A	N/A	N/A

3.6.7 LOANS, BORROWING AND GRANTS DEPENDANCY

LOANS/BORROWINGS

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

GRANTS DEPENDANCY

The ratio assesses the extent of own source revenue to total operating revenue including agency revenue hence self-sufficiency. The ratio measuring own source of revenue will be increased over time as it reflects municipal efforts towards self-sufficiency. The lesser the revenue the more the municipality relies on the grants.

Own Source of Revenue to Total Operating Revenue (including agency revenue)
 = Own Source of revenue (Total Revenue-Government Grants and Subsidies - Public Contribution and Donations) / Total Operating Revenue (including agency services) x 100

= R107,853,955 – R73,090,000 / R107,853,955
 =32%

The total operating revenue consist of 68% of the grants which simple means that the municipality depends on grants for the smooth operations of the municipality without grants the municipality might face challenges of meting its obligations.

3.6.8 EXPENDITURE MANAGEMENT

Operation Expenditure

Expenditure	2019/2020 FY	2020/2021 FY	2021/2022 FY	2022/2023 FY
Employee Costs	38,580,005	41,866,587	44,587,915	47,486,129
Remuneration of Councilors	5,989,438	6,257,830	6,539,642	6,577,413
Debt Impairment	2,754,504	3,140,135	3,579,753	4,080,919
Depreciation & Asset Impairment	10,157,580	11,173,338	12,290,672	13,519,739
Other Expenditure	54,722,443	50,943,068	53,261,864	55,406,497
Total Expenditure	112,203,970	113,380,958	120,259,846	127,070,697

3.6.9 AUDITOR GENERAL'S OPINION

AUDITOR GENERAL OPINION FOR THE LAST THREEYEARS

Table 100: AG Opinions over three years

YEAR	OPINION
2016/2017	Unqualified
2017/2018	Unqualified
2018/2019	Unqualified

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

PLANS TO IMPROVE ON AUDITOR GENERAL'S OPINION

The Mkhambathini Municipality has developed an audit action plan based on the key findings raised and recommendations by the Auditor General. The audit improvement plan will be a standing item on the Audit and Performance Audit Committee and MPAC.

Furthermore, the municipality is in a process to finalise the review of compliance registers and activity flow processes. Each Manager will be responsible for compliance relating to his/her function. The municipality have appointed private investigator to investigate the UIFW Expenditure in line with the Audit action plan.

The Audit Action Plan is attached as annexure to the IDP.

As per the provided AFS, the standing of assets for Mkhambathini Municipality during the 2018/19 financial year is broken down as per the following table. An investigation of the various constituents of the standing of assets will be presented thereafter. If we investigate these figures as proportionalities, the following picture emerges:

Table 101: Assets for Mkhambathini Municipality during the 2019 year

MKHAMBATHINI MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

STATEMENT OF FINANCIAL POSITION EXTRACT AS AT 30 June 2019

		2019	2018 Restated*
Assets			
Current Assets			
Operating Lease Assets	6	88,400	88,400
Receivable from Exchange Transaction	8&10	2,159,503	2,531,764
Receivable from non-exchanged Transaction	9&10	18,359,940	13,573,302
Cash and cash equivalents	11	63,941,151	58,973,389
		84,548,994	75,166,855
Non-Current Assets			
Investment property	3	4,523,600	4,523,600
Property, plant and equipment	4	136,585,616	119,015,700
Intangible Assets	5	409,323	606,613
		141,518,539	124,145,913
Total Assets		226,067,533	199,312,768

No significant disposals or acquisitions of land or buildings occurred during the period, although work is in progress to the tune of R16,6m. R8,138 million depreciations on assets was calculated during the period, as per the standard depreciation timings listed in the notes to the financial statement. Accumulated depreciation and impairment totaled R11, 173 million during the period, representing just over 10%, with community assets contributing approximately one-third of that amount to the total.

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2020/21 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting. Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance

3.6.10 MUNICIPAL BORROWINGS

The Municipality does not have any borrowing and is not intending to borrow in the next 3 years.

EMPLOYEE RELATED COSTS (INCLUDING COUNCILLOR ALLOWANCES)

The budgeted allocation for employee related costs for the 2020/21 financial year totals R48,155 million, which equals 42 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 6,5 per cent for the 2019/20 financial year. An annual increase of 6.5% is applied to the 2019/20 year and 6 per cent has been included in the two outer years of the MTREF to be conservative and implement cost cutting measures.

Circular 99 revised this target to 6.5% 2020/2021 and 6.2% and 5.9% respectively for the outer years. The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been considered in compiling the Municipality's budget.

VACANT POSITIONS

The Municipality is striving to fill all vacant position within the Municipality. The municipality has finalised and implemented the Job Evaluation and this will assist in the filling of critical positions in the 2020/2021 financial year. assures are put in place to ensure that critical processes are not compromised in terms of operation and segregation of duties.

CONTRACTED SERVICES

The municipality's contracted services are listed in the table below.

Table 102: Contracted Services

CONTRACTED SERVICES	COST 2019/2020
Ukukhanya Advisory	R987 250.00
Payday	Varies
Umnwembi	Varies
Bidvest Steiner	R 107 110.08
CCG Systems	R 814 560.00
Genix Valuations	R 246 600.00
ION Access	R 96 006.06
Vodacom	Varies
Bonakude	Varies
Telkom	Varies
Xtec	Varies
Camperdown Motors	Varies
Mazibuko Z & Associates	Varies
Matthew Frances and Incorporate	Varies

Each service provider contracted by the municipality is obliged to transfer skills where necessary. A plan has been put in place where skills are transferred to municipal employees by relevant service providers. The Municipality introduced clauses in the contracts that requires the service provider to indicate how they will transfer skills to the municipal staff. This is measured when service provider performance is being assessed.

3.6.11 FINANCIAL VIABILITY AND MANAGEMENT: SWOT ANALYSIS

STRENGTH	WEAKNESS
<ul style="list-style-type: none"> ✓ Revenue base is increasing. ✓ Opinion from the AG about the state of the finance at the municipality is good. ✓ The municipality operates with a positive balance. ✓ The municipality interim finance committee sits on weekly basis. ✓ GRAP Compliant AFS ✓ Functional Interim Finance Committee; 	<ul style="list-style-type: none"> ✓ The municipality is largely dependent on grants and subsidies. ✓ High expenditure on salaries. ✓ The culture of non-payments affects municipal revenue. ✓ Unspent grants. ✓ Process to identify and manage unwarranted, unauthorised, irregular or wasteful expenditure are not robust. ✓ Revenue collection activities are also not being carried out adequately. ✓ Performance Management not cascaded down to lower level employees ✓ Poor Customer Services.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ✓ Revenue enhancement is being initiated through extending the rates collection coverage ✓ Facilitate the operation of the testing ground ✓ Favourable credit rating of the Municipality ✓ Acquisition of land to build rental stock ✓ Acquisition of Land to build Weigh Bridge ✓ Enhancement of the Compliance Register ✓ Promotion of Good Governance. 	<ul style="list-style-type: none"> ✓ If the grants and subsidies received by the municipality are reduced by National Government, then the municipality will hardly cope. ✓ Increased financial reporting and introduction of new financial reforms to comply with on limited capacity. ✓ High Level of unemployment ✓ Insufficient understanding of new financial reforms;

3.6.12 FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT

Table 103: Financial viability and financial management Key Challenges

KEY CHALLENGE(S)	<ul style="list-style-type: none"> ✓ Insufficient funding ✓ Low revenue base ✓ Non-payment culture in community and government department;
DESCRIPTION	<p>It is also the desired goal that our municipality is financially viable and sustainable. It is therefore important that the municipality manage its financial affairs and resources in a way that will ensure financial sustainability. To ensure that the municipality achieves this goal, it is necessary the aforementioned challenges be addressed.</p>

3.7. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

In order to ensure optimal service delivery to the community of Mkhambathini Local Municipality, the Municipality utilizes the Batho Pele Principles. The utilization of Batho Pele Principles is envisaged to ensure that the service delivery interventions in Mkhambathini Local Municipality are responsive to the needs of the communities identified during IDP Roadshows. Batho Pele Principles plays a pivotal role in ensuring that the Mkhambathini Local Municipality proactively responds to the service delivery issues in the planning instruments (i.e. strategic and budgetary planning).

The Municipality has developed draft Service Delivery Charter and Standards and a draft Service Delivery Improvement Plan (SDIP) with intent of promoting community participation in service delivery processes in line with District Development Model objectives. This is aimed at promoting sectoral coordination in response to the needs of communities within the jurisdiction of Mkhambathini Local Municipality. Furthermore, the utilization of Batho Pele Principles is aimed at enabling the realization of accountable Mkhambathini Local Municipality whereby the community members will enable the municipal officials to redress service delivery initiatives that were poorly executed.

The Batho Pele Principles contributes significantly to enabling compliance to legal provisions such as Municipal Systems Act: Section 16(1)(a) pertinent to Community Participation in municipal service delivery instruments.

3.7.1. BATHO PELE PRINCIPLE

Following are the Batho Pele Principles that the Municipality's administrative and political structures strive to achieve when delivering services to the people:

Consultation: All developments in the municipality are undertaken through community participation and engagements. The municipality has engaged the community in its development through the following channels: CDW's, radio, newsletters, meetings, suggestion boxes, izimbizo, etc.

Leadership and Strategic Direction: Our leaders must create an atmosphere which allows for creativity.

Customer Impact: If we put all the Batho Pele Principles into practice, we then increase the chances of improvements in our service delivery. This in turn will have a positive impact on our customers. It is about how the nine principles link together to show we have improved our overall service delivery.

Service Standards: The municipality is striving towards providing services to the community that are of good quality and satisfying.

Access: The municipality is string to ensure that the community has access to the basic services such as water, electricity, etc. Whilst there are challenges such as limited financial resources in realizing this aspect, a lot has been achieved thus far.

Courtesy: Our staff are encouraged to be polite and friendly to our customers. Customers should be treated with respect and consideration. Staff must always be willing to assist.

Information: Information on municipal developments and projects is always conveyed to the community through IDP Rep Forums, newsletters, newspapers, radio, posters, Imbizo, etc.

Openness and Transparency: The municipality has established various structures that ensure that the public knows municipal activities. Information is made available to the public through annual reports, strategic plans, service commitment charters, etc.

Redress: Redress is making it easy for people to tell us if they are unhappy with our service. The municipality has a suggestion box that is attended to. Complaints are attended to effectively and efficiently.

Value for Money: Our municipality is striving to make the best use of its available resources, avoid wasteful expenditure, fraud and corruption and finding new ways of improving services at little or no cost.

Encouraging Innovation and Rewarding Excellence: The municipality embraces partnerships with different sectors in order to improve service delivery. The municipality has been very active in its IGR Structures and many stakeholders have been engaged in these structures to ensure that all partners participate in providing services to the people.

3.7.2. MUNICIPAL SERVICES CHARTER /STANDARDS BACKGROUND

We exist in order to provide services at a fair and acceptable cost, to each one of our customers and it is thus necessary that we indicate the level of service that our customers can expect from us. This level of service shall be applied consistently throughout every street, suburb and town within the municipality. The White Paper on the Transformation of Public Service Delivery (1997) sets out eight Batho Pele (People First) principles, which aims to transform public service delivery.

This document referred to as the Batho Pele (People First) white paper, favours the customer and places the obligation on the service provider to deliver on the basic customer requirements. The Batho Pele principles remain central to this document, promoting service excellence in the public sector and more specifically in local government.

The Batho Pele policy, Public Participation policy and service delivery improvement plan were all adopted by Council on the 27th of May 2018. These will be implemented from the 1st of July 2020.

VALUES OF MKHAMBATHINI

- High quality of life
- Universal access to basic services
- Energy Efficient and environmentally conscious
- Sustainable and Integrated communities
- Safe and Secure Environment

SERVICE STANDARDS

The service standards that may be expected from each service department in the Mkhambathini Municipality are listed in this booklet. Our Service Standards and Service Charter will be delivered proportionally to all our stakeholders by not later than August each year. The Service Standards and Charter will further be published on the website throughout the year.

GENERIC SERVICE STANDARDS

Office Hours

We will commit to these office hours

07:45-13:00

14h00-16:15

Note: The council will endeavour to keep customer desks such as libraries, the rates, halls, open during lunch periods as well.

TELEPHONIC CALLS

- We will endeavour to answer our telephone calls within seven (7) rings
- If we are unable to take your call, you will be able to leave a message on our voice mail system and we commit to respond within three working days.
- For emergency calls, see Protection Services Standards.

AIL & FAX CORRESPONDENCE

- We will acknowledge receipt of your correspondence within three workingdays.
- If we are unable to respond to issues within three (3) working days, we will provide as estimate time based on the complexity of the enquiry within a further five (5) workingdays.

WRITTEN CORRESPONDENCES

- If it must be posted, we will respond in five (5) workingdays.
- Walk in customers
- Appropriate signage will be displayed to ensure easy access to our facilities
- We will have received by informed and responsive staff
- We will identify who is serving you and who is incharge
- We will inform you of services available
- Information readily available will be provided within 30minutes
- If the information is not available, you will be apprised of the status and when to expect the information
- We will attend to all enquiries/complaints by keeping proper records and ensuring that you receive feedback on all concerns raised.

Your cooperation in providing full, accurate and timely information will help us provide you with quality service.

3.7.3. SERVICES STANDARDS

Table 104: Service Standards

TECHNICAL SERVICES	
Roads	
Grading of gravel streets	✓ Will be done according to a schedule programme
Repair of potholes	✓ Will be done accordingly to a scheduled programme
Maintenance of tarred roads	✓ Will be done accordingly to a scheduled programme
Storm water	
Floods / emergencies	✓ Reaction within one hour after incident has been reported
DEVELOPMENT AND PLANNING	
Building plans	
Acknowledgement of receipt	✓ Within five (5) workingdays
Finalization of building plan process – Standard residential building plans	✓ Forty (40) working days sixty (60) workingdays
Non – standard building plans occupancy certificate	✓ Within twenty (20) working days of submission
Application for Land use	
Acknowledge of receipt of application	✓ Within five (5) workingdays
Consideration of standard applications if the application meet the minimum requirements	✓ Within six (6) months. Within six (6) months
<ul style="list-style-type: none"> ✓ Township establishment ✓ Rezoning and removable of restrictions ✓ Consolidations ✓ Consent use application and subdivisions ✓ Building plan relaxations ✓ Site development plans 	<ul style="list-style-type: none"> ✓ Within sixty (60) calender days. Within five (5) months ✓ Within forty (40) working days within sixty (60) working days.
if not able to do within stipulated time frame, feedback will be given	
Public participation	
The IDP review process to be conducted as per approved schedule	
COMMUNITY SERVICES	
Sports Field	
Mowing of grass of sport fields	<ul style="list-style-type: none"> ✓ Done according to prescheduled match programmes ✓ Public has access to a prescheduled programme
Public Parks	
Mowing of lawns and pruning of shrubs and trees	✓ Done according to prescheduled match programmes

Carcass Removals	
All Mkhambathini controlled roads	<ul style="list-style-type: none"> ✓ Remove within forty-eight (48) hours ✓ Will report to relevant authorities
Replacement of damaged stop signs	<ul style="list-style-type: none"> ✓ Immediate after reporting one (1) day, subject to availability of stock
Repaint of faded stop markings	<ul style="list-style-type: none"> ✓ Immediately after reporting, one (1) day subject to availability of material
Other	
Illegal dumping	<ul style="list-style-type: none"> ✓ When polluter is identified, a notice within Three (3) working days. Otherwise removed within two (2) weeks
Noise pollution needs to be reported to SAPS	<ul style="list-style-type: none"> ✓ See contact list
Cleansing and waste removal	
Collection of residential, garden and business refuse <ul style="list-style-type: none"> ✓ Residential area ✓ Business Areas 	<ul style="list-style-type: none"> ✓ Done on weekly basis accordingly to a scheduled programme ✓ Done three (3) times a week swept on a daily basis.
Libraries	
Will be open from 07h45 – 16h15 Saturday from 08h00 – 12h00	
Ambulances	
Emergency services number 082911	
Vehicle licensing and registration	
Motor Licensing 08h00 -13h00 Learners Unit 07h45 – 14h00	
Road markings and road signs	
Road marking complaints	<ul style="list-style-type: none"> ✓ Complaints investigated and finalised within seven (7) – fourteen (14) days
Road marking, street names and road signs	<ul style="list-style-type: none"> ✓ As per technical roster two (2) month (per ward) subject to availability of stock
	<ul style="list-style-type: none"> ✓ Within three (3) working days from the day of application
Formal trade licence	<ul style="list-style-type: none"> ✓ Within fourteen (14) working days (ward councillor and departments)
Application for trading on Demarcated areas	<ul style="list-style-type: none"> ✓ Within three (3) working days from the day of application
Application on area which is not demarcated	<ul style="list-style-type: none"> ✓ Within fourteen (14) working days (ward councillor and relevant departments)
Application for business on selling of food	<ul style="list-style-type: none"> ✓ Within twenty-one (21) working days after

	Application received
Posters	
Application for posters	✓ Within three (3) working days after application
Complaints finalisation	✓ Within five (5) days of complaint received
Posters removal	✓ Within four (4) days after expiry date
Deposit refunds	✓ Within twenty-one (21) days after submission of documents
Events	<ul style="list-style-type: none"> ✓ Big events: Apply 6 months before the event. An event with a spectator capacity of at least 2000 persons. ✓ Small events: Apply 30 (thirty) working days before the event. An event with a spectator capacity of 250 to 1999 persons. (should there be high profile persons (VIP's) the event will be considered as a risk event; the application period can be more than 30 days) ✓ Functions: Apply 30 working days before the event. A function with 30-250 people's e.g weddings, funerals, celebrations, initiation, ceremonies etc. ✓ Safety certificates must be obtained and yearly renewed.
Disaster Management	
Natural disaster response	✓ Dispatched within one (1) hour depending on the area where disaster occurred, dispatch might take up to 4 hours
CORPORATE SERVICES	
Rental of municipal facilities	✓ Confirmation immediately upon proof of payment
Council meetings	✓ Open to the public at least one (1) on a monthly basis at 11h00 as per schedule on the website
FINANCE SERVICES	
Queuing time for municipal accounts payments	✓ Within thirty (30) minutes
Clearance certificate turnaround time	✓ Within five (5) working days
All accessible meters will be read on a monthly basis	
Cashier offices 08h00-15h00	

CONTACT DETAILS

The municipality can be contacted during office hours

Physical address:

18 Old Main Road
Camperdown
3270

Postal Address:

P.O Box x04
Camperdown
3270

Fax: 031 785 2121

Switchboard: 031 785 9300

Complaints email address: info@mkhambathini.gov.za

Website address: www.mkhambathini.gov.za

3.7.4. SERVICE DELIVERY IMPROVEMENT PLAN

SERVICES TO BE IMPROVED

NATIONAL AND PROVINCIAL PROGRAMMES ROLLED-OUT AT MUNICIPAL LEVEL

Mkhambathini Municipality has successfully rolled out operation “Sukuma Sakhe” within its area of jurisdiction. The municipality started in Ward 7 which was very successful and the programme was then rolled out in all wards. Each ward has a war room. Operation “Sukuma Sakhe” is an attempt to declare war against poverty and social challenges facing the community. Operation Sukuma Sakhe Programme (formerly known as the Flagship Programme) seeks to institute food security, fight disease, in particular HIV, AIDS and TB, and poverty, to empower women and youth, and to still behavioural change amongst the citizens of the province. The formulation of this 4th Generation IDP has adopted the principles of Operation Sukuma Sakhe Program thereby establishing partnerships with the local community and getting involved into War Rooms. Operation Sukuma Sakhe has a ‘whole of Government approach’ as its philosophical basis.

The functionality of War Rooms to enable the implementation of Operation Sukuma Sakhe is infused into the District Development Model (DDM) Technical Hubs, whereby the Municipal Manager reports on the functionality of the 7 War Rooms at the aforesaid DDM Technical Hubs attended by sector departments. The main aim is to ensure that the OSS service delivery issues are incorporated into the planning and reporting of the DDM by all spheres of government.

Subsequently, OSS spells out every initiative and how it links to initiatives being implemented by the different sector departments and the spheres of government, and how delivery of services is required through partnership with community, stakeholders and government. Operation Sukuma Sakhe is a continuous interaction between Government and the community to come together to achieve the 14 National Outcomes. The program encourages the social mobilization where communities have a role, as well as delivery of government services in a more integrated way. The Government has structures programs which need to drill down to the level of the people they are serving. This is a ward level, translating to all 7 wards and all households within the

Mkhambathini area of jurisdiction. The KwaZulu-Natal provincial government humbly accept that it cannot achieve this alone and needs community's hands in building this nation together. The LED strategy adopted by Council in November 2017 was developed in response to the issues the PGDP and the DGDP.

The alignment details are on the LED strategy attached as an annexure to the IDP.

EXPANDED PUBLIC WORKS PROGRAMME

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

EPWP aims to significantly expand the creation of temporary work opportunities that provide income to the poor and unemployed; and increase the duration of work opportunities for maximum impact. In the financial year 2017/2018, Mkhambathini municipality received the R1 089.00 grant from the National Department of Public Works for the facilitation, coordination and implementation of this programme.

The programme has four projects namely: Town Beautification focusing at (Maqongqo and Camperdown). It commenced in August 2014. This project produced a clean and tidy CBD and landscaped park areas. Clean drains and pipe culverts. Izandla Zethu which is in Ward 2, 3, 5, 6 and 7, it focuses on Maintenance of public facilities such as Roads and Buildings.

The third project is another project called My Job My future which is an internship project. It commenced in December 2014 and the targeted project participants were the unemployed graduates. Its ultimate goal is giving them work exposure and experience. 10 participants were part of the project and they were all contracted until January 2018.

The fourth project is the sports stars, aimed at sports development in disadvantaged schools and communities. This project has youth participants responsible for coaching clinics and ensuring that there is sports equipment for various codes within the communities in all 7 wards.

ACHIEVEMENTS Of Mkhambathini Local Municipality: Phase 4 targets for 2019/20 financial year for Work Opportunities Target was (167) and as Mkhambathini Local Municipality we managed to achieve the Work Opportunities Achieved(161) and 57 FTEs were achieved by the Mkhambathini Local Municipality against the target of 60 FTEs. A total of 17806 work days was achieved during the 4 quarters (with beneficiaries working 10 days a month). Project durations varied between 6 and 12 months.

The municipality is currently working on a the EPWP programme aligned policy that will be concluded and adopted by Council by 30 September 2018.

3.7.5. INTERGOVERNMENTAL RELATIONS (IGR)

Sector departments and the District participate in the IDP processes of as a strategic planning document that is intended to guide their capital budget. The information on planned projects by sector departments and the district should inform the multi-year plans, and municipalities must not receive unexpected grants since this cripple planning in advance and can lead to adhoc project implementation. It should be compulsory for all sector departments to align their budgets with municipal budgets in line with the provincial allocate resources, using the prioritisation list available in the municipal ward-based plan of municipalities after thorough consultations with communities.

The strategic pronouncements from National and Provincial discussed in the District IGR Structures, where the progress is monitored through the District Command Council

The structures such as the IDP Steering Committees and Representative Forum are in place, also taking consideration the functionality of the various forums within the municipality. This platform that is intended to create an environment that is conducive for intergovernmental relations within the municipality and amongst spheres of government. Mkhambathini Municipality is part of the uMgungundlovu District.

The Clusters were:

- Mayors Forum
- Municipal Manager's forum
- Finance Forum
- Corporate Services Forum
- Speakers Forum
- Governance Forum
- ICT Forum
- Social and Community Forum
- Infrastructure
- Development & Planning

The introduction of DDM in the District Municipality, the forums are being reconfigured and now it'll be the

- Economic & Infrastructure Cluster,
- Governance & Finance Cluster
- Communications
- Justice, Policing
- Social & Community

uMgungundlovu District IGR Structures are in existence and functional. The IGR Structures are chaired by respective Municipal Managers.

3.7.6. PARTICIPATION IN THE PROVINCIAL FORUM

The Municipal Manager participate in the Technical Munimec and Premiers Coordination Forum. Furthermore, the Mayor and the Municipal Manager also participate in the Munimec.

3.7.7. IGR OFFICIAL IN THE MUNICIPALITY

The resolutions emanated from The Cluster are tabled at the Mkhambathini Municipal Council and the council is updated on the interventions that have been for the Municipality by the District. The participation of the municipality in these clusters that have introduced by the DDM are functional. The implementation of the resolutions are executed in order to expedite service delivery interventions emanated from the Umgungundlovu District Command Council.

Furthermore, the Municipal Manager presents progress report at the District Development Model Technical Hub and District Command Council on the work done by Mkhambathini Local Municipality on the resolutions made.

3.7.8. MUNICIPAL WARD COMMITTEE

The Municipality is a developmental local government structure that is committed to working with citizens and organised interest groups to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives.

According to Municipal Structures Act, Section 74(a)(ii) the ward committee gthrough the ward councillor may table their service delivery issues at the Municipal Council. The Mkhambathini Local Municipality comprises of 7 wards and the review of the IDP took into consideration the service delivery issues emanated from the ward committees within the jurisdiction of Mkhambathini Local Municipality

This assertion complements the right of communities to participate in the decisions that affect development in their respective areas, and a corresponding duty on the municipality to encourage community participation in matters of local governance. The Municipality achieves this goal mainly through Ward Committee structures and a variety of other measures designed to foster open, transparent and consultative municipal governance.

The ward committee structures are functioned very well in the 2019/2020 financial year. The office of the Speaker who is responsible for monitoring of the functionality and effectiveness of the ward committees coordinated inhouse training to ensure that all members have a clear understanding of the Municipal Operations.

The Ward Committees are functional for the better part of 2019/2020 as COGTA Public Participation Unit had assessed us and we were found to be functional for the quarters of July-September 2019, as well as October – December 2019. Unfortunately, due to the outbreak of the COVID 19 Pandemic, 3RD Quarter meetings did not meet the functionality criteria & April – June 2020 meetings have been severely affected as no Ward Committee meetings & no Public meetings have been held.

Ward Committees meet 3 times in a quarter [1 meeting per month] and public meetings are held once in a quarter. Some of the challenges faced in our ward committees is the issues of report writing by ward committee secretaries, but the municipality has offered them accredited training during the 19/20 financial year. The other challenge is that due to the way our municipality is located; they complain that the stipend they receive is too little hence they are unable to cover all the areas in their respective wards.

3.7.9. TRADITIONAL LEADERSHIP PARTICIPATING IN MUNICIPAL COUNCIL

Section 81 (1) of the Municipal Structures Act, 117 of 1998 provides for the participation of traditional leaders in municipal councils. Traditional Leaders are an important component of Municipal stakeholders and their representative are always inviting in the council sitting to participate in the municipal strategies and policy decisions. The two Traditional Leaders represented that the Municipality participate in the Infrastructure and Administration and Corporate Services Portfolio committees.

3.7.10. MUNICIPAL STRUCTURES

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

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

3.7.11. COMMUNICATION PLAN

The Municipality has a communication Strategy and a Communication Plan in place. The post of the Communications Officer has been filled. This will assist in ensuring the speedy communication of municipal programmes and progress to the Community. The Municipality is continuing to communicate with its community through a newsletter, and a communication social media page have been developed.

3.7.12. AUDIT COMMITTEE & PERFORMANCE AUDIT COMMITTEE

Mkhambathini Municipality has taken a decision to combined these two commitees which are the Audit Committee and Performance Audit Committee due to the fact it was seen that the Audit Committee play both roles and will assist to deal issues relating to Performance Audit Commitee . All the Audit Committee members are skilled on issues pertinent to the running of local government. These members are duly qualified in areas of local government finance, performance management and municipal administration. The Audit Committee & Performance Audit Committee is functional, and it meets at least 4 times a year. Furthermore, the reports are tabled to council at least twice a year.

It should note that the municipality is using the audit committee & performance audit commitee to deal with issues of Performance management. Meetings held deal with Performance & Audit issues only. The municipality has appointed a new audit committee with will undertake a responsibility of both Finance, Internal Control and Performance Management responsibilities

3.7.13. MUNICIPAL BID COMMITTEES

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

Bid Specification Committee Members: Mr T G Zondo, (Chairperson), Mr AN Mthethwa and Ms Z Magini. User department is always represented by ex-officio member to present the specification.

Bid Evaluation Committee: Miss TF Duma (Chairperson) Ms Z P Ngongoma, Mrs B K Mthiyane; Mr S C Magcaba and Mr T S G Zulu.

Bid Adjudication Committee: Mr MS Dlamini (Chairperson) Ms N S N Mkhize; Ms ZM Mdlazi; Mr GS Mkhize New bid committee members will be appointed on the 01 July 2020.

3.7.14. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

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

The Yearly Programme of the Municipal Public Accounts Committee also included the visiting of project as part of oversight to ensure that the project on the ground are performing as reported on a quarterly basis. The following table is gives an overview of the members of the MPAC Committee:

Members of the MPAC Committee

CLlr RN Lembethe	Chairperson
CLlr N Zondo	
CLlr MR Shandu	
CLlr RB Mkhize	
CLlr ZF Mbambo	
CLlr S Ngidi	
CLlr N Phungula	

3.7.15. MUNICIPAL PORTFOLIO COMMITTEES

The Municipality has a properly constituted and functional portfolio committees. Reports on the progress and implementation of the municipal elements are presented to each portfolio as per its competency. The Committee are proportionally represented and the Mayor Chairperson the Executive Committee Meeting. The Deputy Mayor, who is a female, chairs the Infrastructure and Planning Portfolio committee.

3.7.16. MUNICIPAL RISK MANAGEMENT AND RISK MANAGEMENT COMMITTEE

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

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

The Municipality reviewed the risk profile in developing the risk management action plan for the 2019/2020 financial year. Risk related to fraud are identified separately from the original Risk management process. This will assist in the monitoring of the risks related to fraud.

The Management has been appointed by council to play a pivotal role in the Risk Management Committee and Internal Audit Activity is a standing invitee in the Risk Management Committee Meetings.

3.7.17. ANTI FRAUD AND ANTI-CORRUPTION STRATEGY

The Municipality has an adopted Anti-Fraud and Corruption Strategy which as adopted by Council in May 2018. The Strategy will be workshopped to Staff on an ongoing basis. Furthermore, the municipality has a fraud hotline managed by Internal Audit Activity.

3.7.18. MUNICIPAL BY LAWS

Mkhambathini has a total of sixteen (16) bylaws which have been approved and gazetted.

These are as follows:

Table 106: Municipal Bylaws

1.	Outdoor Advertising	10	Public Amenities
2.	Animal Pound	11	Public Meeting & gatherings
3.	Cemetery & Crematoria	12	Public Roads
4.	Fire Prevention	13	Standing Rules & Order of the Council and its Committees
5.	Property Encroachment	14	Storm Water Management
6.	Nuisance	15	Street Trading
7.	Parking Ground	16	Public Transport.
8.	Park & Open Public Spaces	17	Credit Controls and Debt collection bylaw.
9	Pollution Control		

3.7.19. GOOD GOVERNANCE AND PUBLIC PARTICIPATION ANALYSIS

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

The Ward Committees played a meaning full role during IDP/ Budget Izimbizo's as they outline the prioritization list of the communities per ward .The Municipality has utilised the services of Ward Committees to do research on Electricity Backlog on all wards and it also has utilised the ward committees to educate the community on the outbreak of the Covid-19 and emphasised the importance of the regulations and measure that need to take cognizance of the basic services of the community.

3.7.20. GOOD GOVERNANCE AND PUBLIC PARTICIPATION: SWOT ANALYSIS

Section 16 (1) of the Municipal Systems Act requires municipalities to develop a culture of municipal governance that compliments format representative's government with a system of participatory local government. As such, Mkhambathini Local Municipality has adopted a ward committee system and established such structures in all 7 municipal wards. The ward committees represent diverse interests and serve as the means meaning full role during IDP/ Budget Izimbizos's. The Municipality has utilised the services of ward committees to do research on electricity backlog on all wards

Table 107: Good Governance SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ✓ Mkhambathini is participating in the IGR structure at a district level. ✓ Public participation and municipal structures are in place which embraces good governance. ✓ Audit Committee is in place and the Internal Audit Unit is functional. ✓ Functional Risk Management Process; ✓ Risk Management Policy and Risk Management Strategy in Place; ✓ Risk Register Updated Quarterly; ✓ Emerging Risk Identified Quarterly; ✓ Most policies and by-laws have been developed, approved and adopted. ✓ Fraud and Corruption Hotline ✓ Ward Committees Trained on Budget, IDP and Annual Report Processes. ✓ Functional Ward Committee Structures. 	<ul style="list-style-type: none"> ✓ Some of the ward committees still battle to understand the IDP process and planning cycles; ✓ Lack of Capacity; ✓ Lack of conducive office space; ✓ Staff not adapting to change management; ✓ Risk Management Processes not understood by all employees ✓ Review the Performance Management Framework to include Support Staff.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ✓ If the system of good governance are not implemented, especially public participation and transparency, this could lead to limited mistrust and community uproar. ✓ Geographic Location and Vastness of the Municipality. ✓ Inability to attract skilled personnel ✓ Possibility of losing more skilled personnel 	<ul style="list-style-type: none"> ✓ Cascading Down OPMS; ✓ Support from COGTA

3.8. KEY CHALLENGES

One of the distinguishing features of integrated development planning is its focus on strategic areas of intervention and concern with interventions with a high impact using the limited resources available to the municipality. This focus is intended to achieve faster and appropriate delivery of services and create an enabling framework for social and economic development. It is however important to acknowledge that integrated development planning is not and cannot be a panacea for all problems facing the municipality and its people. Integrated development planning is predicated on the availability of enough information and is strategic in nature.

A compilation of the municipal data and an analysis of the current development situation within Mkhambathini Municipality indicate a high level and wide spread of need. Certainly, Mkhambathini Municipality cannot address these issues alone and do not have the capacity, both human and financial, to launch a comprehensive attack on these issues. To this end, it requires support of the district municipality, provincial and national government, as well as various other service providers working within the municipality area. The key development issues are briefly outlined below.

The combined SWOT Analysis has demonstrated the strengths that our municipality intends to build on to exploit on the opportunities. Likewise, the municipality has developed interventional measure to address the weaknesses and threats. Following is a summary of the key challenges per KPA. The municipality during its Strategic Planning Session 2019/20 developed interventional strategies to address these challenges.

Table 108: Combined Key Challenges

MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	
KEY CHALLENGE(S)	<ul style="list-style-type: none"> ✓ Training & development; ✓ Insufficient funds to fill vacant positions; ✓ Retention of skilled staff; ✓ Lack of office space; ✓ Ineffective Employee Wellness Program; ✓ Human Resources responsible for the implementation of Strategic Agenda
DESCRIPTION	<p>The Municipality is not in a position to retain skills personnel due to the size of the municipality. Once skilled there get attracted by bigger municipality. Some of the community members, municipal staffs and political structures have a shortage of appropriate skills and education to efficiently and effectively deliver services to the community. A number of vacant positions are as a result of challenge faced by the municipality of losing skilled employees.</p> <p>The geographical area of the municipality does not have a potential of expanding our offices and also limited financial resources prevents the municipality to expand the Municipality is in a process of finding ways to address the above challenges. But with limited resources the municipality is still functioning as a result of continuously engaging staff in all municipal processes as part of their growth.</p>

BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT	
KEY CHALLENGES	<ul style="list-style-type: none"> ✓ Lack of supporting bulk infrastructure; ✓ High backlogs in electricity, water, sanitation, roads; ✓ To ensure effective, efficient and economical environmental management; ✓ Inadequate water services infrastructure ✓ Inadequate water services infrastructure Refuse removal still a challenge due to the topography, rural nature of the municipality and low revenue base ✓ Poor state of community halls (services, maintenance and vandalism) ✓ Illegal dumping and connections ✓ Insufficient revenue to implement IDP projects (High backlog) ✓ Housing backlog(delay sin construction, protests, and land tenure issues)
DESCRIPTION	<p>The Municipality is lacking bulk infrastructure and as such experiences a backlog in electricity, water and sanitation and waste removal mostly in the rural areas. There is a need to reduce the backlogs and improve the economic infrastructure so that the municipality can enjoy its full economic potentials.</p> <p>The municipality is currently busy facilitating funding through various funding sources to ensure that the backlog issues are reduced if not eliminated. Similarly, there are infrastructure projects that are being implemented to improve the economic condition of the municipality.</p>
LOCAL ECONOMIC AND SOCIAL DEVELOPMENT	
KEY CHALLENGE(S)	<ul style="list-style-type: none"> ✓ High unemployment rate; High Poverty rate; ✓ Lack Informal Traders By-laws; ✓ Ineffective co-ordination and communication with LED stakeholders; ✓ Limited land for development (UrbanExpansion);
DESCRIPTION	<p>The municipality is characterized by high unemployment and poverty, which is caused by amongst others lack employment opportunities and high illiteracy. The geographic location of our communities makes it impossible for the LED program to flourish. The municipality is in the process of reviewing the bylaws to restore law and order in the informal sector.</p> <p>There has been a lack of coordination by LED Stakeholders hence a low pace in economic development and growth. Likewise, lack of land is undermining investment in the area. The municipality has established a structure that will coordinate the LED Stakeholders to ensure effective implementation of LED Projects.</p> <p>The Municipality is in a process of identifying landowners around Camperdown area with an aim of engaging them to release land for potential investors</p>

4.7.1 FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	
KEY CHALLENGE(S)	<ul style="list-style-type: none"> ✓ Insufficient funding; ✓ Low revenue base; ✓ Non-payment culture in community and government department;
DESCRIPTION	It is also the desired goal that our municipality is financially viable and sustainable. It is therefore important that the municipality manage its financial affairs and resources in a way that will ensure financial sustainability. To ensure that the municipality achieves this goal, it is necessary the aforementioned challenges be addressed.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	
KEY CHALLENGE(S)	<ul style="list-style-type: none"> ✓ Delays in response to audit queries; ✓ Lack of compliance register; ✓ Poor participation of municipal leadership and MPAC in Audit committee meetings; ✓ Lack of whistle blowing hotline; ✓ Lack of understanding of risk management processes; ✓ Non alignment between Internal audit and M&E processplans
DESCRIPTION	Municipalities are required by law (Municipal Systems Act) to embrace accountability and transparency in its operation to all its stakeholders. To achieve this desired goal, the municipality intends install efficient and effective internal and external communication and management systems. Such systems will enhance good governance and public participation.
CROSS CUTTING ISSUES	
KEY CHALLENGE(S)	<ul style="list-style-type: none"> ✓ Non-availability of the urban and rural scheme to inform the valuation roll; ✓ Land legal matters; ✓ Billing system not linked to GIS
DESCRIPTION	The municipality is unable to manage land and direct development due to lack of town planning scheme and land. The municipality is developing a wall-to-wall scheme that will address this problem and at the same time liaising with the landowners to unlock land for development.

3.9. COMBINED SWOT ANALYSIS

STRENGTH	WEAKNESS
✓ Mkhambathini is strategically located in terms of its position between provincial nodes (Pietermaritzburg and Durban) as well as the national corridor (N3).	✓ Some of the ward committees still battle to understand the IDP process and planning cycles.
✓ The town of Camperdown is growing into a strong service centre for the municipality and it's appropriately positioned at the central part of Municipality and N3.	✓ It is a very small predominantly rural municipality with limited private development taking place within it.
✓ Good climatic condition.	✓ The legacy of past apartheid policies is still visible in the sense of communities that were marginalized from economic opportunities, are still largely suffering. Badly structures routes at a regional level limits regional integration within the municipality.
✓ Mkhambathini is participating in the IGR structure at a district level.	✓ Most of the land is privately owned which may limit the pace at which the state can deliver the public facilities since the land acquisition process may sometimes be time consuming. Steep terrain limits development with some parts of the municipality, especially CBD expansion towards the north as well as agricultural development in Wards 1, 2, and 3.
✓ Public participation and municipal structures are in place, which embraces good governance. Audit Committee is in place and the Internal Audit Unit is functional.	✓ Limited human capital allocation at a local municipal level.
✓ Risk Management policy is in place. District Disaster Management Plan is in place and has a sound coverage for Mkhambathini. Most of the resources in terms of human capital are allocated at a district level to handle disaster situations that may take place in Mkhambathini.	✓ Lack of a local disaster management plan isolation for some of the areas may threaten the turnaround time to arrive during emergencies.
✓ Most policies and by-laws have been developed, approved and adopted.	✓ The volunteer programme is neither legislated nor guaranteed success.

INTEGRATED DEVELOPMENT PLAN

✓ Mkhambathini is not prone to dreadful natural disasters such as tornadoes, earthquakes or hurricane, extended to the rural areas i.e. tribal council areas.	✓ Lack of bulk water infrastructure to support development within some parts of the municipality.
✓ The location of the municipality near Oribi Airport in Pietermaritzburg, King Shaka International Airport and Dube Trade Port is an advantage for investment and trading opportunities within the area	✓ Most of the roads (69%) within the municipality are gravel, which limits the development prospects in some areas. There is general lack of public transport facilities
THREAT	OPPORTUNITY
✓ The portfolio committee system is in place and the council decision processes comply with MSA.	✓ Decline in the agricultural sector has caused jobs losses.
✓ Communication strategies and culture of public participation is being practiced through Izimbizo, IDP Rep Forums and suggestion boxes.	✓ Impact of land reform processes has affected the agricultural sector.
✓ Human Resource Policies have been developed.	✓ Lack of social facilities in most areas of the municipality.
✓ Revenue base is increasing.	✓ Disabled people are often left in the care of people who have not received training in this regard.
✓ Opinion from the AG about the state of the finances at the municipality is good.	✓ Lack of sufficient capacity (vacancies) is causing the municipality to battle with executing some of the functions. Vacancies at Section 57 level may hamper the efficiency of the municipality grants and subsidies.
✓ The municipality operates with a positive balance.	✓ If the grant and subsidies received by municipality are reduced by National Government, then the municipality will struggle to cope.
✓ Mkhambathini is participating in the IGR structure at a district level.	✓ The municipality is largely dependent on grants and subsidies.
✓ Public participation and municipal structures are in place, which embraces good governance.	✓ High expenditure on salaries.
✓ Audit Committee is in place and the Internal Audit Unit is functional.	✓ No support system for indigents.
✓ Most policies and by-laws have been developed, approved and adopted.	✓ The culture of non-payment of municipal accounts by consumers affects municipal revenue.
✓ Risk management policy is in place.	✓ Unspent grants.
✓ It is located within the busiest corridor within the province, which opens a lot of trading and storage opportunities.	✓ Processes to identify and manage unwarranted, unauthorized, irregular or wasteful expenditure are not robust.

✓ It is located within the busiest corridor within the province, which opens a lot of trading and storage opportunities.	✓ Revenue collection activities are also not being carried out adequately.
✓ Potential exists to develop and intensify the role of Eston and Ophokweni as secondary nodes.	✓ Some of the ward committees still battle to understand the IDP process and planning cycles.
✓ Mkhambathini is endowed with relatively good agricultural land and opportunities exist to develop this sector even further.	✓ Growing pressure to protect sensitive vegetation such as Ngongoni and Bushveld Valley.
✓ The land claims (restitution) have progressed very well and this provides opportunities for agrarian reform. Training of ward committees on Municipal IDP and budgeting.	✓ Mounting burden to protect the rivers and wetlands with limited resources available at the municipality.
✓ The opportunity still exists to develop a local disaster management plan using the district plan as framework.	✓ If the systems of good governance are not implemented, especially public participation and transparency, this could lead to limited trust and community uproar.
✓ The structures used during IDP processes can be utilized to identify and mobilize volunteers.	✓ Inability to respond to emergencies within prescribed response time would undermine the role of the municipality in terms of meeting constitutional obligation.
✓ The planned construction of the new Waste Water Treatment Works with a 2MI capacity within Camperdown will unlock development opportunities.	✓ Lack of sufficient budgeting would imply that the plan would not be implemented effectively.
✓ The national government massive investment in rail infrastructure may result in the revamp of the railway line between Durban-Pietermaritzburg-Witwatersrand. This will be of great benefit to Mkhambathini.	✓ Failure to implement the National Environment Management Waste Act No. 59 of 2008 (extending waste management to tribal council areas) due to unaffordability of this service.
✓ Municipality is reviewing its LED Plan which will assist with governing economic development.	✓ Failure to deliver community facilities (health and libraries) that are needed due to disqualification by planning standards resulting in community uproar.
✓ In terms of demographic, Mkhambathini has a high number of women and youth, this encourages the government to pilot programmes that target these groups.	✓ Impact of global economic climate i.e. recession.
✓ Opportunity exists to fill the vacant posts in order to beef up municipal capacity.	✓ Impact of climate change and how it may affect the agricultural sector.

✓ Revenue enhancement is being initiated through extending the rates collection coverage.	✓ If early childhood development does not receive sufficient investment, this may have negative repercussions about the future generation of the area.
✓ Training of Ward Committees on Municipal IDP and budgeting.	✓ Lack of budget to fill vacant posts may result in the situation whereby these posts remain frozen. This could hamper the municipality from delivering on some of its functions.

The non-achievements highlighted in the 2018/2019 Annual Performance Report were considered when formulating this IDP and will be attached as an annexure to the IDP with measures for improvement indicated.

CHAPTER 4: VISION, MISSION AND GOALS

4.1. MUNICIPAL VISION, GOALS AND OBJECTIVES

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

- Strategic fit (Alignment with National and Provincial Development Strategies).
- Mkhambathini Local Municipality Long-Term Strategic Direction and Organizational Culture.
- Mkhambathini Local Municipality Short to Medium Term Strategies and Action Plans.

The IDP also considers the emerging National and Provincial Long-Term Strategic Plans as encapsulated in the National Development Plan and the Provincial Growth and Development Strategy. Given its strategic location in the northern part of KwaZulu-Natal, Mkhambathini Municipality will make a significant contribution towards the implementation and attainment of the strategic objectives of each of these strategic plans.

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

4.1.1. THE MKHAMBATHINI VISION

“By 2030 Mkhambathini Municipality will be KwaZulu Natal’s mega-hub for industries, tourism and agriculture along the N3 Corridor which provides a socially cohesive environment.”

4.1.2. MISSION STATEMENT

Mkhambathini Municipality commits itself to the following

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

The mission statement acknowledges the objects of Local Government which are outlined in chapter 7 of Local Government Legislation. That will give an effect through the IDP and the associated sector plans. It also seeks to align the municipal strategic activities, structure and resource allocation with the powers and functions as prescribed in the Constitution of the Republic of South Africa in Chapter 7.

4.1.3. DEVELOPMENT GOALS

The following long-term development goals have been identified and are aligned to the Provincial Growth and Development Strategy based on the above key performance areas:

government legislation and given effect through the IDP and the associated sector plans. It also seeks to align the municipal strategic activities, structure, and resource allocation with the powers the goals of the municipality are aligned to the 7 Goals of The Provincial Growth and Development Strategy.

- ✓ To build an efficient and sustainable local government structure.
- ✓ To promote an equitable access to infrastructure and basic services.
- ✓ To create a condition conducive to economic development.
- ✓ To promote sustainable social and economic development.
- ✓ To create a spatial framework that facilitates an equitable distribution of development.
- ✓ To promote sustainable and integrated land use pattern.
- ✓ To create of a Newtown that promotes local economic development.
- ✓ To prioritize the municipality's catalytic projects which focus on the Wastewater Treatment Works.
- ✓ To strengthen intergovernmental relations to ensure the resuscitation of the railway network, accelerating the interchange upgrade programme and augment the water storage facility.
- ✓ To develop the municipality's public transport network.
- ✓ To ensure provision of socio-economic infrastructure that provides for a full range of housing types, educational facilities, health facilities

GOALS

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

DEFINITION OF OBJECTIVES

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

DIFFERENCES BETWEEN GOALS AND OBJECTIVES

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

4.1.4. STRATEGY

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

NKPAs	BACK TO BASICS	IDP GOALS	STRATEGIC OBJECTIVES
BASIC SERVICE DELIVERY	Basic Service Delivery	Identify backlogs in order To improve access to services and ensure proper operations and maintenance.	To ensure the provision, upgrade And construction of infrastructure and services that enhance socio- economic development within the municipality
			To ensure healthy living community
			To ensure safe and healthy environment
			To ensure provision of free Basic Services
			To ensure integrated housing development within the municipality
			To ensure that the municipal infrastructure assets are maintained

INTEGRATED DEVELOPMENT PLAN

NKPAs	BACK TO BASICS	IDP GOALS	STRATEGIC OBJECTIVES
			To ensure continuous maintenance of municipal roads and storm-water drainage
			To ensure the integrated electrification development project within the municipality
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Building Capable Local Government Institutions	Capacitate Municipal Workforce through training.	To ensure that Policies and Procedures are up to date
			To ensure that municipal staff is skills according to job requirements
			To ensure effective service delivery through develop staff
			Create Job opportunities through EPWP projects
			To provide skills development programmes for Staff and Councillors
			To ensure that employment equity targets are met
			To provide effective career planning
			To implement a refined organisational structure
			To provide adequate human Capital
			To promote Employee Wellness and Occupational Health & Safety
			To improve the standard of records management
			To improve the standard of administrative and auxiliary support
			To ensure effective utilisation of the Municipal Fleet
			To ensure that services provided to the Municipality by service providers is of high quality
FINANCIAL VIABILITY AND MANAGEMENT	Sound Financial Management	Review the revenue enhancement strategy and implement financial	Implementation of the Job Evaluation Outcomes
			To provide youth skills development programmes
			To Ensure that the Budget is spent according to budget projections
			To improve expenditure control
			To improve reporting control
			To improve the procurement system

NKPAs	BACK TO BASICS	IDP GOALS	STRATEGIC OBJECTIVES
		management policies, procedures and systems	To improve the budgeting and reporting processes Compilation of AFS Complete Fixed Assets Register (FAR) To improve income control Liquidity Management To improve income control To ensure that VAT is accounted for To Ensure that the System of Internal Control is working effectively within the Payroll Section To ensure functional EPWP Programmes To Invest in the Development of the Municipality through Revenue Enhancement To ensure that the workforce is trained to enhance service delivery To practice sound financial management principles To improve expenditure management
LOCAL ECONOMIC DEVELOPMENT	Putting People First Basic Service Delivery	Create and Promote an environment that promotes the development of the local Economy and Facilitate job creation through sustainable projects.	To ensure functional Rural Economic Development Projects To promote emerging business To promote the rights of designated groups To Promote Sports and Recreation To combat HIV and AIDS To assist community in fighting poverty To create a conducive environment for Local Economic and Rural Development To Promote Tourism within the Municipal Area To promote Arts and Culture Activities
GOOD GOVERNANCE	Good Governance	Promote and encourage the culture of participation and ensure that principle of good governance are respected.	To implement and maintain effective enterprise risk management system To provide reasonable assurance on the adequacy and effectiveness of internal control system To ensure and effective Audit and Performance Committee To Transform the Municipality into a performance driven Municipality

INTEGRATED DEVELOPMENT PLAN

NKPAs	BACK TO BASICS	IDP GOALS	STRATEGIC OBJECTIVES
			Ensure Functional Public Municipal Accounts Committee To ensure continuous engagement with ward constituency To ensure continuous engagement with ward constituency To enhance customer relations To improve the procurement system To support and maintain user Departments with ICT requirements To Improve Performance and functioning of the municipality To keep the community members informed and involved in the affairs of the municipality To ensure that the community is well informed of the Municipal Activities To participate in uMgungundlovu Economic Development Agency To implement and maintain effective enterprise risk management system
CROSS CUTTING	Basic Service Delivery	Development of schemes and unlocking of land.	To Facilitate spatial development in the entire area of Mkhambathini Municipality To ensure that Planning and Development Priorities of the Municipality are accounted for To Facilitate and review the Spatial Development Framework To promote effective and efficient building control services To ensure Integrated Housing Development within the Municipality To Improve performance and functioning of the Municipality To provide support on disaster management services

4.2. ALIGNMENT OF THE KZN PGDS GOALS WITH THE MUNICIPAL GOALS, OBJECTIVES AND STRATEGIES

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

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

GOALS	STRATEGIC OBJECTIVE	STRATEGIES/PROJECTS
KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT		
GOAL 1: INCLUSIVE ECONOMIC GROWTH	To ensure that municipal staff and councillors are informed of skills development Programmes	<ul style="list-style-type: none"> ✓ Review and adopt Municipal Policies ✓ Develop training plan for both the community and staff
GOAL 2 ;HUMAN RESOURCE DEVELOPMENT	To ensure that municipal staff is skilled according to job requirements	<ul style="list-style-type: none"> ✓ Fill crucial vacant position ✓ Create jobs through EPWP ✓ Award bursaries to staff and community ✓ Adopt and submit WSP to LG SETA
GOAL 3: HUMAN AND COMMUNITY DEVELOPMENT	Capacitate Municipal Workforce and Community through training	<ul style="list-style-type: none"> ✓ Implement wellness programme ✓ Implement health and safety programme ✓ Inform the community of all municipal activities
	Enhance community participation and development through the Ward Committees	<ul style="list-style-type: none"> ✓ Promote the standard of administration and auxiliary support by filling and disposing of documents ✓ Ensure functional committee meetings
KPA 2: BASIC SERVICE DELIVERY		
GOAL 4: STRATEGIC INFRASTRUCTURE	Ensure that municipal assets promote safe and security to its citizens	<ul style="list-style-type: none"> ✓ Review Maintenance Plan ✓ Prioritise Regravelling of Road infrastructure ✓ Provide access to roads ✓ Provide access to community service and sorting facilities

INTEGRATED DEVELOPMENT PLAN

GOAL 4: STRATEGIC INFRASTRUCTURE	Identify backlogs in order to improve access to services and ensure proper operations and maintenance	<ul style="list-style-type: none"> ✓ Upgrade and maintain infrastructure within the municipality ✓ Provide refuse removal services ✓ Update indigent register ✓ Facilitate housing meetings with developers and Department of Human Settlement ✓ Facilitate the access to basic electricity ✓ Maintain roads and stormwater drains
KPA 3: LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT		
GOAL 5: ENVIRONMENTAL SUSTAINABILITY	<p>Create a climate that will allow for economic development.</p> <p>Create and Promote an environment that promotes the development of the local economy and facilitate job creation through</p>	<ul style="list-style-type: none"> ✓ Facilitate the implementation of LED projects ✓ Develop LED Strategy ✓ Identify land for development ✓ Facilitate disaster awareness campaigns ✓ Facilitate youth programmes ✓ Host senior citizens and fun day for children

GOALS	STRATEGIC OBJECTIVE	STRATEGIES/PROJECTS
GOAL 5: ENVIRONMENTAL SUSTAINABILITY	Facilitate the enhancement of special programmes through SMME ,Cooperatives programmes and special programmes that make provision of the Senior Citizens ,Unemployed Graduates and the Disabled	<ul style="list-style-type: none"> ✓ Implement HIV and AIDS Programmes ✓ Implement SMME Cooperatives programmes and projects ✓ Facilitate rural development through support programmes ✓ Develop tourism strategy ✓ Support Local Tourism ✓ Facilitate and implement crafters support programmes ✓ Facilitate library events
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT		
GOAL 6: GOVERNANCE AND POLICY	<p>Create a climate that will allow for economic development</p> <p>Review the revenue enhancement strategy and implement financial management policies, procedures and systems</p>	<ul style="list-style-type: none"> ✓ Review Revenue Enhancement Strategy ✓ Hand over long overdue accounts. ✓ Improve income control ✓ Ensure compliance to SCM policies ✓ Facilitate the training of the workforce through WSP ✓ Monitor the income from learners and motor licensing; ✓ Review monthly budget expenditure ✓ Comply with prescribed dates to improve reporting control ✓ Manage all municipal assets
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION		
GOAL 6: GOVERNANCE AND POLICY	<p>Promote and encourage culture of participation</p> <p>Promote and encourage the culture of participation, and ensure that principles of good governance are respected.</p>	<ul style="list-style-type: none"> ✓ Monitor and Implement the AG and IA audit action plans; ✓ Review Compliance Register. ✓ Implement and maintain Risk management workshop ✓ Monitor targets achieved through performance reports ✓ Ensure functionality of oversight committee ✓ Ensure functional ward committee and public participation
KPA 6: CROSS CUTTING ISSUES		
GOAL 7: SPATIAL EQUITY	Develop a system that will ensure Orderly development of Schemes and unlocking of land	<ul style="list-style-type: none"> ✓ Develop land use management scheme ✓ Develop and implement a credible IDP ✓ Develop and implement a Spatial Development Framework.

CHAPTER 5: STRATEGIC MAPPING

5.1. Environment Sensitive Areas (Agricultural Potential Areas & Disaster Risk Profile)

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

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

5.1.1. DESIRED SPATIAL OUTCOMES

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

5.1.2. DESIRED SPATIAL FORM AND LAND USE

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

5.1.3. SPATIAL RECONSTRUCTION OF THE MUNICIPALITY

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

5.1.4. STRATEGIC GUIDANCE IN RESPECT OF THE LOCATION AND NATURE OF DEVELOPMENT WITHIN THE MUNICIPALITY

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

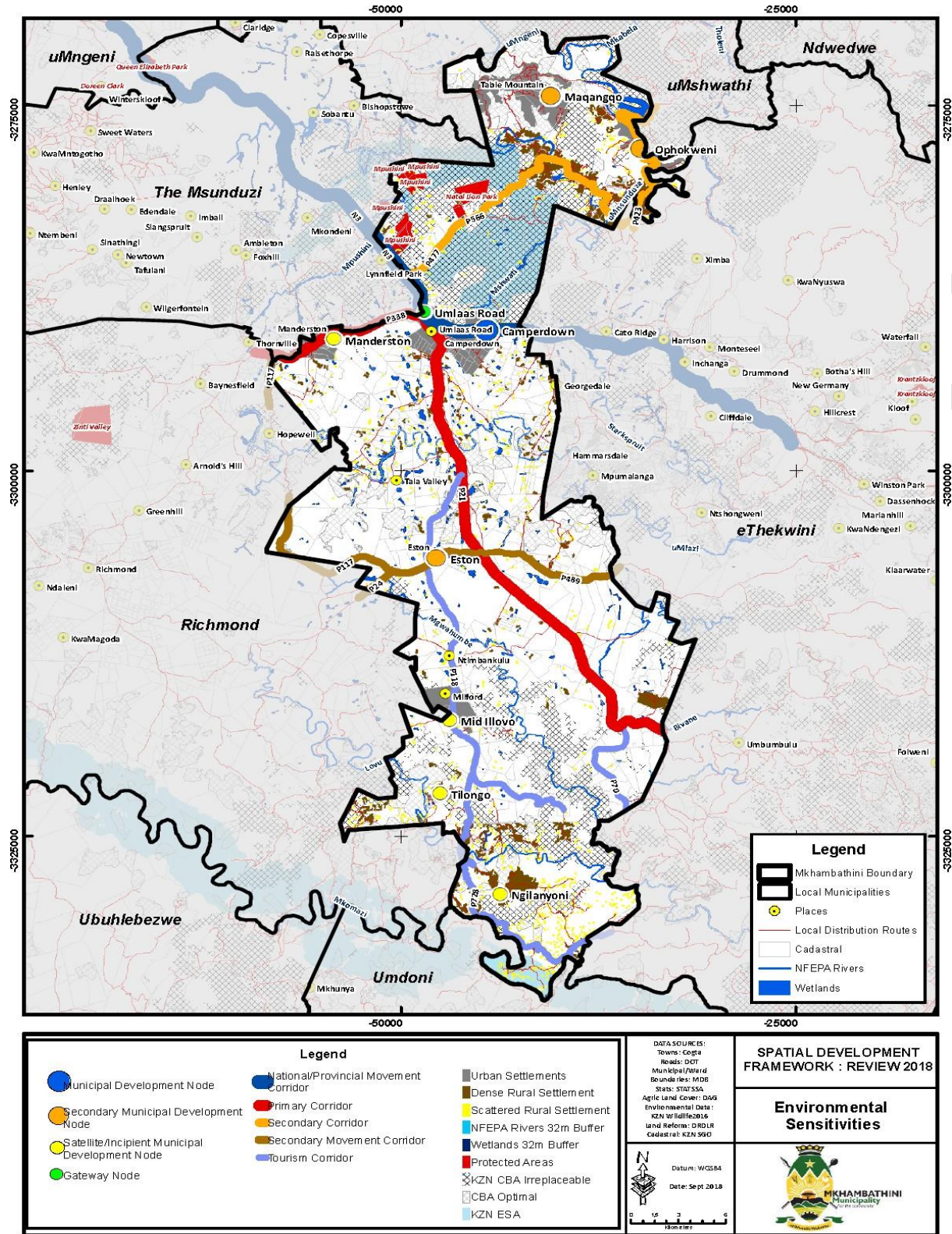


Figure 25: Environmental Sensitive Areas

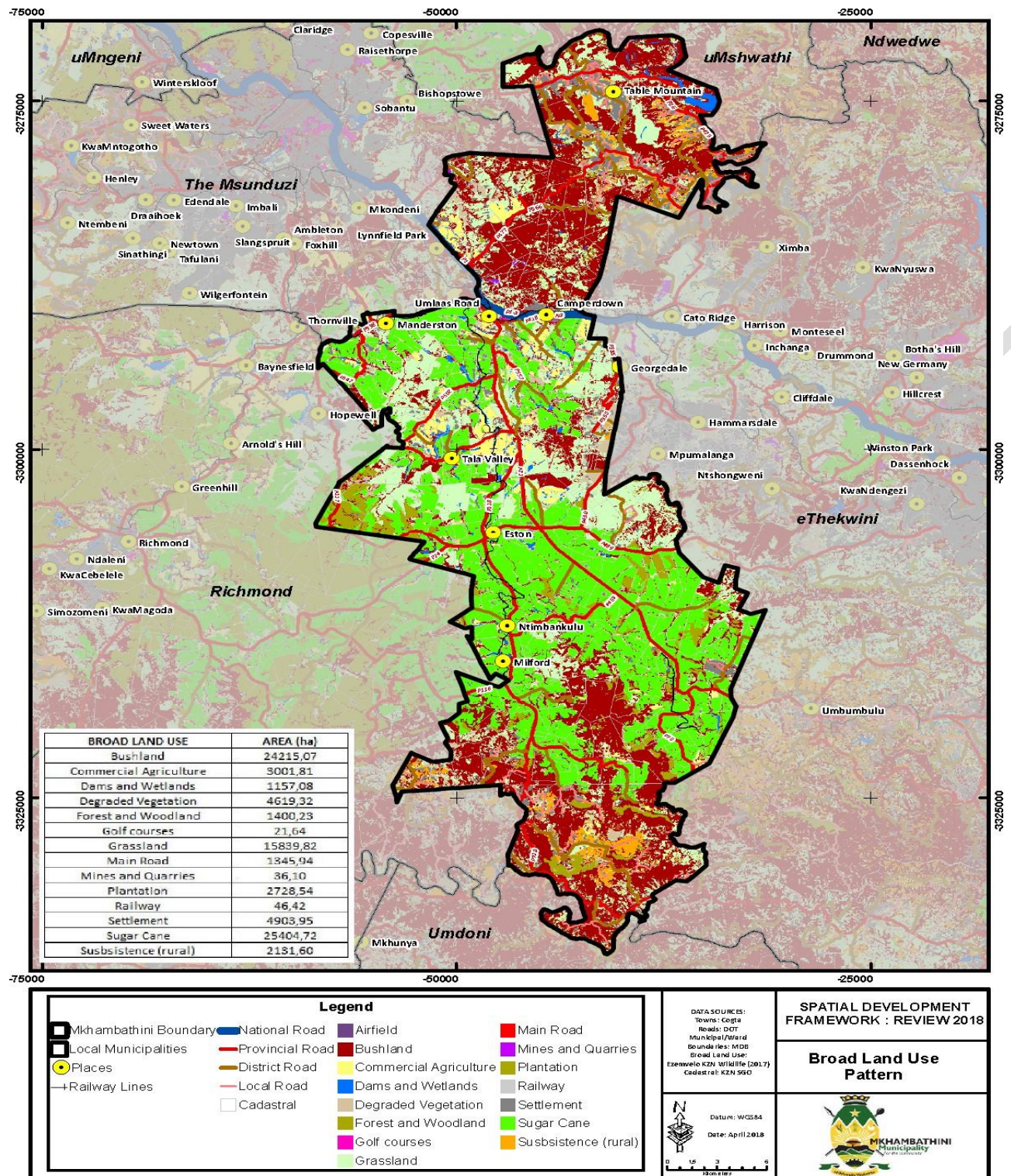


Figure 26: Desired spatial forms

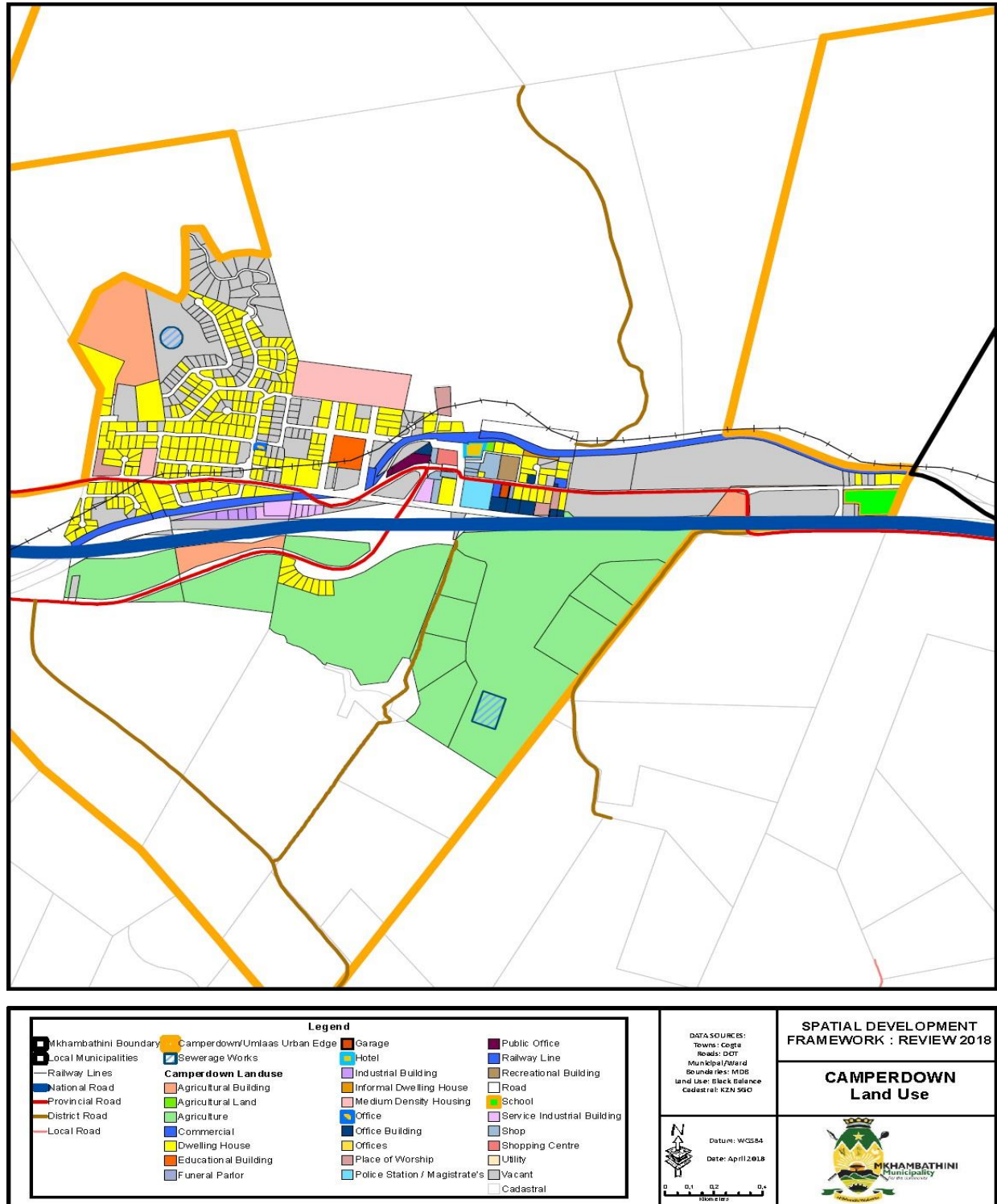


Figure 27: Mkhambathini Land uses

5.1.5. INDICATION ON WHERE PUBLIC AND PRIVATE LAND DEVELOPMENT AND INFRASTRUCTURE INVESTMENT SHOULD TAKE PLACE

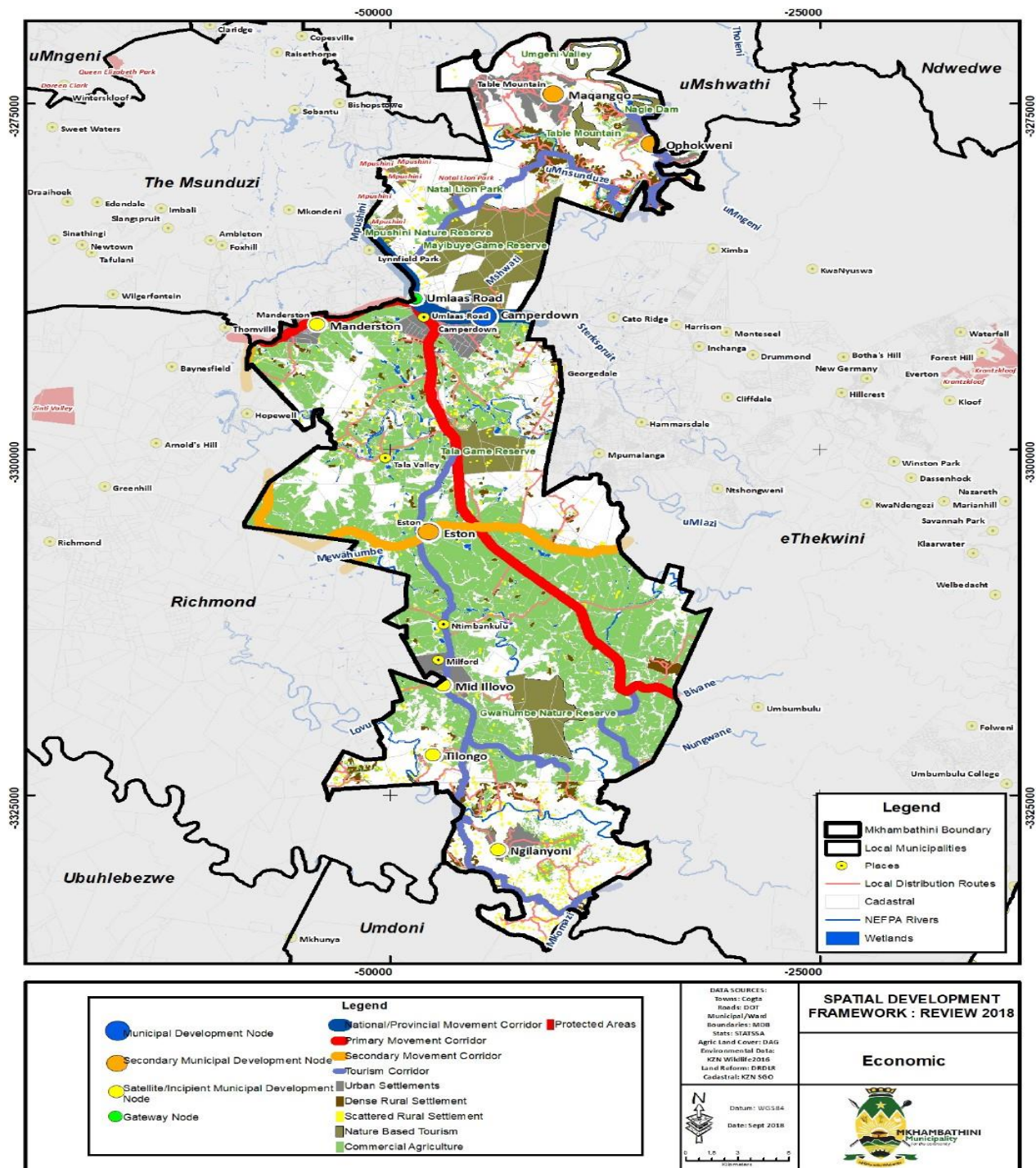


Figure 28: Where public and private land development and infrastructure investment should take place

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

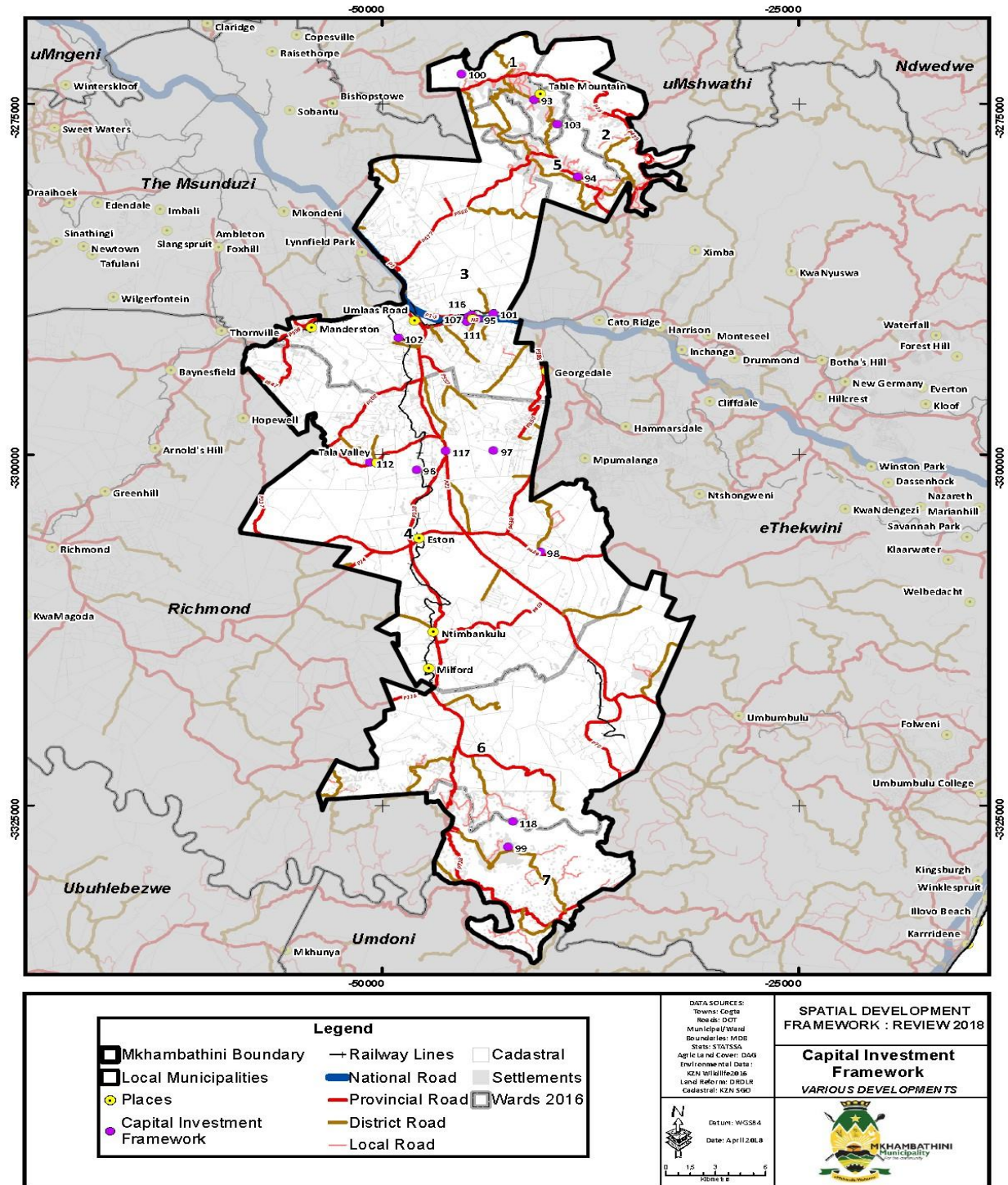


Figure 29: Capital Investment Framework

5.1.6. AREAS WHERE STRATEGIC INTERVENTION IS REQUIRED

- ✓ The Mkhambathini Sewage works (UMDM project) The Progress on the intervention, *The new waste treatment works in the Camperdown urban part, to help reduce the cost of transporting sewage to the PMB works (conservancy tanks) or the lower densities imposed because of the land are required for the septic tank/soak away systems.*
- ✓ Upgrading of roads in urban areas servicing industrial and commercial enterprises
- ✓ Slums clearance projects which are delayed by lack of funding for expropriation procedures, and the need for extension of bulk services (UMDM)
- ✓ Precinct planning around the emerging Umlaas Road node with particular reference to its role in the larger SIP2 corridor initiative.
- ✓ An urban regeneration plans
- ✓ Infrastructure investigation and audit.

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

5.1.7. AREAS WHERE PRIORITY SPENDING IS REQUIRED

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

5.2. IMPLEMENTATION PLAN

SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT											
Obj. Ref	Objective	Strategies/Projects	Performance Indicator	5 Year Target					Budget (R) 000	Source of Funding	Responsibility (in the Municipality)
				16/17	17/18	18/19	19/20	20/21			
BSD001	To Source Funding to enhance service delivery	Development of Business Plan	Number of Business Plan Developed	A	A	A	A	A	Opex	MLM	Manager Technical Services
BSD002	To provide sustainable infrastructure by 2017 and beyond	Maintenance of Oehely Road	No of KM's Maintained			A				MLM	Manager Technical Services
BSD003		Maintenance of Stingini Access Road (Ward 1)	No of KM's Maintained			A				MIG	Manager Technical Services
BSD004		Gcina Access Road (Tar) (Ward 1)	No of KM's constructed				A			MIG	Manager Technical Services
BSD005		Ezinembeni Access Road (Ward 1)	No of Km's Constructed					A		MIG	Manager Technical Services
BSD006		Gumede Access Road (Ezibhananeni Ward1)	No of Km's Constructed				A			MIG	Manager Technical Services
BSD007		Mboyi Pedestrian Bridge (Ward 1)	No of Km's Constructed					A		MIG	Manager Technical Services
BSD008		Chibini Access Road	No of Km's Constructed					A		MIG	Manager Technical Services

5.3. 5 YEAR CAPITAL PROJECT IMPLEMENTATION PLAN

Table 109: Year Capital projects Implementation Plan

PROJECT NO.	NAME OF THE PROJECT	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
001/2018/2019	Ezinembeni Creche				A	
002/2018/2019	Nobhala Road	A				
003/2018/2019	Mdala Road	A				
004/2018/2019	Nkosi Mdluli Hall	A				
005/2018/2019	Mkhishwa Road	A				
006/2018/2019	Bhora Road	A				
007/2019/2020	Ezinembeni Creche		A			
008/2019/2020	Manzamnyama Hall		A			
009/2019/2020	Makhokhoba Access Road		A			
010/2019/2020	Mgwaphuma Road		A			
011/2019/2020	Nene Access Road		A			
012/2019/2020	Ondini Access Road		A			
013/2019/2020	D13331		A			
014/2020/2021	White City Crèche			A		
015/2020/2021	Nonzila Crèche			A		
016/2020/2021	Manderstone Creche			A		
017/2020/2021	Mkhize Access Road			A		
018/2020/2021	Mkhize Nonzila Access Road			A		
019/2020/2021	Nhlazuka Hall			A		
020/2020/2021	D13331			A		
021/2020/2021	Qedazulu Access Road			A		
022/2020/2021	Mawaphuma Access Road			A		
023/2020/2021	Kwenzokuhle Community Hall			A		
024/2021/2022	Ntweka Access Road				A	
025/2021/2022	Ezibhananeni Creche				A	
026/2021/2022	Nonzila Gravel Road				A	
027/2021/2022	Jikafohlo Access Road				A	
028/2022/2023	Cattle Deep					A
029/2022/2023	eSigqumeni Access Road					A
030/2022/2023	Mkhize Access Road					A

CHAPTER 6: FINANCIAL PLAN

“Financial Plan prepared by the Financial Services Department this will assist the Department to draw a clear vision of ensuring that the Municipality is financially viable”

The IDP laid a foundation that formed the 2018/2019 budget process including the engagement with the Local stakeholders as the operations of the budget steering committee to ensure integration and alignment of the service delivery priorities and budget availability and allocation in accordance with Section 53 (i) (a) of the MFMA which states that Mayor of the Municipality must provide political guidance over the budget process and the priorities that must guide the preparation of the budget. Budgeting is primarily about prioritising objective to be achieved due to limited funding available.

The Plan is prepared in Terms of Section 26 (h) of the Local Government Municipal Systems Act, as amended, which stipulates that a financial plan must be prepared as part of the Integrated Development Plan. The five-year financial plan includes an Operating Budget and Capital Budget informed by the IDP Priorities. It takes into account the key performance areas of the IDP. All programmes contained in the budget are reflected in the IDP. The review of the Municipal IDP has a ripple effect on the budget.

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

Consequently, the IDP process has been extended to include the financial plan in this IDP. The financial Plan is set out as follows:

- Financial Strategies for the next 5 years
- Financial Issues
- Detailed 5 year Financial Action Plan
- Multi Year Budgets;
- Capital and Investment Programs.

6.1. FINANCIAL STRATEGIES AND ACTION PLAN

Table 111: Financial Strategies

FINANCIAL STRATEGIES	Include Financial Strategies as part of Management Committee Agendas and discuss ongoing strategies on a monthly basis.
	Identify Land owners around Camperdown with an aim of promoting development around the area
	Identify Potential developers for development proposals to land owners
ASSET MANAGEMENT STRATEGY	Dispose all unutilized assets
	Identify assets have potential future use
FINANCIAL MANAGEMENT	Ensure adherence with legal prescripts
	Continuous review of monthly management reports
	Ensure continuous timely reporting
	Allocate equitable share proportionally and ensure that our internal funding is utilized for operating expenditure and managed the use of Equitable Share to ensure that it is utilized for developmental areas in the next five years.
	Verify details of new application before opening an account
	Review new application forms and close gaps where necessary
	Review the financial system to ensure that has all the required fields for inputting consumer information.
	Verify new consumer applications information with ITC once a year.
	Promote customer relations through engaging our debtors before handing them over for collection
	Reconcile all arrears account and establish whether there has potential of being collected
	Engage Municipal lawyers to enhance ways of collecting outstanding debts.
	Identify skills gaps through skills audit of finance staff
	Introduce process-based scorecards
	Introduce reporting platform on Extended Management Committee Meetings
	Effective Implementation of Vehicle Policy
	Effective Implementation of Assets Management Policy
	Review Requisition procedures.

2018/2019 – 2020/2021

Table 112: Budget Plan

KZN226 Mkhambathini - Table A4 Budgeted Financial Performance (revenue and expenditure)				
Description	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source				
Property rates	18,699	19,782	20,969	22,227
Service charges - electricity revenue	(296)	-	-	-
Service charges - refuse revenue	542	574	609	645
Rental of facilities and equipment	326	345	366	388
Interest earned - external investments	3,409	3,850	4,081	4,326
Interest earned - outstanding debtors	1,811	1,883	1,959	2,037
Dividends received	-			
Fines, penalties and forfeits	28	34	36	38
Licences and permits	6,717	7,121	7,548	8,001
Agency services	-			
Transfers and subsidies	68,915	85,868	75,423	80,081
Other revenue	640	1,174	1,230	1,289
Gains				
Total Revenue (excluding capital transfers and contributions)	100,790	120,631	112,221	119,032
Expenditure By Type				
Employee related costs	38,580	44,692	50,764	53,761
Remuneration of councillors	5,989	6,374	6,540	6,577
Debt impairment	2,755	3,140	3,580	4,081
Depreciation & asset impairment	10,158	11,173	12,291	13,520
Other materials	4,690	6,367	4,208	4,539
Contracted services	24,058	30,420	26,896	28,720
Transfers and subsidies	-	309	340	374
Other expenditure	18,634	19,062	19,854	20,476
Losses				
Total Expenditure	104,864	121,537	124,472	132,048

6.2. BUDGET ASSESSMENT

6.2.1. CREDIBILITY

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

The Municipality is currently in the process of allocating budget to all IDP programs and projects, whereby, the proposed budget will then go through the municipal council approval and adoption. Through its processes the municipality dedicates/commits funding for the Review of the IDP and

its entire associated budget. The budget is reflected in both the Municipal SDBIP 2020/2021 and the IDP Implementation Plan.

6.2.2. BUDGET ASSUMPTIONS

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

- ✓ The equitable share grant and MIG will escalate as indicated on the budget speech for 2020 and Division of Revenue 2020 Bill MTERF.
- ✓ The budget is built into sensitivity switches to allow for the variation of the various assumptions to demonstrate the effect of different scenarios on the municipality's financial position and results.
- ✓ The Municipality will remain largely a grant funded municipality with grant funding expected to make up 68% of total municipal revenue during the 2020/2021 financial year.
- ✓ The contribution to total revenue from rate will remain minimal (4%) and is expected to be at 6% for the 2020/2021 financial year.

6.2.3. RELEVANCE

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

OPERATING BUDGET

Table 113: Operating Budget

Description R Thousands	Adjusted Budget 2019/20	Budget Year 2020/21	% Increase	Budget Year +1 2021/22	% Increase	Budget Year +2 2022/23
Property Rates	18,699,083	19,781,621	5.8%	20,968,519	6%	22,226,630
Investment Revenue	3,408,647	3,850,000	13%	4,081,000	6%	4,325,860
Transfers recognised – Operational	68,915,155	85,868,000	%	75,423,000	6%	80,081,000
Other Own Revenue	9,767,240	11,132,334	13.5%	11,748,148	6%	12,398,867

CONSOLIDATED OVERVIEW OF THE 2017/18 MTREF

Table 114: Consolidated Overview

Description	Adjusted Budget 2019/20	Draft Budget 2020/21	Year 1 Budget 2021/22	Year 2 Budget 2022/23
Total Operating Revenue	120 631 000	120 631 000	112 221 000	119 032 000
Total Operating Expenditure	112 204 000	116 166 000	120 260 000	127 071 000
Surplus/ Deficit	(1 414 000)	4 465 000	(8 039 000)	(8 038 000)
Total Capital Expenditure	26 757 000	30 696 000	32 227 000	24 381 000

OPERATING TRANSFER AND CAPITAL GRANTS

Description	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	Full Year Forecast			
RECEIPTS:				
<u>Operating Transfers and Grants</u>				
National Government:	66,608	85,678	83,423	89,081
Local Government Equitable Share	62,733	79,735	72,423	76,881
Finance Management	2,435	2,800	3,000	3,200
Municipal Systems Improvement				
Integrated National Electrification Programme		2,000	8,000	9,000
EPWP Incentive	1,440	1,143		
Other transfers/grants [insert description]				
Provincial Government:	1,714	1,816	–	–
Library Grant	1,714	1,816	–	–
District Municipality:	–	–	–	–
Total Operating Transfers and Grants	68,322	87,494	83,423	89,081
<u>Capital Transfers and Grants</u>				
National Government:	16,076	15,996	17,027	17,781
Municipal Infrastructure Grant (MIG)	16,076	15,996	17,027	17,781
Total Capital Transfers and Grants	16,076	15,996	17,027	17,781
TOTAL RECEIPTS OF TRANSFERS & GRANTS	84,398	103,490	100,450	106,862

Table 115: Operating Transfer and Capital Grants

Description	Adjusted Budget 2019/20	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Roads, Pavements and Bridges	2,759,000	6,000,000	7,500,000	7,000,000
Community Halls	3,122,000	1,500,000	3,000,000	3,500,000
General Vehicles	400,000	400,000	450,000	500,000
Civic Land and Building	2,400,000	1,000,000	-	2,000,000
Other	695,000	3,000,000	2,250,000	1,075,000
Total Repairs and Maintenance	9 376 000	11 9000 000	13 200 00	14 075 000

6.3 REPAIRS AND MAINTENANCE

Aligned to the priority given to preserving the maintaining the Municipality's current infrastructure, the 2020/2021 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulation, operating repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchase of materials and contracted services.

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

Repairs and Maintenance plan has been included as annexure.

Table 116: Operational Repairs and Maintenance

Description	Adjusted Budget 2019/20	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Roads, Pavements and Bridges	2,759,000	6,000,000	7,500,000	7,000,000
Community Halls	3,122,000	1,500,000	3,000,000	3,500,000
General Vehicles	400,000	400,000	450,000	500,000
Civic Land and Building	2,400,000	1,000,000	-	2,000,000
Other	695,000	3,000,000	2,250,000	1,075,000
Total Repairs and Maintenance	9 376 000	11 9000 000	13 200 00	14 075 000

CHAPTER 7: ANNUAL OPERATIONAL PLAN

7.1. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

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

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

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

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

The draft SDBIP is attached as an annexure to the IDP.

7.1.1. LEGISLATIVE IMPERATIVE

In terms of Section 53(1)(c)(ii) of the MFMA, the SDBIP is defined as a detailed plan approved by the Mayor of the Municipality for implementing the municipality’s delivery of municipal services and its annual budget, and which must indicate the following:

- ✓ Projections for each month
- ✓ Revenue to be collected, by source and;
- ✓ Operational and capital expenditure, by vote
- ✓ Service delivery targets and performance indicators for each quarter; and
- ✓ Other matters prescribed.

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

7.1.2. LINK THE IDP TO THE BUDGET

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

- ✓ Municipal Transformation and Institutional Development;
- ✓ Social and Local Economic Development;
- ✓ Basic Service Delivery and Infrastructure Development;
- ✓ Good Governance and Public Participation;
- ✓ Municipal Finance Viability and Management; and
- ✓ Spatial and Environmental Analysis.

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

7.1.3. REPORTING ON THE SDBIP

Reporting on the SDBIP is an important way of linking this document to the oversight and monitoring operation of the Municipality's administration. A series of reporting requirements are outlined in the MFMA, both the mayor and the accounting officer (Municipal Manager) have clear roles as defined in the MFMA, in preparing and presenting reports. These reports then allow the Councillors of the Municipality to monitor the implementation of the service delivery programs and initiatives

MONTHLY REPORTING

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

The report must include the following, namely:

- ✓ Actual revenue, per source;
- ✓ Actual borrowings;
- ✓ Actual expenditure, per vote;
- ✓ Actual capital expenditure, per vote; and
- ✓ The amount of any allocations received.

In addition, the following explanations must be included:

- ✓ Any material variances from the projected budget targets;
- ✓ Any material variances from the SDBIP; and
- ✓ Any remedial or corrective action taken or to be taken.

7.1.4. QUARTERLY REPORTING

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

7.1.5. MID-YEAR REPORTING

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

- ✓ The monthly Section 71 reports.
- ✓ The service delivery performance against the targets and indicators set forth in the SDBIP; and
- ✓ The previous year's annual report and progress made to resolve any issues identified in this report.

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

7.1.6. REVENUE AND EXPENDITURE PROJECTIONS

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

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

The Service Delivery Budget Implementation Plan reflecting objectives, Key Performance Areas, Key performance Indicators and targets.

CHAPTER 8: ORGANISATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT

8.1. HOW THE OPMS IS APPLIED IN THE MUNICIPALITY

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

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

The municipality is in the process of cascading down the PMS to the level below section 57 for the year 2020/2021 and this will assist the municipality in ensuring that all levels are accountable in the running of the municipality. This will be done in consultation with the organised labour. In line with the said legal requirement the municipality has developed an OPMS Framework; this framework is seen as a policy document that will set out:

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

8.2. ANNUAL PERFORMANCE REPORT OF THE PREVIOUS YEAR

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

ORGANISATIONAL KEY PERFORMANCE INDICATORS LINKED TO THE DEPARTMENTAL INDICATORS

The following section of this IDP contains the following:

- ✓ Organisational Key Performance Indicators linked to the departmental indicators;
- ✓ Departmental indicators linked to outputs in the Performance Agreements;
- ✓ Out puts in the Performance Agreements linked to activities in the Operational Plans and Indicators.
- ✓ The IDP ensure that the OPMS are seamlessly aligned with the Municipal Goals, the associated Objectives and the Municipal Budget.

ANNEXURES

1. AUDIT IMPROVEMENT/ACTION PLAN 2018/19
2. SPATIAL DEVELOPMENT FRAMEWORK
3. INDIGENT REGISTER POLICY
4. DRAFT DISASTER MANAGEMENT PLAN
5. DRAFT HOUSING SECTOR PLAN
6. DRAFT COMPREHENSIVE INTEGRATED TRANSPORT PLAN
7. DRAFT COMMUNITY SAFETY PLAN
8. MKHAMBATHINI MUNICIPALITY MAINTANANCE PLAN
9. MKHAMBATHINI DRAFT INTEGRATED WASTE MANAGEMENT PLAN
10. DRAFT REVENUE ENHANCEMENT STRATEGY
11. SUPPLY CHAIN MANAGEMENT POLICY
12. MKHAMBATHINI LED STRATEGY
13. HUMAN RESOURCE STRATEGY PLAN
14. MUNICIPAL STAFF AND RETENTION POLICY
15. RECRUITMENT AND SELECTION POLICY

INTEGRATED DEVELOPMENT PLAN

FINAL IDP 2020/21