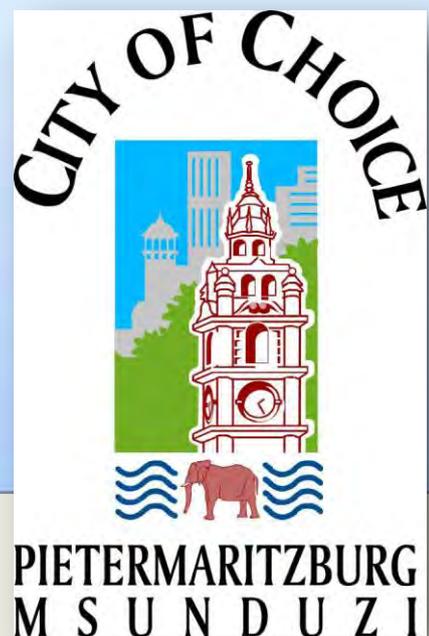


**MSUNDUZI
MUNICIPALITY**

**INTEGRATED
DEVELOPMENT PLAN**

2013/2014





FOREWORD

HIS WORSHIP THE MAYOR: COUNCILOR CHRIS NDLELA

It is with utmost gratitude that as we present this Integrated Development Plan, the partnership between Msunduzi Municipality and the residents and ratepayers, has once again resulted in the production of this plan, which will help us to respond to the needs and aspirations of our people. What has been injected into this plan by the people of Msunduzi will now be brought to life by the Municipality in this financial year. We are very mindful of the fact that continuous engagement on the IDP is a critical process to ensure that the Municipality walks together hand in hand with the people, in bringing change to their lives. We have to regularly reposition our developments and service delivery programmes and projects, so that they are always in line with the changing needs of various communities.

This IDP has also taken into account the importance of toeing the line of the National Development Plan, which aims to eliminate poverty and reduce inequality by 2030. According to the plan, South Africa can realize these goals by drawing on the energies of its people, growing and inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society. This is exactly what our vision 2030 as Msunduzi Municipality seeks to achieve. Out of the six priority city wide outcomes of vision 2030, which are reflected in the same document, to be a” **Financially viable and well governed City**” is the ultimate intended outcome.

We have moved forward and made considerable strides in coming up with projects and programmes to deal with backlogs which are of service delivery in nature. The water loss reduction programme is beginning to yield results and we will continue with it to ensure that we have minimum water wastage. In the new financial year, a major roll out plan for the improvement of the electricity infrastructure will ensure that we have uninterrupted supply of electricity. The Pietermaritzburg Urban Renewal Programme is a drastic effort by the Municipality to get rid of the CBD decay, and ultimately the entire Municipality, by ensuring that it is clean, safe, has lighting at night, well maintained and beautiful. In this financial year we have also put aside a budget for making sure that our sporting facilities and parks are properly maintained and are in good condition for use by the public. These are just some of the projects contained in our IDP to improve our people’s lives.

I am committed to providing strong leadership in ensuring that we are continuously engaging with communities, and that we foster even stronger relations with the business community to be able to unlock more business opportunities and create jobs. We are working very hard to be a government that is transparent and accountable to its citizens. It is therefore very imperative that we work together to achieve the desirable outcomes as per our vision 20130, to ensure that indeed, we are the **“City of Choice, second to none”**.



FOREWORD

MUNICIPAL MANAGER

The process that has led to the reviewed Integrated Development Plan (IDP) 2013/14 – 2015/16 has been an exciting one as we have continued on a very important journey in the lifetime of the Msunduzi Municipality. Important in the sense that it is during this year that the Municipality has taken practical steps to ensure that we come out of the recovery phase and move towards stability and eventually sustainability. This is evident as the municipality has transitioned from the Financial Recovery Plan towards the Long Term Financial Plan as well as a move towards the development of the *'Vision 2030 City Development Strategy'*.

The reviewed IDP 2013/14 – 2015/16 includes the strategic framework of the municipality based on the *Vision 2030 City Development strategy* which encapsulates a Vision of the *City of Choice Second to None* which is to develop a City where its entire Citizenry can live peacefully, move about freely and in a cost-effective manner, work to earn a living reducing unemployment, poverty and inequality and Play to lead a healthy lifestyle thus increasing life expectancy. As a means towards reaching this vision, the Municipality thus dreams of being a well serviced city; an accessible, connected city; a clean, green city; a friendly, safe city; an economically prosperous city; and a financially viable and well governed city. In order to realise our Vision, we have identified six broadly defined outcomes.

The focal areas for the first, **a well serviced city**, shall be: water and sanitation service delivery, energy supply provision and implementation of waste management – for all.

The focal areas for the second, **an accessible and connected city**, shall be: roads construction and maintenance and transport management, human settlement development, telecommunications connectivity and social infrastructure distribution.

The focal areas for the third, **a clean, green city**, shall be: renewable energy supplies, public open space creation and urban renewal and greening promotion.

The focal areas for the fourth, **a friendly, safe city**, shall be: social cohesion and safety & security.

The focal area for the fifth, **an economically prosperous city**, shall be: job creation.

The focal area for the last, **a financially viable and well governed city**, shall be to have empowered and skilled employees, sound financial management systems, accountability and effective anti-corruption measures.

As part of the revision of the IDP in the current financial year, the municipality has made a concerted effort towards including strategies towards reducing debtors and increasing revenue as a means to ensuring that in future years capital funding for critical service delivery projects are not only dependent on grant funding but will also be supplemented by Council funds. It is the intention of the municipality to also begin the process of building funding reserves in order to ensure the financial sustainability of the municipality.

Coupled with the availability of funding for capital projects is the ability to spend 100% on all grant funding. In this regard, it is important that as an organization we ensure that all the necessary capacity and processes in this regard are timeously put in place and activated accordingly. This



includes ensuring the timeous adoption of the budget on an annual basis and related planning and monitoring processes such as the Service Delivery and Budget Implementation Plan as well as the performance agreements of the Municipal Manager and Managers reporting directly to the Municipal Manager. In addition, one must not forget the critical role played by the preparation of an annual Procurement Plan that will ensure that by the time funds are made available; all processes related to procurement will have been dealt with timeously in order to have contractors on the ground from day one as the funding becomes available. Lastly, in relation to capacity to spend, is to ensure that the work force is capacitated accordingly. This will be done by the on-going process of filling critical and/or priority posts as well as skills development, recognition of prior learning and compensation for scarce skills where applicable.

In conclusion, there is no doubt in my mind that the time is ripe for the picking as the Municipality embarks on solidifying the *Vision 2030* that will ensure the Msunduzi Municipality moves out of recovery, into stability and towards financial resilience and stability that will enable it to deliver on its core mandate of service delivery whilst ensuring that we become, *The City of Choice, Second to None!*

CHAPTER 1: EXECUTIVE SUMMARY

1.0 INTRODUCTION

The Msunduzi municipality is the second largest city in KwaZulu- Natal and proudly the Capital of the Province. The confirmation of the capital status of the city has entrenched its role and position as the administrative and political hub of the KwaZulu- Natal. The municipality is moving in the direction of achieving Metropolitan status and as such, new and more strategic approaches to reviewing the integrated Development Plan (IDP) have been adopted.

The municipality is located along the N3 corridor which links Durban to Gauteng. The municipality covers an area of approximately 590,6 km² and consists of 37 wards. It is predominantly urban to peri-urban in nature with areas of rural residential.

This IDP document marks the first review of the Msunduzi IDP for 2012/13 to 2016/17 and incorporates key amendments including the review of the Municipal Vision, Strategic Priority Areas, Goals, Value Statements and includes longer- term targets for 2030. The reviewed IDP also includes the revised organogram which is aligned to the new strategic framework.

1.1 THE MUNICIPALITY AT A GLANCE

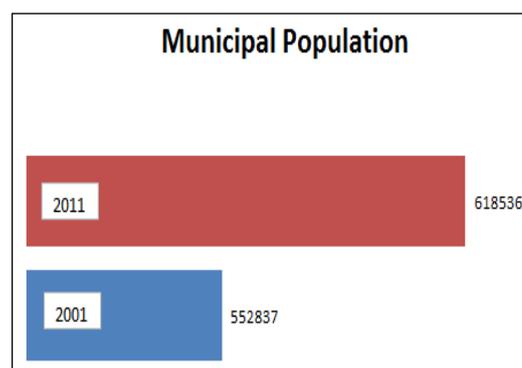
The following table summarises key municipal statistics and is explained briefly below:

TABLE ES.1: Municipal Summary of Key Statistics

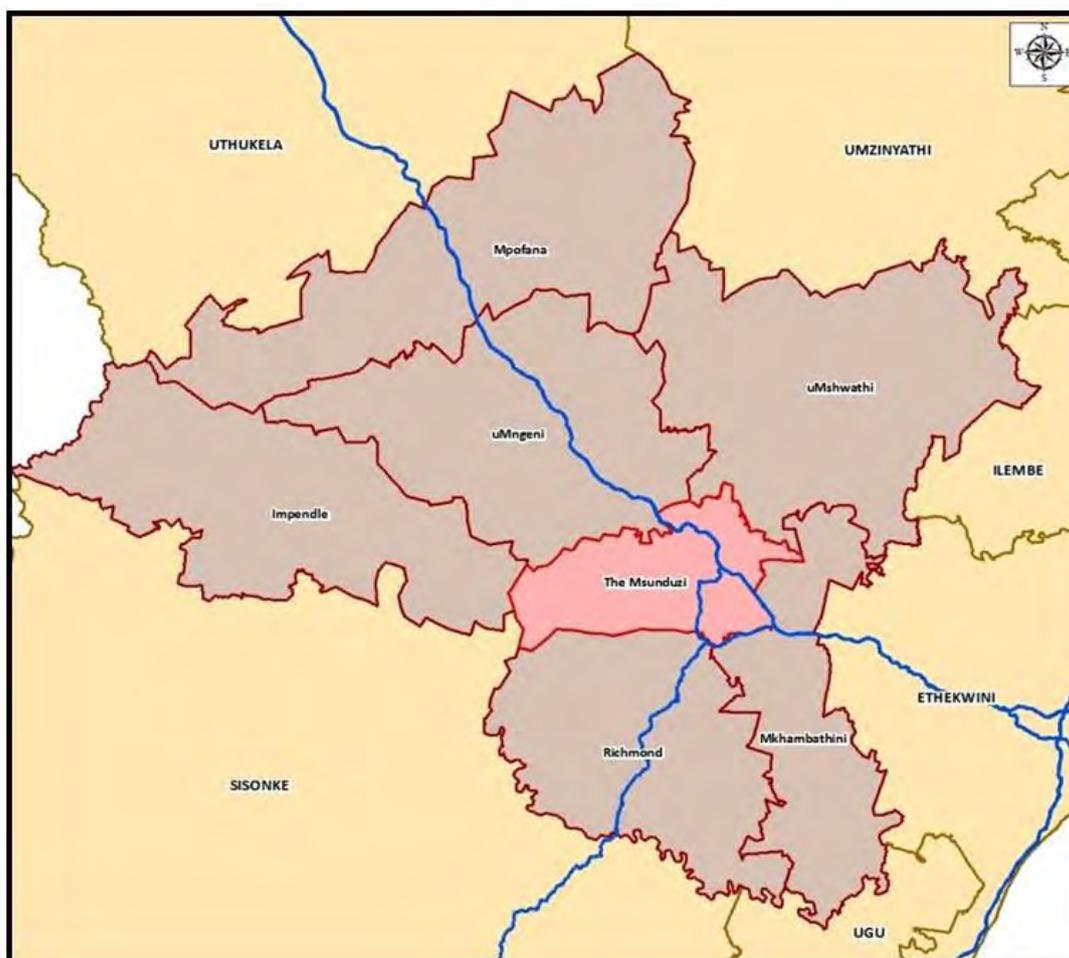
TOTAL POPULATION	618 536
NUMBER OF HOUSEHOLDS	163 993
AVERAGE HOUSHOLD SIZE	3,6
POPULATION GROWTH RATE (2001 - 2011)	1,12% p.a
MALE: FEMALE	45.45 : 54.55
FEMALE HEADED HOUSEHOLDS	45.2%
UNEMPLOYMENT	33%
FLUSH TOILETS CONNECTED TO SEWERAGE	51.6%
WEEKLY REFUSE REMOVAL	53.2%
PIPED WATER INSIDE DWELLING	47.9%
ELECTRICITY FOR LIGHTING	91.9%

1.1.1 POPULATION

The recent Census (2011) indicates that the population for the Msunduzi municipality has risen from a total of 552 837 people in 2001, to 618 536 people in 2011 which represents an average annual growth rate of 1.12 percent per annum. The Census also indicates that the number of households has risen from 130 292 in 2001, to 163 993 in 2011 although the average household size has decreased from 4.0 people per household in 2001, to 3.6 in 2011. Wards with the highest populations include wards 13, 16, 17, 18, 28, 30 and 34 each with more than 20,000 people per ward.



MAP E.S.1: Locality Map



The Census figures also indicate that there are more females (54.55%) than males (45.45%) in the municipality, a trend that has strengthened since 2001. The number of women-headed households has also increased since 2001 from 44.5% to 45.2% of all households in 2011.

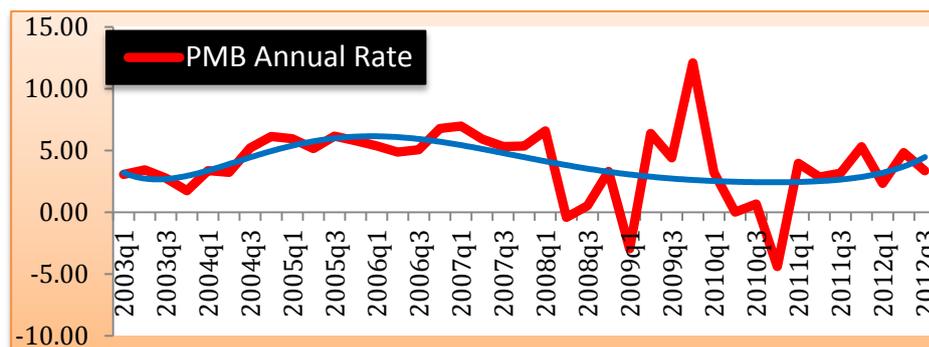
The Census (2011) also indicates that the majority (68.4%) of the population fall within the economically active age cohorts (15 to 64 years) with 26.6% being under 15 years of age, and 5% being 65 years and older. A further positive trend is that the dependency ratio of people within the 15 to 64 age cohort has decreased from 51.5% to 46.2%, although this figure still remains high.

In terms of education levels, the Census (2011) indicates that the percentage of adults over 20 years with no schooling has decreased from 10.9% in 2001, to 5.5% in 2011. The percentage of adult with a matric qualification has also increased from 24.5% in 2001 to 33.7% in 2011. Residents with qualifications higher than a matric have also improved from 9.2% in 2001 to 13.1% in 2011.

In 2010 the uMgungundlovu DM had the highest prevalence of HIV/ Aids in the province as well as in the country according to the annual Department of Health anti- natal survey undertaken at state hospitals. This is of concern and strategies must be developed to address this.

1.1.2 THE ECONOMY

The economy for the Msunduzi municipality is experiencing a period of positive growth after a period of negative growth in 2010. The recorded GDP growth rate for 2010 was 2.95%.



The Census (2011) indicates that levels of unemployment have declined from the high figures of 48.2% of the economically active population in 2001, to a figure of 33% in 2011. A further positive trend is the decline in the youth (15 – 34 years) unemployment rate which stood at 58.2% in 2001 and declined to 43.1% in 2011.

The municipality possesses a number of economic advantages including:

- **Locational Advantages:** the centrality of the municipality and the fact that the municipality is bisected by the N3 corridor which is the primary logistics corridor linking Gauteng with the Durban Harbour;
- **Natural/ Geographic Advantages:** Highly fertile land;
- **Human Capital Advantages:** Good schools and tertiary institutions; and
- **Institutional Advantages:** The Msunduzi enjoying 'Capital City' status.

1.1.3 INFRASTRUCTURE

The Census (2011) indicates that *houses receiving piped water inside their dwelling* has increased from 38.3% of households in 2001, to 47.9% of households in 2011. The Census further indicates that only 3.9% of households have no access to piped (tap) water and only a further 3.9% of households are between 200 – 1 000m from piped (tap) water.

Households with flush toilets connected to sewerage, however, has declined from 52.3% in 2001 to 51.6% (84 675 households) in 2011. The Census (2011) further indicates that only 2% or 3 316 households do not have access to any form of sanitation, and that 34.1% of households have pit latrines both ventilated and unventilated. Peri- urban and rural communities have the lowest levels of flush toilets with the highest levels of pit latrines. The review of the WSDP is essential to address this problem.

Households with *electricity for lighting* have also improved from 85.8% in 2001 to 91.9% in 2011, which is well above the provincial average of 77.9% of households.

In terms of the Census (2011) information, weekly refuse removal has declined from 59.5% in 2001 to 53.2% in 2011 but this could be associated with a growth in the number of households.

The estimated housing backlog for the municipality as estimated by the Department of Human Settlement in the Housing Plan is 6 858 houses.

In terms of indigent support, the following table summarises support residents can qualify for:

TABLE ES.2: Indigent Support in the Msunduzi municipality

CATEGORY	DESCRIPTION
Property Rates	Indigents qualify like all domestic consumers for a reduction in the market value of the property as approved from time to time by Council and as reflected in the applicable tariff register. A rebate of 100% is granted on all residential property from a value of R15 001.00 to R100 000.00. If a property is worth more than R100 000.00 and residents approach Council for relief, a means test is applied.
Electricity	Indigents qualify for 60 kWh free electricity, as determined from time to time by Council and as reflected in the applicable Tariff Register.
Electricity MCB	Indigents qualify for free amperage as determined by Council from time to time and as reflected in the applicable Tariff Register. 20 Amp circuit breaker.
Water	Indigents qualify for 7kl of water per month and amount determined from time to time by Council and as reflected in the applicable Tariff Register.
Refuse	Indigents qualify for free refuse as determined by Council from time to time as reflected in the applicable Tariff Register.
Sewerage	Indigent households qualify for 4.2 kl of sewerage discharge as determined by Council from time to time as reflected in the applicable Tariff Register.

1.1.4 THE ENVIRONMENT

Pietermaritzburg is situated in the basin of the uMsunduzi River and its tributaries. An escarpment rises approximately 400m above the city to the West and North West. Altitude within the municipality ranges from 495 to 1795 metres above sea level and the municipality generally slopes from west to east. The mountains around the city bowl create a distinction between the urban and rural parts of the municipality. While this has provided opportunities to manage the urban/ rural interface, it has limited the city's expansion potential resulting in the formation of a number of small urban hubs outside the city.

Msunduzi has an extremely rich cultural, architectural, historical and archaeological resource base that collectively makes up the heritage resources of the area. A Cultural Heritage Specialist Study identified and mapped a total of 646 heritage resource points and 32 heritage resource zones within the Msunduzi Municipal area. These consisted of architectural resources, archaeological resources, historical and cultural resources.

Maintaining a 'green' built environment is important for both the image of the city and the social and environmental health of residents. There is a need to focus on planting programmes in the CBD to replace storm- damaged and old/ dangerous trees with indigenous alternatives that are hardy and drought tolerant.

There is a need to focus strategies on Climate Change paying particular attention to *Mitigation* factors as well as looking at *Adaption* strategies. This will reduce communities' susceptibility to climate change.

1.1.5 SPATIAL PLANNING

The Msunduzi municipality has embraced the concept of a Hierarchy of Plans which is illustrated below. A consolidated Spatial Development Framework (SDF) was adopted by Council in 2009 and a series of Area Based Management Plans (ABM) were adopted in 2010 for the following areas:

- Vulindlela;
- Greater Edendale and Imbali;
- The Northern Areas; and
- CBD, Ashburton and the Eastern Areas.

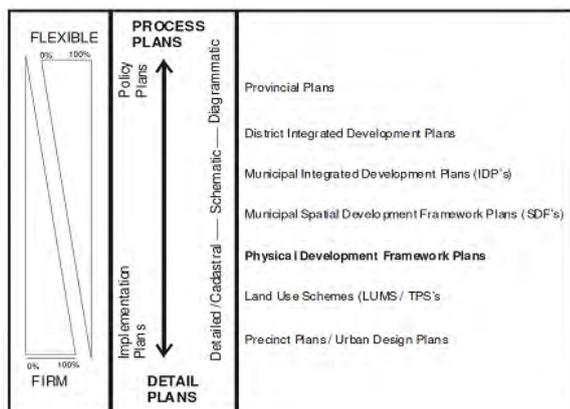


FIGURE ES.1: Msunduzi Hierarchy of Plans

As per the PDA, the Municipality has moved towards creating a wall to wall scheme by identifying four projects that have been recently initiated:

1. The extension of the PMB TPS to include the Greater Edendale area [as well as a revision of the Plessislaer TPS];
2. The extension of the PMB TPS to include the Sobantu area;
3. The drafting of a Local Area Plan for the South Eastern District [SEDis]; and
4. The drafting of a Local Area Plan for the Central Area and CBD Extension Node including an Inner City Regeneration Strategy.

Spatial Structuring elements of the municipality as contained in the SDF include:

- Nodes (Concentration of activity);
- Corridors (Main roads / Arterials);
- Settlement Patterns (Formal / Informal / Traditional);
- Restrictive Conditions (Environmental / Topographical / Geotechnical);
- Environment / Open Spaces (Active / Passive);
- Urban Edge; and
- Mixed-Use Developments Aesthetic Environment (Visual Form / Heritage Special Features)

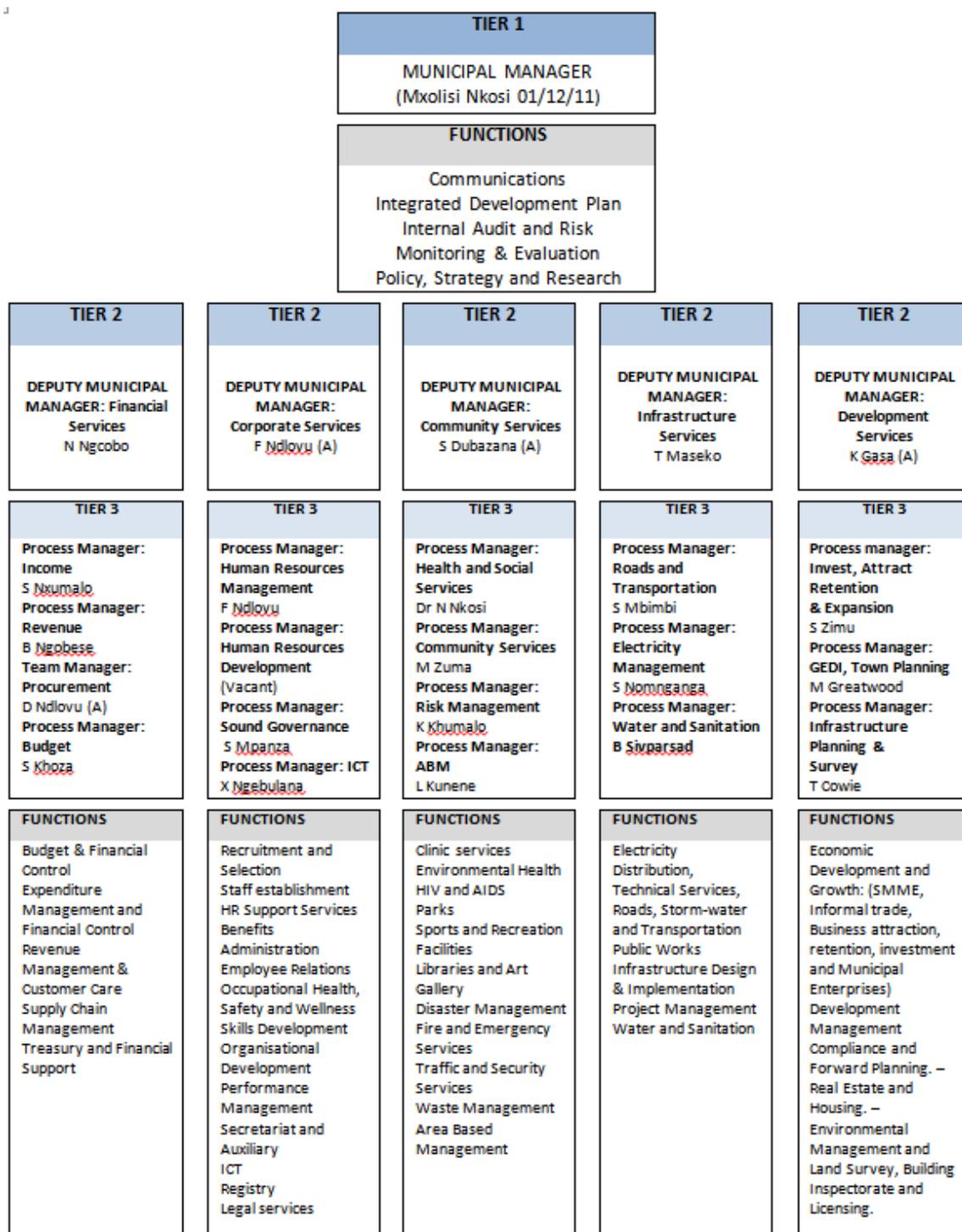
With the assistance of COGTA, the Msunduzi municipality is embarking upon a Long- term Spatial Development Strategy which will inform the refinement and review of the Integrated Development Plan and the Spatial Development Framework, thereby assisting the municipality in achieving its Constitutional mandate and other legislative obligations. Key outcomes of the strategy include:

- A description of the desired 2030 outcomes in terms vision, goals and objectives;
- Agreement on the set of indicators that will be applied to measure the progress being made to achieve the desired outcomes;
- Agreement on the targets and the City growth path in respect of each of the indicators;
- Agreement on the strategic interventions required to achieve the set targets;
- A description of the catalytic projects in support of the interventions, where possible; and
- Agree on the monitoring, evaluation, reporting and review framework of the plan.

1.1.6 THE NEW INSTITUTIONAL STRUCTURE

The following diagram summarises the new top structures of the municipality and functions associated with each of the departments.

FIGURE ES.2: Organogram of Top Management



1.2 THE IDP STRATEGIC APPROACH

This review of the IDP sees a fundamental shift from the previous information-laden and cumbersome formatted IDPs, to a more user-friendly and strategic document. The approach utilised is similar to that which has been used in developing the eThekweni and City of Cape Town IDPs which are very strategic in nature. Detailed information is, however, available to users of this IDP and key documents have been included as a series of accompanying Annexures.

The IDP strategies have been aligned to the following National, Provincial and District Level initiatives:

- (i) MILLENNIUM DEVELOPMENT GOALS

- (ii) NATIONAL DEVELOPMENT PLAN (VISION 2030)
- (iii) GOVERNMENT OUTCOMES
- (iv) NATIONAL PRIORITIES (STATE OF THE NATION ADDRESS 2013)
- (v) PROVINCIAL PRIORITIES (STATE TO THE PROVINCE ADDRESS 2013)
- (vi) PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY
- (vii) NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE
- (viii) PROVINCIAL SPATIAL DEVELOPMENT STRATEGY (PSEDS)

1.3 THE IDP REVIEW PROCESS FOR THE DEVELOPMENT OF THE 2013/14 IDP

1.3.1 MEC ASSESSMENT OUTCOMES

The Msunduzi 2012/13 IDP was assessed by the MEC's panel in late 2012 and received a score of 72.86%. Scores per each of the 6 categories are summarised below:

TABLE ES.3: MEC Assessment of the 2012/13 Msunduzi IDP

CATEGORY	SCORE	COMMENTS	AMENDMENTS (IDP SECTION)
GOOD GOVERNANCE & PUBLIC PARTICIPATION:	5	<ul style="list-style-type: none"> • Incorporation of HIV/ Aids strategy into the IDP • Programme for Special Groups in the Msunduzi Municipality • Community safety matters in the Msunduzi Municipality 	<ul style="list-style-type: none"> • 3.1; 4.0; 5.1 • 3.6 • 3.5.7
BASIC SERVICE DELIVERY & INFRASTRUCTURE INVESTMENT:	3	<ul style="list-style-type: none"> • Review and/ or develop infrastructure plans and incorporate into the IDP; and • Fill critical posts within the Infrastructure Unit. 	<ul style="list-style-type: none"> • 3.3, 8.1 • 3.12.2; 8.3
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT:	4	<ul style="list-style-type: none"> • Develop and implement an Organisational Performance Management System; • Outline plans to fill critical vacant posts; • Include plans to capacitate officials and Councillors as well as ward committees on municipal systems and procedures. • Participation of sector departments in the IDP process. 	<ul style="list-style-type: none"> • 7.0 • 3.12.2; 8.3 • 3.12.2 • 6.9
SPATIAL DEVELOPMENT FRAMEWORKS:	3	<ul style="list-style-type: none"> • Detailed comments provided which will be addressed in the preparation of the Long- term Spatial Strategy. 	<ul style="list-style-type: none"> • 3.7; 8.5
LOCAL ECONOMIC DEVELOPMENT:	3	<ul style="list-style-type: none"> • Develop and implement an LED strategy & incorporate into the IDP; • Outline support for SMMEs and informal sector business; • Sukuma Sakhe projects to be included in the IDP; • LED linkage with NSDP, National Development Plan and PGDS; and • Review SDF to include LED projects. 	<ul style="list-style-type: none"> • 3.2 • 3.2.4 • 3.13.1 • 3.2 • 3.7; 8.5
FINANCIAL VIABILITY & FINANCIAL MANAGEMENT:	4	<ul style="list-style-type: none"> • Address matters raised by AG to result in a clean audit by 2014. • Develop a Long Term Financial Plan as part of the IDP. 	<ul style="list-style-type: none"> • 3.13.10; 8.2 • 3.11.11

1.3.2 THE PROCESS PLAN

The Msunduzi municipality prepared and adopted a Process Plan in terms of Section 28 (1) of the Municipal Systems Act (2000) which aligns the IDP, Performance Management System (PMS) and Budget preparation process. The process plan ensures alignment between the preparation processes for the Budget, IDP and Performance Management System (PMS). One of the main achievements of this reviewed IDP document is the greater alignment between the Budget, the IDP and the PMS.

1.3.3 PUBLIC PARTICIPATION

The first round of public engagements took place in November 2012 where the amended *status quo* was discussed, together with progress on the OPMS, and the revision of stakeholder priorities. An Imbizo took place on 9 December 2012.

A second round of consultation will take place in March and April 2013 where key stakeholders will be briefed on the revised vision, amended strategies, and budget allocations.

1.3.4 SERVICE PROVIDER CONSULTATION

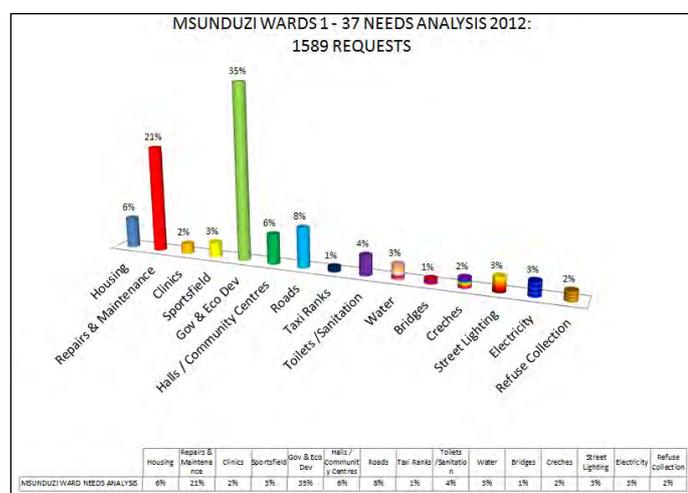
Sector Departments have been engaged on two occasions during the IDP Review with the first meeting taking place on 21 November 2012. A second and very successful service provider engagement took place on 26 February 2013. Government Departments were briefed on the 2013/14 Msunduzi IDP and were given the opportunity to engage with the management of the municipality on projects that government departments are rolling out in the municipality over the next three years.

1.4 DEVELOPMENT CHALLENGES

1.4.1 COMMUNITY IDENTIFIED NEEDS

The following figure summarises the issues raised by community members in terms of their importance. It is taken from both minutes of community meetings and surveys, needs and/ or issues of importance that have been categorised according to the five national Key Performance Areas.

FIGURE ES.3: Summary of Community Needs Analysis



A total of 1 589 requests have been received from Wards 1 to 37. As can be seen from these figures, the largest portion of requests relate to *Good Governance and Economic Development* (35%), followed by *Repairs and Maintenance* (21%), *Roads* (8%), *Housing* (6%) and *Halls/ Community Centres* (6%).

1.4.2 IDP KEY ISSUES

The following development challenges have been identified for the Msunduzi Municipality:

TABLE ES.4: IDP Key Issues and Corresponding Vision Statement

KEY ISSUES	CORRESPONDING VISION STATEMENT WITH STRATEGIES HAVE BEEN DEVELOPED TO ADDRESS THE KEY ISSUE
Revenue protection and enhancement.	6. A Financially Viable and Well- governed City
Addressing service delivery challenges in terms of water, sanitation and electricity.	1. A Well- serviced City
Integrated waste management and renewable	1. A Well- serviced City

energy.	3. A Clean, Green City
Seamless movement of people, goods and services in and around the city.	2. An Accessible and Connected City
City connectivity.	2. An Accessible and Connected City
Institutional and individual performance management framework.	6. A Financially Viable and Well- governed City
Institutional skills development and professionalization of the organisation.	6. A Financially Viable and Well- governed City
Improved capacity to spend on capital expenditure;	6. A Financially Viable and Well- governed City
Filling of strategic critical vacant posts.	6. A Financially Viable and Well- governed City
Economic growth leading to the creation of decent jobs.	5. An Economically Prosperous City

1.5 DEVELOPING A STRATEGY TOWARDS DEVELOPMENT

1.5.1 INTRODUCTION

The following diagram provides a summary of how the different plans in the municipality align and inform each other. The over- arching and direction- giving document that informs all operations and expenditure by the municipality is the Vision 2030. This is briefly summarised below.

FIGURE ES.4: Corporate Strategy for the Msunduzi Municipality



1.5.2 VISION 2030: CITY DEVELOPMENT STRATEGY

The Vision of the City of Choice second to none is to develop a City where its entire Citizenry can:

-  Own a financially viable and well governed city
-  Live in peacefully
-  Move about freely and in a cost-effective manner
-  Work to earn a living reducing unemployment, poverty and inequality
-  Play to lead a healthy lifestyle thus increasing life expectancy

The Msunduzi municipality shall deliver on six strategic city- wide outcomes to achieve this vision as follows:

- A well- serviced City;
- An accessible, connected City;
- A clean, green City;
- A friendly, safe City; and
- An economically prosperous City.
- A financially viable and well- governed City.

In order to realise the Vision, the municipality has prioritised thirteen objectives clustered under each of these six broadly defined outcomes.

TABLE ES.5: Summary of Strategic Priority Areas

STRATEGIC PRIORITY 1: WELL SERVICED CITY		
GOAL	VALUE STATEMENT	TARGET
By 2030 Msunduzi is a city serviced with quality water and sanitation reticulation, uninterrupted, adequate energy supply and regular waste removal- for ALL neighbourhoods, communities and centres of business.	1.1 City-wide infrastructure and service delivery provides a reliable, high quality supply of water, sanitation, energy and waste services – to all.	1.1.1 100% of all households have a municipal water connection to the yard level. 1.1.2 70% of all households have water-borne sanitation. 1.1.3 30% of all households have the basic minimum of VIPs. 1.1.4 To Reduce Non-Revenue Water and Real Water Losses to 20% and 15% respectively. 1.1.5 To reduce the amount of Water Service interruptions from 1684 per annum (2011/2012) by 80% (to 336 bursts) per annum and respond to 100% of service interruptions within 8 hours. 1.1.6 To reduce Sanitation service interruptions from 2499(2011-2012) per annum by 80%(500) per annum and respond to 100% of sanitation blockages within 8 hours.
	1.2 City-wide energy infrastructure and service delivery provides a reliable, high quality supply of energy. Energy supply meets the anticipated increased demand for electricity specifically, including peak periods.	1.2.1 Disruption to energy supply is minimised to 6 hours in 100% of incidents. 1.2.2 Electricity supply keeps pace with expected growth of 4% per annum. 1.2.3 100% of households have basic electricity supply.
	1.3 Energy prices are affordable for residents.	1.3.1 100% of municipal households are fitted with solar water heating geysers.
	1.4 Use of renewable sources of energy is widespread.	1.4.1 100% of street lights and 100% of traffic signals in the CBD are powered by renewable energy.
	1.5 Energy production, capacity, storage, management and distribution rapidly adapts to changing patterns of demand.	1.5.1 Demand management provides a 10% reduction in peak demand.
	1.6 City-wide infrastructure and service delivery provides reduced electricity losses.	1.6.1 Reduces electricity losses to below 5% of bulk supply purchases.
	1.7 Municipal-wide waste collection and disposal services to domestic households are available to all Msunduzi residents.	1.7.1 100% of households are rendered a waste collection and disposal service once a week.
	1.8 Appropriate waste collection and disposal services are provided to support business and industry. Commercial activity derives production inputs from recovered waste material.	1.8.1 100% of businesses are rendered a waste collection and disposal service at least twice a week.
	1.9 Implementation of Advanced Waste Management Systems that reflect community values around waste minimisation.	1.9.1 50% recovery rate of recyclable materials through source separation at households and public sector offices, and treatment of organic waste.
	1.10 Implementation of annual infrastructure upgrade of the waste disposal site.	1.10.1 construct waste containment berms, access roads, rehabilitation of perimeter roads, fencing of perimeter of site, construct wet-weather facility, install stone drainage layers on site, clay-cap side slopes of berms.
	1.11 Recovery, re-use and recycling of waste is maximised. The volume of waste disposed to landfill is minimised. Life spans of landfill sites are extended.	1.11.1 25% of household and business waste is sorted on-site.
STRATEGIC PRIORITY 2: AN ACCESSIBLE AND CONNECTED CITY		
GOAL	VALUE STATEMENT	TARGET
By 2030 Msunduzi is a city with sufficient and well-maintained road, rail and other physical infrastructure serving all residents whether they use	2.1 A diversity of private (cars, bikes, walking) and public (trains, buses, taxis) transport options, using a range of adequate physical infrastructure (roads, rail and bikeways / walkways) is readily available to all residents.	2.1.1 Road and rail infrastructure backlogs are reduced such that 90% of communities have access to road and rail services. 2.1.2 100% compliant with Roads infrastructure management plan. 2.1.3 90% of Msunduzi residents can get to work within 45 minutes. 2.1.4 Reliable Public transport services are available 24 hours per day, with accessibility every 15 minutes to key activity

<p>public or private transport modes. It has layers of diverse transport networks interconnecting at centres and internal urban hubs. Human settlement initiatives reduce housing backlogs and eliminate spatial separation by racial categories. Telecommunications and information technology is universally accessible and reliable. Social infrastructure, focussed on educational, health and recreational facilities meets all communities' needs.</p>		<p>nodes.</p> <p>2.1.5 90% of travel in morning peak periods comprise walking, cycling or energy efficient public transport.</p>
	<p>2.2 Housing backlogs are significantly reduced with human settlement patterns reflecting inclusive demographics.</p>	<p>2.2.1 100% eradication of informal settlements.</p> <p>2.2.2 Rural Residential housing infrastructure backlogs are reduced such that less than 10% of households remain without access to formal housing.</p> <p>2.2.3 Zero tolerance for exclusions based on racial, ethnic, religious or other demographic characteristics, is reflected in 100% of new settlement patterns.</p> <p>2.2.4 20% of each new mixed-use development consists of rental stock.</p> <p>2.2.5 30% densification of urban space.</p> <p>2.2.6 Council Rental Stock maintained on a regular and consistent basis to eliminate unsafe structures and to prevent deterioration of Council's assets.</p> <p>2.2.7 Old Rental Stock to be reduced by transferring certain units to qualifying tenants.</p> <p>2.2.8 Allocations of new houses in subsidised housing projects to be 100% compliant with DOHS policies by installation of Housing Needs Register and capture of names.</p>
	<p>2.3 People connect virtually through high-speed information and communication technology. Reliable telecommunications networks provide access to learning and information opportunities in homes, schools and workplaces. Business and industry embrace high-speed broadband networks to become more productive and innovative. Energy efficiency is promoted by telecommuting.</p>	<p>2.3.1 90% of households have access to telecommunications and high-speed broadband more cheaply and cost effectively.</p> <p>2.3.2 100% of indigent households have free access to telecommunications and high-speed broadband.</p> <p>2.3.3 100% of businesses, government departments and schools have easy access to business-grade and bi-directional high-speed broadband.</p> <p>2.3.4 Telecommuting reduces conventional energy usage by 20%.</p>
	<p>2.4 Social infrastructure supports healthy lifestyles, learning opportunities and community unity and social cohesion. Health infrastructure is readily available and meets community needs. Major recreational infrastructure (eg. sports stadia, cultural facilities, etc.) contribute to the city's economy by allowing for world-class events and tourism. Social infrastructure is delivered with regard to minimising impacts on the environment.</p>	<p>2.4.1 90% of communities have adequate social infrastructure within a 30 minute walk or ride.</p> <p>2.4.2 100% of business centres are supported with appropriate community recreational and meeting facilities including health and educational facilities.</p> <p>2.4.3 100% of social infrastructure delivery complies with national standards regarding minimal environmental impact.</p>

STRATEGIC PRIORITY 3: A CLEAN, GREEN CITY

GOAL	VALUE STATEMENT	TARGET
<p>By 2030 Msunduzi is a city protecting our natural environment, our native plants and animal habitats, limiting pollution, greening the city and using our natural resources such as water, wisely. The clean, green city, harnesses our renewable energy supply, public open space creation project and urban renewal and greening programme to these ends.</p> <p>Msunduzi conserves its natural assets while still meeting the demand for more housing, more roads and more services to</p>	<p>3.1 Msunduzi has widespread use for renewable energy supplies, including but not limited to: solar, wind and hydro power. The city continually increases investment in delivering more sustainable energy technologies. Businesses use energy efficiently prioritising low carbon emission sources. Alternative energy sources are mainstreamed in new human settlement development for all communities and energy efficiency required in building plans.</p>	<p>3.1.1 30% of Msunduzi's electricity demand is met by renewable sources.</p> <p>3.1.2 20% of liquid energy is derived from bio-fuel.</p> <p>3.1.3 50% of new commercial or industrial development incorporates some form of renewable energy technology usage in its design and construction.</p> <p>3.1.4 80% of new human settlement development incorporates some form of renewable energy technology usage in its design and construction.</p> <p>3.1.5 100% of building plans approved have due consideration for energy efficiency.</p>
	<p>3.2 Communities benefit from a linked public open space network providing for a range of sporting, cultural and recreational uses.</p>	<p>3.2.1 100% of residents are within a 15 minute walking distance to facilities within the city's public, open and green space network.</p>
	<p>3.3 Urban renewal and greening is recognised by communities and the business fraternity as contributing to environmental and ecological sustainability as well as supporting future residential, commercial and industrial development.</p>	<p>3.3.1 100% residential, commercial and industrial precincts incorporate green spaces.</p> <p>3.3.2 100% of roads in former black townships and major arterial roads in rural areas are tarred.</p> <p>3.3.3 100% compliance with trading bylaws within the CBD.</p> <p>3.3.4 100% compliance with environmental bylaws within the city environs.</p>

accommodate our increasing population.		
STRATEGIC PRIORITY 4: A FRIENDLY, SAFE CITY		
GOAL	VALUE STATEMENT	TARGET
By 2030 Msunduzi is a city with strong, welcoming, caring and diverse communities living in a variety of friendly, safe neighbourhoods.	4.1 Separate development of the past will be forgotten as the city proactively promotes and practically engineers social cohesion across all its objectives, geographic spread, racial groupings, class identities, religious formations and political affiliations.	4.1.1 Civic engagement increases so that 100% of residents, regardless of racial, class, religious or political categories can enjoy an active role in decisions that affect their city. 4.1.2 To ensure the effective management of land uses within the Msunduzi Municipality.
	4.2 People will enjoy working together and helping each other in local neighbourhoods and in the broader community. Msunduzi's friendly, outdoor life is enlivened by an interesting range of local and regional celebrations.	
	4.3 Civil society organisations and community participation are critical elements of Msunduzi's safety and security strategies. Community policing forums are active in community safety centres established across the city.	4.3.1 80% of community police forums are accessible and accommodated in safety centres within a 30 minute walk or ride for all residents. 4.3.2 The entire Msunduzi Municipal area is monitored through CCTV camera system. 4.3.3 100% of the city-wide area is monitored by law enforcement officials (traffic wardens, traffic officers, security officers, city police, peace officers and inspectors).
STRATEGIC PRIORITY 5: AN ECONOMICALLY PROSPEROUS CITY		
GOAL	VALUE STATEMENT	TARGET
By 2030 Msunduzi is a city with a flourishing business environment, with people exercising their entrepreneurship across the full spectrum of commercial, public, scientific, educational and charitable enterprises.	5.1 The city absorbs young people into a job creation social compact between the council, private businesses and the non-profit sector – with the support of institutions of learning.	5.1.1 Unemployment in the city is reduced to 15%.
	5.2 By 2030 Msunduzi will have a strong, diversified and resilient economy, using its competitive advantages to deliver prosperity, high employment and quality jobs for all the city's residents.	5.2.1 The Municipality has competitive business incentive packages to attract new businesses and expansion. 5.2.2 The municipality attracts annual investment in excess of R 1 billion per annum, reducing unemployment by 5% per annum. 5.2.3 Municipality has 100% of skills required for the local economy. 5.2.4 Reduce the percentage of economically inactive youth to 5%.
STRATEGIC PRIORITY 6: A FINANCIALLY VIABLE AND WELL- GOVERNED CITY		
GOAL	VALUE STATEMENT	TARGET
By 2030 the Msunduzi municipality is a financially sound and well governed institution delivering on its legislative mandates and offering residents of the municipality value for their rate payments.	6.1 BY 2030 Msunduzi will be financially sound through managing its finances efficiently through effective and realistic budgeting to ensure synergy between the capital and operating budget, as well as revenue enhancement.	6.1.1 Efficient Budget and Treasury. 6.1.2 Optimal Expenditure Management. 6.1.3 Improved Revenue Management. 6.1.4 Effective Supply Chain Management. 6.1.5 Optimal Financial Service. 6.1.6 Efficient collection of revenue through Municipal Property Rates.
	6.2 By 2030 Msunduzi will have a civil society that actively participates in and contributes to sound decision making ensuring greater accountability of Councillors and Officials.	6.2.1 100% effective administration complying with its legal mandates. 6.2.2 Effective fleet management to ensure resource availability for service delivery. 6.2.3 To maximize the disaster resilience of Msunduzi through coordination of all pre-disaster risk reduction – as well as post disaster response activities within a framework of sustainable development.

1.5.3 SPATIAL AND GEOGRAPHIC CONSIDERATIONS

The Msunduzi municipality is developing a suite of plans to address Spatial Planning. An SDF was prepared in 2009 and a number of Area Based Management (ABM) areas identified. The municipality has embarked upon the preparation of two ABM plans during the 2013/14 financial year and plans are in place to do the remainder in the near future. The municipality will also embark upon a Long Term Spatial Plan which will commence shortly and which will provide the municipality with a long- term spatial vision and framework. Progress is also being made with the roll- out of wall- to- wall schemes in terms of the Planning and Development Act (PDA).

1.5.4 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

The SDBIP has been operational for several years and was approved by the Mayor and tabled at a full Council meeting on 27 June 2012. Through its implementation, the Auditor General has noted the following concerns:

- The alignment between budget, the IDP and the SDBIP has been problematic;
- Key performance indicators are not Specific, Measurable, Attainable, Realistic and Time- based (SMART); and
- The reported actual performance does not always match the targets set; and
- Inadequate evidence submitted by officials to justify reported performance.

Taking cognisance of the above, the Office of the Municipal Manager has embarked upon a project to ensure that the content of the SDBIP is 'SMART' and better alignment exists between the IDP, Budget and SDBIP. With the approval of the PMS and IPMS policies, Council has embarked upon the process of cascading performance agreements from the Municipal Manager to the Process Manager Level. With the signing of the performance agreement, it becomes mandatory to keep a Portfolio of Evidence so as to enhance performance reporting at all levels.

1.5.5 MONITORING OF THE IDP THROUGH THE PERFORMANCE MANAGEMENT SYSTEM (PMS)

The Msunduzi Municipality has an approved Organizational Performance Management System (OPMS) Framework and Individual Performance Management System (IPMS) policy that serve as the guideline documents for the implementation of the Performance Management System (PMS) within the Municipality. The implementation of performance management is guided by various legislative prescripts and requirements. The OPMS Framework is inclusive of the following interrelated processes:

- (i) Planning;
- (ii) Implementation;
- (iii) Monitoring;
- (iv) Evaluation.

The Msunduzi municipality's PMS is the primary mechanism to monitor, review and improve the implementation of its IDP and to gauge the progress made in achieving the objectives set out in the IDP. In addition, the municipality's PMS facilitates increased accountability, learning, improvement, as well as providing early warning signals to facilitate decision-making.

The PMS monitors *actual performance* against *set targets* and *contractual obligations*. Effective service delivery relies upon the IDP, efficient utilization of all resources and the PMS being closely integrated across all functions at an organizational and individual level. The most valuable reason for measuring performance is that what gets measured gets done.

Once performance planning, the IDP, has been completed and departmental SDBIP's are in place, they need to be implemented by executing the work in accordance with these plans. As the work is executed, it needs to be continuously monitored and periodically measured and reported on. Reporting requires that the municipality takes the priorities of the organization, its performance objectives, indicators, targets, measurements and analysis, and present this information in a simple and accessible format, relevant and useful to the specific target group, whilst meeting the legal prescripts for reporting.

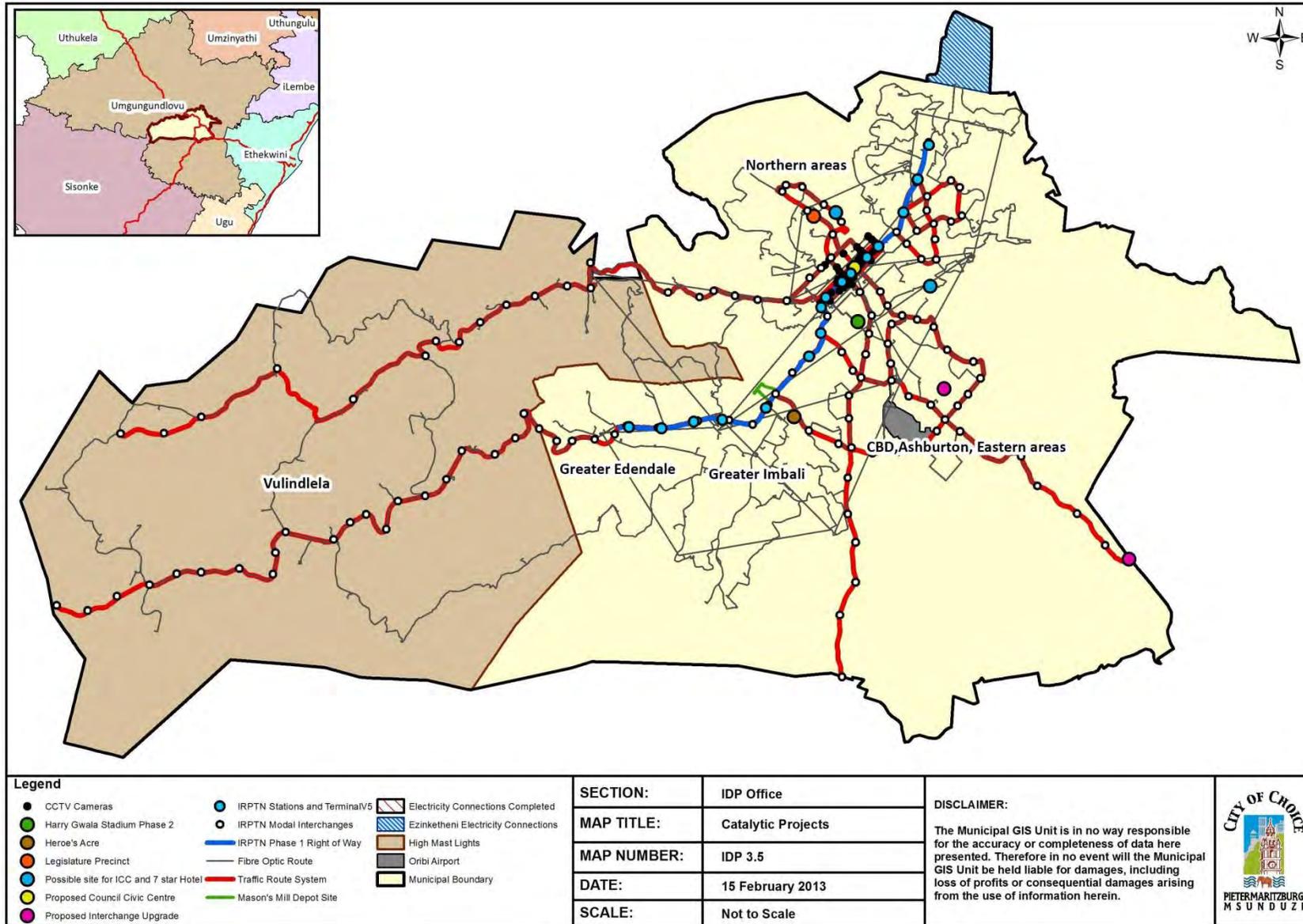
1.6 IMPLEMENTATION OF THE IDP

1.6.1 CATALYTIC PROJECTS

A catalyst is described as something that 'precipitates an event' or something that causes change. The municipality has identified a number of projects that seek to stimulate change and development in the municipality. The following catalytic projects that are aimed at revitalising the economy and growth trajectory for the Msunduzi Municipality. It must, however, be noted that some of these projects are being implemented by delivery agents other than the municipality. In this regards, the municipality will be playing a facilitatory and enabling role.

TABLE ES.6: Msunduzi Catalytic Projects

PROJECT	DESCRIPTION	EST. BUDGET
Legislature Precinct Development	This is a medium to long- term initiative which will see the development of a new legislature precinct that will better cater for the needs of the legislature and facilitate good governance.	R2 Billion
Pietermaritzburg Airport Upgrade	This is a short- term project that will see the extension of the existing runway together with the terminal buildings. This will allow for larger aeroplanes to make use of the airport thereby attracting additional operators and increasing the feet through the airport.	R0.5 Billion
Harry Gwala Stadium Upgrade Phase 2	This is a medium to long- term project which will see the development of further stands at the stadium. Associated with this project, in the short to medium term, is the further development and upgrading of the Alexander Park Sports Precinct with additional parking.	R0.5 Billion
International Convention Centre and 5 star Hotel	This is a medium to long- term project that will see the development of an international calibre conference centre which will allow the city to host international- standard conferences. In the short to medium term, a 5 star hotel associated with this will be developed.	Private Investment
Council Civic Centre	This is a medium- term project and will see the further development of the Council Civic Centre to cater for additional needs and demands.	R1.2 Billion
Integrated Rapid Public Transport System	This project is a short to medium term project which will see the roll- out of reliable and efficient public transport between key points in the city thereby reducing resident's commuting times.	R3.2 Billion
Optic Fibre Cable Network	This is a short to medium term project that will see the development of a leading edge technology Fibre optic telecommunications network leading to increased connectivity and usage, decreased costs, and stimulating growth and development.	R0.5 Billion
Electrical Infrastructure Upgrade	This is a short to medium term project that will see the rehabilitation and upgrading of the municipality's electrical infrastructure.	R0.9 Billion
City- wide CCTV System	Camera surveillance of areas within the Msunduzi municipality so as to encourage a crime free environment.	R0.5 Billion
Hero's Acre	This project was mentioned by the KZN Premier in the 2013 State of the Provinces address and will be a museum commemorating the Heroes of the Struggle. It will include a wall commemorating the "Seven Days War" on the site where the remains of Moses Mabhida and Jonny Makhathini are buried. The proposed development will cover a developed area of at least 102,000 m ² .	R1 Billion
Freeway Node Development	This is a medium term project that involves the upgrade of key freeway interchanges within the municipality so as to ensure more efficient movement of traffic, as well as unlocking strategically located adjacent land for the development of commercial, residential and associated activities.	R1 Bill
Non- Revenue Water Reduction Project	This is a medium to long term project that will simultaneously increase revenue and reduce water losses. The reduction of water losses will ultimately reduce the demand on our source (dams) which will have a catalytic benefit to the catchment.	R0.5 Bill



1.6.2 MUNICIPAL INFRASTRUCTURE INVESTMENT FRAMEWORK (MIF)

The following table summarises the municipal capital expenditure for the 2013/14 financial year as per the 2013/14 budget.

TABLE E.S.7: Capital Projects for 2013/14

DEPT	SINGL E OR MULTI	NEW OR EXIST ING	IDP NO	PROJECT DESCRIPTION	FUND	2013 / 2014 BUDGET	2014 / 2015 BUDGET	2015 / 2016 BUDGET	PROJECT PRIORITISATION
220	S	E	2.4.1.4	FIRE ALARM SYSTEM PROFESSOR NYEMBEZI BUILDING	CNL	650 000	0	0	Maintenance
220	S	N	2.4.1.4	DEBRIS NET PROFESSOR NYEMBEZI BUILDING	CNL	500 000	0	0	Maintenance
220	S	E	2.4.1.4	REPLACEMENT OF LIFTS PROFESSOR NYEMBEZI BUILDING	CNL	2 500 000	0	0	Maintenance
106	S	E	2.4.1.4	REPLACEMENT OF LIFTS A S CHETTY BUILDING	CNL	2 500 000	0	0	Maintenance
504	S	E	2.4.1.4	REPLACEMENT OF LIFT CITY HALL	CNL	1 000 000	0	0	Maintenance
504	S	N	2.4.1.4	AIRCONDITIONING INSTALLATION CITY HALL LOUNGE & MEETING ROOM	CNL	750 000	0	0	Maintenance
504	S	E	2.4.1.4	UPGRADE OF FIRE DETECTION SYSTEM CITY HALL	CNL	400 000	0	0	Maintenance
504	S	N	2.4.1.4	VISUAL CONFERENCE SYSTEM COMPLETION CITY HALL	CNL	350 000	0	0	Maintenance
504	S	N	2.4.1.4	CCTV INSTALLATION CITY HALL	CNL	400 000	0	0	Maintenance
207	S	N	1.1.4.1	TELEMETRY / INSTRUMENTATION EQUIPMENT	CNL	300 000	400 000	400 000	Maintenance
787	S	N	1.1.4.1	LEAK DETECTION EQUIPMENT	CNL	250 000	300 000	350 000	Maintenance
787	M	E	1.1.5.1	EDENDALE PROPER NEW MAINS & RETICULATION	CNL	1 000 000	0	0	Developmental Project
125	M	E	2.1.2.1	ROAD REHABILITATION - PMS	CNL	17 710 000	10 570 000	7 000 000	
125	S	E	2.1.3.1	CONNOR - OTTO'S BLUFF ROADS - LINK	CNL	300 000	4 000 000	3 000 000	
129	M	E	2.1.1.2	GRIMTHORPE ROAD BRIDGE (Design and EIA)	CNL	400 000	0	1 000 000	
131	S	N	2.1.1.4	INSTALLATION OF TRAFFIC SIGNALS	CNL	1 000 000	150 000	600 000	Maintenance
131	S	N	2.1.1.4	TRAFFIC CALMING MEASURES	CNL	1 000 000	1 500 000	500 000	Maintenance
131	S	N	2.1.1.4	NEW TRAFFIC SIGNALS CONTROLLER	CNL	780 000			Economic
131	S	N	2.1.1.4	TRAFFIC LIGHT SPARES, EQUIPMENT & TOOLS	CNL	500 000	100 000	100 000	
170	S	N	6.2.2.1	REPLACEMENT OF VEHICLES, PLANT & EQUIPMENT	CNL	15 000 000	10 000 000	10 040 000	
713	M	E	1.2.1.1	NETWORK REFURBISHMENT	CNL		15 980 000	11 210 000	Developmental

<u>DEPT</u>	<u>SINGL E OR MULTI</u>	<u>NEW OR EXIST ING</u>	<u>IDP NO</u>	<u>PROJECT DESCRIPTION</u>	<u>FUND</u>	<u>2013 / 2014 BUDGET</u>	<u>2014 / 2015 BUDGET</u>	<u>2015 / 2016 BUDGET</u>	<u>PROJECT PRIORITISATION</u>
508	S	N	2.4.1.9	AIRPORT PROJECTS	CNL	2 810 000	0	0	
035	S	N	6.2.2.19	FINANCIAL SYSTEM	CNL	7 000 000	12 000 000	13 000 000	
390	S	E	2.4.3.2	HARRY GWALA STADIUM UPGRADE PHASE 2	CNL	200 000			
511	S	N	2.4.3.6	BUILDINGS (HEROES ACRE DEVELOPMENT)	CNL	200 000			
526	M	E	6.2.2.19	Recabling of LAN Infrastructure - ISO stds	CNL	2 500 000	5 000 000	2 800 000	
713	M	E	2.1.4.1	CORRIDOR DEVELOPMENT	COGTA	12 500 000	0	0	
713	S	E	1.5.1.1	ENERGY EFFECIENCY AND DEMAND SIDE MANAGEMENT	DOE	8 000 000	5 000 000	10 000 000	
131	M	E	2.1.4.1	PUBLIC TRANSPORT INFRASTRUCTURE	DOT	100 846 000			
713	M	N	1.2.3.1	ELECTRIFICATION	INEP	143 000 000	30 000 000	12 000 000	
125	S	E	3.3.2.1	LESTER BROWN LINK ROAD	MIG	4 000 000	4 000 000	0	
125	M	E	3.3.2.1	BURGER ST EXTENSION (PH 1 - Services, fill earthworks, SW structure etc and Ph 2 - Road layer works, surfacing, KI & kerbs, Sign & markings etc)	MIG	9 000 000	10 000 000	0	
141	S	E	2.4.1.3	REHABILITATION OF PUBLIC ABLUTIONS	MIG	1 500 000	1 500 000	1 500 000	Maintenance
243	S	E	2.4.1.2	UNIT 18 COMMUNITY HALL	MIG	1 000 000	0	0	Developmental
450	S	E	2.4.1.2	CALUZA SPORTS HALL	MIG	1 500 000	0	0	Developmental
394	S	E	2.4.1.5	MOUNTAIN RISE CREMATORS	MIG	2 800 000	2 800 000	1 200 000	Developmental
202	M	N	1.1.6.1	SANITATION INFRASTRUCTURE FEASIBILITY STUDY	MIG	2 000 000	2 000 000	6 000 000	Legal/Maintenance
202	M	E	1.1.2.2	SHENSTONE AMBLETON SANITATION SYSTEM	MIG	9 875 000	5 000 000	10 000 000	Developmental Project/Economic Benefits
202	M	E	1.1.6.1	REHABILITATION OF SANITATION INFRASTRUCTURE	MIG	10 000 000	12 000 000	15 000 000	Developmental Project
202	M	E	1.1.2.1	SEWER PIPES UNIT H	MIG	8 000 000	12 000 000	5 000 000	Developmental Project/Economic Benefits
202	M	E	1.1.2.1	SEWER PIPES AZALEA - PHASE 2	MIG	8 000 000	12 000 000	5 000 000	Developmental Project/Economic Benefits
202	M	E	1.1.2.1	ELIMINATION OF CONSERVANCY TANKS - (SEWER)	MIG	3 050 000	600 000	12 000 000	Developmental Project/Economic Benefits
202	S	E	1.1.6.1	SERVICE MIDBLOCK ERADICATION IN SOBANTU, ASHDOWN & IMBALI (SEWER)	MIG	5 871 555	600 000	10 000 000	Developmental Project/Economic

<u>DEPT</u>	<u>SINGL E OR MULTI</u>	<u>NEW OR EXIST ING</u>	<u>IDP NO</u>	<u>PROJECT DESCRIPTION</u>	<u>FUND</u>	<u>2013 / 2014 BUDGET</u>	<u>2014 / 2015 BUDGET</u>	<u>2015 / 2016 BUDGET</u>	<u>PROJECT PRIORITISATION</u>
									Benefits
787	M	E	1.1.4.1	REDUCTION OF NON REVENUE WATER	MIG	15 000 000	29 279 000	58 690 000	Economic Benefits/Maintenance
787	M	E	1.1.5.1	ELIMINATION OF CONSERVANCY TANKS - (WATER)	MIG	125 000	0	300 000	Developmental Project/Economic Benefits
787	S	E	1.1.5.1	SERVICE MIDBLOCK ERADICATION IN SOBANTU, ASHDOWN & IMBALI (WATER)	MIG	300 000	0	500 000	Developmental Project/Economic Benefits
787	M	E	1.1.1.1	BASIC WATER SUPPLY	MIG	1 000 000	4 000 000	5 000 000	Legal
787	M	E	1.1.5.1	MASONS RESERVOIR & PIPELINE	MIG	500 000	15 000 000	3 000 000	Developmental Project
787	M	E	1.1.5.1	COPEVILLE RESERVOIR	MIG	10 000 000	300 000	6 000 000	Developmental Project
185	M	E	1.10.1.1	LANDFILL UPGRADE	MIG	8 090 850	7 500 000	7 500 000	Legal / Maintenance
125	M	E	3.3.2.1	UPGRADE DESIGN OF GRAVEL ROADS - VULINDLELA - D 1128 (Phase 1, 2 and 3)	MIG	4 500 000	5 000 000	6 000 000	
125	S	E	3.3.2.1	UPGRADE OF GRAVEL ROADS - WILLOWFOUNTAIN ROAD - Main Road, Phipha Road, Premier's Road	MIG	2 500 000	2 500 000	3 000 000	
125	M	E	3.3.2.1	UPGRADING OF GRAVEL ROADS - EDENDALE - MBANJWA RD - 2,0 km	MIG	2 000 000	0	0	
125	M	E	3.3.2.1	UPGRADING OF GRAVEL/GRAVSEAL ROADS - EDENDALE - TAFULENI ROAD - 1.2 km	MIG	2 500 000	0	0	
125	S	N	3.3.2.1	HORSE SHOE ACCESS RD AND PASSAGES IN IMBALI STAGE 1 & 2	MIG	1 500 000	1 500 000		
125	M	E	3.3.2.1	UPGRADING OF GRAVEL ROADS - EDENDALE - WARD 22 - 8,4km Natshi Rd, Hadebe Rd, Dipini Rd, Thula Rd, Hlengwa Rd, Bhula Rd, Mthethomusha Rd, Mavimbela Rd, Thusi Rd, Budi Rd and Geris Road	MIG	2 000 000	2 000 000	0	
125	M	E	3.3.2.1	UPGRADING OF GRAVEL RDS - EDN - WARD 12 - MOSCOW - 4,0 km - Zabazomuzi Rd, Mngoma Rd, Zwane Rd - MOSCOW AREA RDS	MIG	2 500 000	3 000 000	0	
125	M	E	3.3.2.1	UPGRADING OF ROADS IN EDENDALE - KWANYAMAZANE ROADS	MIG	2 500 000	3 000 000		
125	M	E	3.3.2.1	UPGRADING OF GRAVEL ROADS - EDENDALE - WARD 16 - 8,0km - Senti Rd, Sbhomoro Rd, Khawula Rd - Dambuzza Area - Thulani Rd - Unit J	MIG	1 000 000	0	0	
125	M	E	3.3.2.1	BACKLOG TO NEW RDS & S/W & UPGRADE OF EXISTING SUBSTANDARD LOW-COST HOUSING - HANIVILLE	MIG	1 700 000	0	0	

<u>DEPT</u>	<u>SINGL E OR MULTI</u>	<u>NEW OR EXIST ING</u>	<u>IDP NO</u>	<u>PROJECT DESCRIPTION</u>	<u>FUND</u>	<u>2013 / 2014 BUDGET</u>	<u>2014 / 2015 BUDGET</u>	<u>2015 / 2016 BUDGET</u>	<u>PROJECT PRIORITISATION</u>
125	M	E	3.3.2.1	UPGRADE GRAVEL ROADS IN EDENDALE: Hlubi Rd, Nkosi Rd, Ntombela Rd, D. Shezi Rd, Ntshingila Rd and Mpungose Rd in Esigodini	MIG	3 500 000	2 000 000		
125	M	E	3.3.2.1	UPGRADING OF GRAVEL ROADS - EDENDALE - STATION RD [next to Georgetown High School] (Raise & Widen the bridge with associated roadworks)	MIG	2 000 000	6 000 000	2 500 000	
125	M	E	3.3.2.1	REHABILITATION OF ROADS IN ASHDOWN	MIG	1 500 000	0	0	
125	M	E	3.3.2.1	UPGRADING OF GRAVEL ROADS - EDENDALE - MACHIBISA / DAMBUSA RDS - Phase 2	MIG	2 000 000	0	0	
125	M	E	3.3.2.1	UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - IMBALI BB - PHASE 2: New road next to Zondi store, Kancane Rd, Sibukosizwe Rd	MIG	1 500 000	0	0	
125	M	E	3.3.2.1	UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - Shembe Rd and Joe Ngidi rd	MIG	2 500 000	0	0	
125	M	E	3.3.2.1	UPGRADING OF GRAVEL ROADS - VULINDLELA - D2069 (Mthalane Rd)	MIG	4 000 000	0	0	
125	M	E	3.3.2.1	UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - Caluza Roads	MIG	1 700 000	2 000 000	0	
125	M	E	3.3.2.1	UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - Smeroe roads & SW	MIG	0	2 500 000	0	
125	M	E	3.3.2.1	UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - Snathing Rds - 5.0km - (Mvubu Rd - 0.3km, Gudlintaba Rd - 0.4km, Gudlintaba 2 Rd - 0.4km, Mpompini Rd - 0.6km, Khoza Rd - 0.8km, Magaba Rd - 0.8km and Hlathini Ext Rd - 2.0km)	MIG	0	2 500 000	3 000 000	
126	M	E	2.1.1.1	UPGRADE SWD IN GREATER EDENDALE - Flooding Houses in Smeroe	MIG	300 000	300 000	200 000	
713	M	N	1.4.1.1	HIGH MAST LIGHTS IN VULINDLELA & GREATER EDENDALE	MIG	8 000 000	8 392 000	9 000 000	
						475 658 405	254 271 000	242 390 000	

KZN225 Msunduzi - Table A1 Consolidated Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Financial Performance										
Property rates	440 315	474 615	536 555	610 214	623 903	623 903	623 903	645 467	680 406	717 635
Service charges	1 159 301	1 449 717	1 678 603	1 927 023	1 955 471	1 955 471	1 955 471	2 142 071	2 346 840	2 571 566
Investment revenue	6 869	13 795	25 907	12 100	18 356	18 356	18 357	18 941	19 366	20 431
Transfers recognised - operational	355 033	385 496	500 669	365 204	422 369	422 369	422 369	652 059	589 871	655 040
Other own revenue	614 318	578 357	145 830	73 250	117 934	117 934	117 933	81 877	86 066	88 825
Total Revenue (excluding capital transfers and contributions)	2 575 836	2 901 981	2 887 564	2 987 790	3 138 032	3 138 032	3 138 031	3 540 414	3 722 549	4 053 498
Employee costs	629 032	636 373	666 198	713 415	731 928	731 928	731 928	770 620	819 228	861 560
Remuneration of councillors	19 386	18 418	31 427	34 000	34 000	34 000	34 000	36 419	38 422	40 535
Depreciation & asset impairment	124 067	253 513	273 650	158 000	158 000	158 000	158 000	189 600	227 520	273 024
Finance charges	75 273	71 568	72 134	77 500	70 831	70 831	70 831	64 600	59 255	54 480
Materials and bulk purchases	804 979	994 366	1 217 335	1 397 078	1 425 550	1 425 550	1 425 550	1 520 315	1 650 634	1 795 318
Transfers and grants	1 711	195	4 144	4 500	4 500	4 500	4 500	5 027	5 274	5 563
Other expenditure	1 152 652	832 768	388 209	598 153	704 431	704 431	704 431	887 248	857 660	973 018
Total Expenditure	2 807 100	2 807 200	2 653 096	2 982 646	3 129 239	3 129 239	3 129 239	3 473 828	3 657 992	4 003 497
Surplus/(Deficit)	(231 265)	94 780	234 468	5 144	8 792	8 792	8 792	66 586	64 557	50 000
Transfers recognised - capital	78 407	84 654	-	230 014	309 756	309 756	309 756	415 658	194 271	192 390
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(152 858)	179 434	234 468	235 158	318 548	318 548	318 548	482 244	258 828	242 390
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(152 858)	179 434	234 468	235 158	318 548	318 548	318 548	482 244	258 828	242 390

1.6.3 BUDGET ALLOCATIONS FOR THE 2013/14 FINANCIAL YEAR

The table below summarises the Msunduzi municipal budget.

TABLE ES.8: Msunduzi Budget

1.7 KEY MUNICIPAL REPORTS

1.7.1 LONG TERM FINANCIAL PLAN

The following diagram summarises the Long-term Financial Plan for the municipality. As can be seen, the Msunduzi municipality is in the period of financial stabilisation.

FIGURE ES.5: Summary of the Long-term Financial Plan



1.7.2 ANNUAL REPORT

Every municipality and municipal entity must prepare an annual report for each financial year in accordance with the Municipal Finance Management Act (MFMA) and the purpose of the annual report is:

- To provide a record of the activities of the municipality or entity;
- To provide a report on performance in service delivery and budget implementation; and

- To promote accountability to the local community.

In the past, annual reports have often been used solely to promote the positive image of municipalities with little focus on comparing actual with promised performance. The MFMA now requires the municipality to report on all aspects of performance providing a true, honest and accurate account of the goals set by council and the success or otherwise in achieving these goals. The annual report is a key performance report to the community and other stakeholders and, once approved by the council, must be placed on the municipal website, copies sent to various authorities and made available to the wider community. The Msunduzi has prepared an Annual Report (2011/12) which complies with the MFMA requirements.

1.7.3 AUDITOR GENERAL'S REPORT

The Auditor General has expressed an unqualified opinion with emphasis on matters relating to:

- Irregular expenditure;
- Restatement of corresponding figures;
- Material losses/ impairments;
- Material under- spending of budget; and
- Unaudited supplementary schedules.

Whilst there is no significant improvement on the above matters, there is an improvement in the liquidity ratio and financial sustainability and the existence of an uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern.

The audit report still indicates weaknesses in the supply chain management which result to irregular expenditure amounting to R27 483 million. Great strides have been made in this area by implementing controls and processes of identifying contracts which have been awarded to suppliers in contravention of the Local Government: Municipal Supply Chain Management Regulations (SCM Regulations) in an area that is prone to fraud and corruption. Further efforts are being made to enforce strict control measures that will reduce malpractices. One of the strict control measures is that the municipality is investigating investing into a process that will be used to identify conflict of interest and non- compliance with SCM regulations.

The significant increase in losses on electricity which resulted to revenue losses is noted. The municipality is fighting this scourge of theft of electricity and hopefully as resources are increased and new strategies implemented the municipality will reduce losses.

The losses on water are static, however, strategies to reduce these loses are being implemented and results should be seen in the long- term. Management of debtor's book is receiving close attention as stringent credit control measures will be implemented.

Another challenge is on material under- spending on the capital budget which impacts negatively on service delivery and is evil and immoral as it deprives the poor communities' of basic services. Extraordinary measures have to be implemented in this area to improve service delivery.

If the municipality is to get a clean audit in 2014, more effort from all levels of management as well as support from Council is required to raise the bar.

CHAPTER 2: PLANNING AND DEVELOPMENT PRINCIPLES

2.0 INTRODUCTION

This section identifies key Planning and Development Principles that guide the IDP and planning decision making in the municipality. Also included in this section is a summary of the applicable government priorities and policies guiding organs of state and the Msunduzi municipality.

2.1 PLANNING AND DEVELOPMENT PRINCIPLES FOR THE MSUNDUZI IDP

The following principles underpin the Msunduzi IDP:

- Compact urban form is desirable (DFA Principle);
- The discouragement of urban sprawl by encouraging settlement at existing and proposed nodes and settlement corridors, whilst also promoting densification. Future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or that link the main growth centre (DFA principle);
- The direction of new development towards logical infill areas (DFA Principle);
- Development/ investment should be focussed on localities of economic growth and/ or economic potential (NSDP);
- Planning and subsequent development must strive to provide the highest level of accessibility to resources, services and opportunities (KZN PGDS);
- Basic services (water, sanitation, access and energy) must be provided to all households (NSDP);
- Balance between urban and rural land development in support of each other (DFA Principle);
- Prime and unique agricultural land, the environment and other protected lands must be protected and land must be safely utilised (SPLUMB);
- If there is a need for low- income housing, it must be provided in close proximity to areas of opportunity (Breaking New Ground- Department of Human Settlement);
- The principle of self- sufficiency must be promoted. Development must be located in a way that reduces the need to travel, especially by car and enables people as far as possible to meet their needs locally. Furthermore this principle is underpinned by an assessment of each areas unique competencies towards its own self- reliance and need to consider the environment, human skills, infrastructure and capital available to a specific area and how it could contribute to increase its self- sufficiency (KZN PGDS).

2.2 LEGISLATION

2.2.1 THE MUNICIPAL SYSTEMS ACT (32 of 2000)

The Municipal Systems Act (MSA) is the key piece of legislation guiding the preparation of IDPs. Section 26 of the act compels all municipalities to prepare IDPs as their primary and overriding management tool. Section 26 also list key components that an IDP must reflect which are summarised as follows:

- The municipal Council's Vision for the long- term development of the municipality;
- An assessment of the existing level of development within the municipality including the identification of communities without access to basic municipal services;
- Council's development priorities and objectives, inclusive of its local economic development aims as well as the internal transformation needs;
- Council's development strategies which must be aligned with any national or provincial plans and planning requirements binding on the municipality in terms of legislation;
- A municipal Spatial Development Framework (SDF) which must include the provision of basic guidelines for the Land Use Management System (LUMS) of the municipality; and
- Key performance indicators and targets determined through an organisational performance system based on the priorities identified in the IDP.

This IDP Review document has been prepared in accordance with the requirements of the MSA as well as with the Municipal Planning and Performance Management Regulations (R796 of 2001).

2.2.2 THE MILLENIUM DEVELOPMENT GOALS

At the United Nations Millennium Summit in 2000, the international community reached consensus on working to achieve eight critical and social development priorities by 2015. These are summarised below:

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

The Government of South Africa produced its first national report on progress towards achieving the MDGs in 2005. The report concluded that for a number of goals, targets and associated indicators, considerable progress towards achieving these goals had been made. This applied primarily to economic growth, poverty reduction, gender equality, primary education and maternal health. Problem areas identified included HIV/ Aids and the high levels of unemployment and inequality.

Although the end date of the programme is quickly approaching, the MDGs are still important targets to aspire towards through both the development and review of the IDP and SDF. Strategies and projects in this IDP talk to these goals.

2.2.3 THE NATIONAL DEVELOPMENT PLAN (NPC 2030)

The National Development Plan (NDP) was prepared by the National Planning Commission (NPC), a structure that was appointed by President Jacob Zuma in May 2010. The NDP aims to eliminate poverty and reduce inequality by 2030. It indicates that South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society. In the NPC's Diagnostic Report (2011), the NPC identified 9 primary challenges facing the country and which are also prevalent in the Msunduzi municipality, namely:

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

In addressing these concerns, the NDP sets out six interlinked priorities, namely:

- Uniting all South Africans around a common programme to achieve prosperity and equity;
- Promoting active citizenry to strengthen development, democracy and accountability;
- Bringing about faster economic growth, higher investment and greater labour absorption;

- Focussing on key capabilities of people and the state;
- Building a capable and developmental state; and
- Encouraging strong leadership throughout society to work together to solve problems

The NDP is a plan for all South Africans which provides a framework to guide key choices and actions of both civil society and the state. Amongst other things, the NDP depends on municipal IDPs to unpack and operationalize these priorities, something which this IDP strives to do through its objectives and strategies. The figure below summarises the approach to change outlined in the NDP.

FIGURE 1: Approach to Change outlined in the National Development Plan



Within the IDP, cognisance has been taken of the key action areas identified in the plan, with particular focus on the following areas:

TABLE 1: National Development Plan Objectives and Actions with relevance to Msunduzi

OBJECTIVE	ACTIONS
Economy and Employment	<ul style="list-style-type: none"> • Reducing the costs of living for poor households and costs of doing business through micro economic reforms; • Develop proposals for an acceptable minimum standard of living and proposals on how to achieve this over time. • Remove the most pressing constraints on growth, investment and job creation, including energy generation and distribution, urban planning, etc. • Broaden the extended public works programme to cover over 2 million fulltime equivalent jobs by 2020.
Economic Infrastructure	<ul style="list-style-type: none"> • Ring- fence the electricity distribution businesses of the 12 largest municipalities (which account for 80 percent of supply), resolve maintenance and refurbishment backlogs and develop a financing plan, alongside investment in human capital. • Revise national electrification plan and ensure 90 percent grid access by 2030 (with balance met through off- grid technologies). • A comprehensive management strategy including an investment programme for water resource development, bulk water supply and waste water management for major centres by 2012, with reviews every five years. • Create regional water and wastewater utilities, and expand mandates of existing water boards (between 2012 and 2017). • Consolidate and selectively expand transport and logistical infrastructure, with one key focus area being improved public transport infrastructure and systems including the renewal of the commuter rail fleet, supported by enhanced links with road- based services. • Establish a national, regional and municipal fibre- optic network to provide the backbone for broadband access; driven by private investment, complemented by public funds required to meet social objectives.
Environmental Sustainability and Resilience	<ul style="list-style-type: none"> • Put in place a regulatory framework for land use, to ensure the conservation and restoration of protected areas. • Carbon price, building standards, vehicle emission standards and municipal regulations to achieve scale in stimulating renewable energy, waste recycling and in retrofitting buildings.

OBJECTIVE	ACTIONS
	<ul style="list-style-type: none"> • Carbon- pricing mechanisms, supported by a wider suite of mitigation policy instruments to drive energy efficiency. • All new buildings to meet the energy- efficiency criteria set out in South African National Standard 204. • Channel public investment into research, new agricultural technologies for commercial farming, as well as for the development of adaption strategies and support services for small- scale and rural farmers.
Inclusive Rural Economy	<ul style="list-style-type: none"> • Rural economies will be activated through improved infrastructure and service delivery, a review of land tenure, service to small and micro farmers, a review of the mining industry commitments to social investment, and tourism investments. • Create tenure security for communal farmers, especially women, investigate different forms of financing and vesting private property rights to land reform beneficiaries that does not hamper beneficiaries with a high debt burden.
South Africa in the region and world	<ul style="list-style-type: none"> • Implement a focussed regional integration strategy with emphasis on road, rail and port infrastructure in the region.
Transforming Human Settlements	<ul style="list-style-type: none"> • Reforms to the current planning system for improved coordination. • Develop a strategy for densification of cities and resource allocation to promote better located housing and settlement. • Substantial investment to ensure safe, reliable and affordable public transport. • Introduce spatial development framework and norms, including improving balance between location of jobs and people. • Provide incentives for citizen activity for local planning and development of spatial compacts. • Introduce mechanisms that would make land markets work more effective for the poor and support rural and urban livelihoods.
Improving Education, Training and Innovation	<ul style="list-style-type: none"> • Strengthen coordination between departments, as well as the private and non- profit sectors. Focus should be on routine day- to- day coordination between units of departments that do similar work. • The interests of all stakeholders should be aligned in support the common goal of achieving good educational outcomes that are responsive to community needs and economic development.
Healthcare for all	<ul style="list-style-type: none"> • Promote health diets and physical activity. • Prevent and control epidemic burdens through deterring treating HIV/ Aids, new epidemics and alcohol abuse; improve the allocation of resources and the availability of health personnel in the public sector; and improve the quality of care, operational efficiency, health worker morale and leadership and innovation.
Social Protection	<ul style="list-style-type: none"> • Together with social partners, determine a social floor that can progressively be realised through rising employment, higher earnings and social grants and other aspects of the social wage. • Pilot mechanisms and incentives to assist the unemployed to access the labour market. • Expand existing public employment initiatives to create opportunities for the unemployed.
Building Safer Communities	<ul style="list-style-type: none"> • Safety audits in all communities focussing on crime and safety conditions of the most vulnerable in the community. • Increase community participation in crime prevention and safety initiatives. • Mobilise youth for inner city safety to secure safe places and spaces for young people.
Building a Capable and Developmental State	<ul style="list-style-type: none"> • Use differentiation to ensure a better fit between the capacity and responsibilities of provinces and municipalities. Take a more proactive approach to resolving coordination problems and a more long- term approach to building capacity. • Develop regional utilities to deliver some local government services on an agency basis, where municipalities or districts lack capacity. • Adopt a less hierarchical approach to coordination so that routine issues can be dealt with on a day- to- day basis between mid- level officials. Use the cluster system to focus on strategic cross- cutting issues and the Presidency to bring different parties together when coordination breaks down.
Fighting Corruption	<ul style="list-style-type: none"> • The capacity of corruption- fighting agencies should be enhanced and public education should be part of the mandate of the anti- corruption agency. • An accountability framework should be developed linking the liability of individual public servants to their responsibilities in proportion to their seniority. • Restraint- of- trade agreements for senior civil servants and politicians at all levels of government. • All corrupt officials should be made individually liable for all losses incurred as a result of their corrupt actions.
Nation Building and Social Cohesion	<ul style="list-style-type: none"> • Sustained campaigns against racism, sexism, homophobia and xenophobia. • Improving public services and spaces as well as building integrated housing and sports facilities in communities to ensure sharing of common spaces across race and class. • Incentivising the production and distribution of all art forms that facilitate healing, nation building and dialogue. • Promote citizen participation in forums such as Integrated Development Plans, Ward Committees, School Governing Boards and Community Policing Forums. • Work towards a social compact for growth, employment and equity.

Table 1 indicates the NDP objectives with relevance to the Msunduzi municipality. The strategic framework of the IDP addresses these objectives.

2.2.4 THE NATIONAL INFRASTRUCTURE PLAN

The Presidential Infrastructure Coordination Commission (PICC) was established to:

- Coordinate, integrate and accelerate implementation;
- Develop a single common National Infrastructure Plan that will be monitored and centrally driven;
- Identify who is responsible and hold them to account;
- Develop a 20 year planning framework beyond one administration to avoid a stop- start pattern to infrastructure roll- out.

Under this guidance, the PICC has identified Strategic Integrated Projects (SIPs). The SIPs cover a range of economic and social infrastructure and all nine provinces are covered, with emphasis on poorer provinces. Many of the SIPs talk indirectly to the Msunduzi municipality, whereas the following three have direct bearing on the municipality and hence the IDP has been aligned to them:

- **SIP2** refers to the Durban - Free State- Gauteng logistics and industrial corridor which seeks to strengthen the logistics and transport corridor between SA's main industrial hubs; improve access to Durban's export and import facilities, raise efficiency along the corridor and integrate the Free State Industrial Strategy activities into the corridor and integrate the currently disconnected industrial and logistics activities as well as marginalised rural production centres surrounding the corridor that are currently isolated from the main logistics system. This corridor runs through the Msunduzi municipality and has also been identified as an important corridor in the PGDS.
- **SIP7** refers to the coordinated planning and implementation of public transport, human settlement, economic and social infrastructure and location decisions into sustainable urban settlements connected by densified transport corridors. Msunduzi is one of the 12 major cities selected by the PICC.
- **SIP15** refers to expanding access to communication technology and one of its goals is broadband coverage to all households by 2020.

Strategies and Projects in the IDP address these Strategic Integrated Projects (SIPs). Catalytic projects for the municipality have been identified that talk to these SIPs.

2.2.5 GOVERNMENT OUTCOMES 1 - 12

The Government's Outcome- based approach arose out of a realisation by government that change was not happening as rapidly and effectively as required. It noted that progress was being made in many areas and greater access to services was being provided to many communities, however, government was not achieving the outcomes to ensure a "better life for all" and many communities were rightly impatient with the quality, relevance and adequacy of government service delivery.

Out of this backdrop the outcomes approach was developed ensuring that government is focussed on achieving the expected real improvements in the lives of South Africans. The approach clarifies what is expected to be achieved, how it will be done and where it will take place. It facilitates that the different spheres of government improve the lives of citizens rather than just carrying out their functions. The twelve outcomes are summarised below:

1. Improved quality of basic education;
2. A long and healthy life for all South Africans;
3. All people in South Africa are and feel safe;
4. Decent employment through inclusive economic growth;
5. A skilled and capable workforce to support an inclusive growth path;
6. An efficient, competitive and responsive economic infrastructure network;
7. Vibrant, equitable and sustainable rural communities with food security for all;
8. Sustainable human settlements and improved quality of household life;
9. A responsive, accountable, effective and efficient local government system;

10. Environmental assets and natural resources that are well protected and continually enhanced;
11. Create a better South Africa and contribute to a better and safer Africa and World; and
12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.

These outcomes provide strategic focus and do not cover the whole of government's work and activities. The IDP document addresses each of these outcomes and municipal strategies have been designed accordingly.

2.2.6 NATIONAL PRIORITIES (STATE OF THE NATIONS ADDRESS 2013)

The State President delivered his *State of the Nation Address* (SOTN) on 14 February 2013. From the address, a number of issues of relevance to the Msunduzi Municipality were highlighted, including:

- The importance of the National Development Plan (NDP) and its proposals for tracking the problems of poverty, inequality and unemployment;
- The need to grow the economy by removing obstacles;
- The identification of five priorities requiring urgent attention, namely: Education, Health, the Fight Against Crime, the Creation of Decent Work, and Rural Development and Land Reform.

A lot of the other issues raised in the speech were fairly generic and not specific to the Msunduzi municipality. The approach adopted in the preparation and implementation of this IDP Review seeks to operationalize the three elements from the speech listed above.

2.2.7 THE NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE (NSDP)

Inequalities exist in the national economy and there is a legacy of inequitable spatial development which has resulted in poor public sector investment. The vision for the NSDP is for South Africa to become a nation in which investment in infrastructure and development programmes support government's growth and development objectives which are summarised as follows:

- Focussing economic growth and employment creation in areas where this will be most effective and sustainable.
- Supporting restructuring where feasible so as to ensure greater competitiveness.
- Fostering development on the basis of local potential; and
- Ensuring that development institutions are able to provide basic needs throughout the country.

There are five NSDP principles which are summarised below:

- Rapid economic growth that is sustained and inclusive is a pre- requisite for the achievement of other policy objectives, amongst which poverty alleviation is key;
- Government has a constitutional obligation to provide basic services to all citizens (ie water, energy, health, and educational facilities) wherever they reside;
- Beyond the Constitutional obligations identified above, government spending on fixed investment should be focussed on localities of economic potential in order to gear- up private sector investment, to stimulate sustainable economic activities, and to create long- term employment opportunities.
- Efforts to address past and current social inequalities should focus on people and not places. In localities where there are both *high levels of poverty and demonstrated economic potential*, this could include fixed capital investment beyond basic services to exploit the potential of those localities. In localities with *low demonstrated economic potential*, government should, beyond the provision of basic services, concentrate primarily on human capital development by providing education and training, social transfers such as poverty- relief programmes. It should also reduce migrations costs by providing labour- market intelligence to give people better information, opportunities and capabilities, to enable them to gravitate (if

they choose to) to localities that are more likely to provide sustainable employment and economic opportunities.

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

Although the NSDP has largely been superseded by the National Development Plan driven by the National Planning Commission, the principles outlined above are still pertinent to development in the Msunduzi municipality.

2.2.8 PROVINCIAL PRIORITIES (STATE OF THE PROVINCE ADDRESS)

The State of the Province address was made on 21 February 2013 by the Premier Dr Zweli Mkhize. The premier mentioned the triple challenge facing the province of *unemployment, poverty and inequality*, and identified the need to create decent work and building the economy as a top priority for government. He identified that government will address this through integrated government investment, infrastructure development and targeted policy choice. The premier outlined a number of focus areas for provincial spending and those with an impact on the Msunduzi municipality have been highlighted:

- **Expanded public works programme** creating work opportunities;
- **Human Settlement** where 1 000 out of 25 000 houses have been constructed;
- **Water** which includes the construction of dams to augment water supply in the Umgeni River catchment;
- **Rail transport strategy** which includes an intercity Business Express between Durban and Pietermaritzburg including dedicated staff, security and mobile computer connectivity. A further rail project with an impact on the Msunduzi municipality is PRASA's station upgrade programme which includes the Pietermaritzburg station;
- **Special Economic Zones (SEZ)** supported by FET colleges to develop small businesses. The uMgungundlovu district has been identified for the revival of the leather industry.
- **Building a culture of entrepreneurship** with the introduction of micro finance facilities at a regional and local level, as well as the development of networking forums geared towards the establishment of big and small business;
- **Agriculture** including the development of AgriParks and cut flower production in centres including the Msunduzi municipality;
- **Greater food security** through home garden programmes;
- The establishment of a **Council on Climate Change** to educate communities about practical mitigation and adaption measures;
- To ensure children in the province and in the Msunduzi municipality receive quality **Education**;
- The development of a **Healthy Nation**;
- **Social development** through Operation Sukuma Sakhe;
- **Fighting crime and corruption**; and
- A focus on ensuring **Clean governance**.

The municipal strategies, projects and catalytic projects are aligned to the State of the Province Address (SOPA).

2.2.9 THE PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY (PGDS)

The Provincial Growth and Development Strategy was developed in 2011 to facilitate sustainable economic growth, reduce growing inequality and promote environmental sustainability and emanates from vision for KwaZulu-Natal which is summarised below:

By 2030, the PROVINCE OF KWAZULU-NATAL should have maximized its position as a GATEWAY to South and Southern Africa, as well as its human and natural resources so creating a safe, healthy and sustainable living

environment. Abject poverty, inequality, unemployment and current disease burden should be history, basic services must have reached all its people, domestic and foreign investors are attracted by world class infrastructure and a skilled labour force. The people shall have options on where and how they opt to live, work and play, where the principle of putting people first and where leadership, partnership and prosperity in action has become a normal way of life.

The following principles were identified by the PGDS to address this, namely:

- Grow the economy to achieve shared growth;
- Harness the Provinces assets and endowments;
- Develop the Province’s greatest asset, its human capital;
- Harmonise environmental integrity, human and social development with economic development;
- Government must be developmental, competent, caring and facilitating;
- Private Sector must grow a shared economy, providing employment;
- Organised Labour must protect workers from exploitation while promoting labour productivity; and
- Civil Society must be responsible in shaping its own destiny.

The seven strategic goals for the province are as follows:

FIGURE 2: Seven Strategic Goals of the PGDS



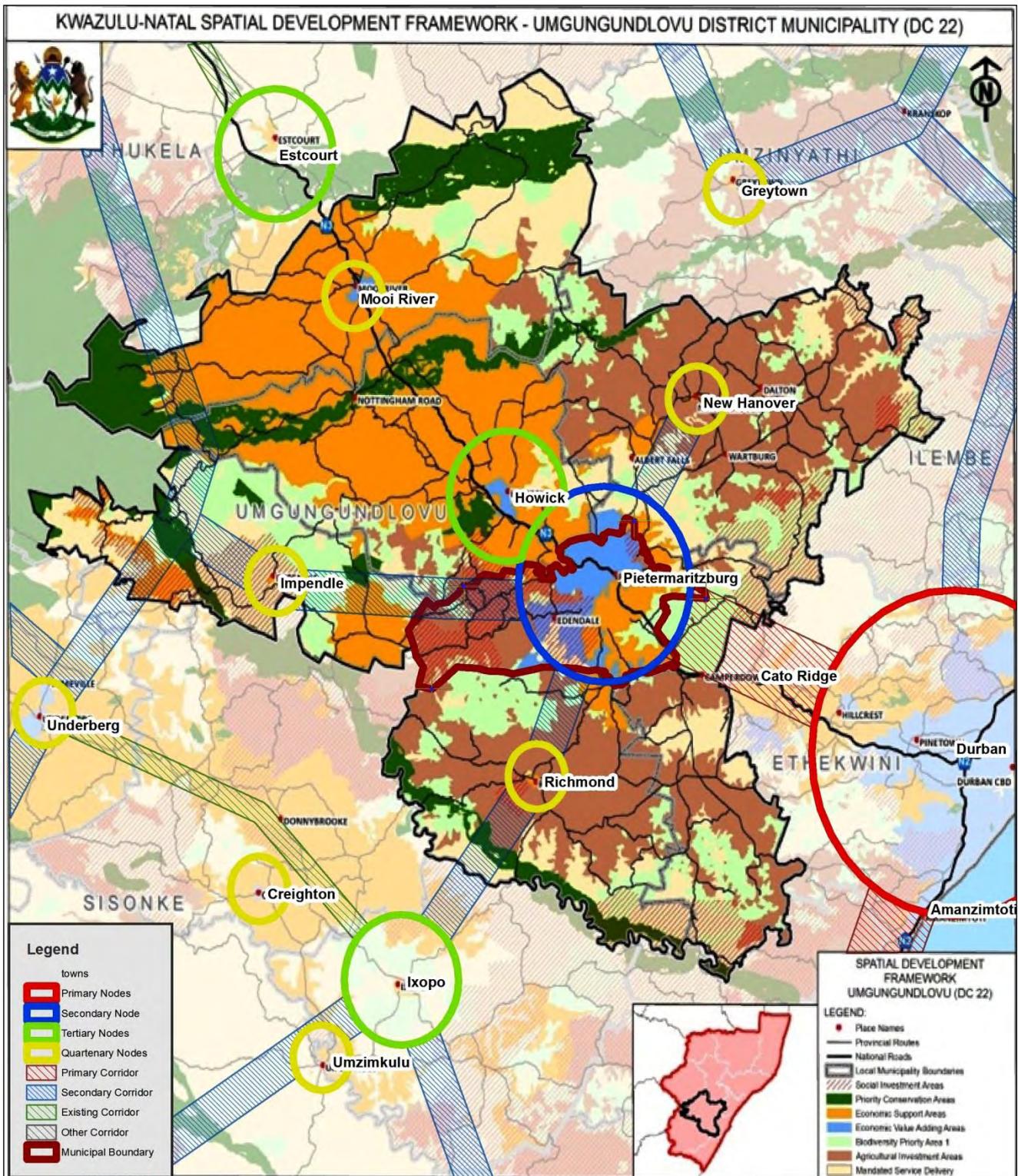
To achieve these 7 strategic goals, 30 objectives supported by 124 implementable interventions have been developed which have been aligned to the IDP strategies and objectives. To deliver on this, the PGDS requires all spheres of government to deliver on the following:

- The implementation of the catalytic projects and interventions, Effective participation in the institutional implementation framework,
- The incorporation of the strategic goals and objectives in their priorities and programmes,
- The reporting of progress, and
- The provision and allocation of the required support and resources.

The Msunduzi municipality’s IDP analysis phase has been grouped around these seven strategic goals. The specific strategies and projects identified by the municipality in the IDP align to these seven goals.

The following map shows the PGDS translated spatially for the Msunduzi Municipality. As can be seen, the western portions of the municipality have been identified as social investment areas, the middle and northern section have been identified as value- adding areas, whilst the eastern and southern portions have been identified as economic support areas. The eastern flank of the municipality has been identified as a bio-diversity priority 1 area.

MAP 1: The PGDS translated to the Msunduzi municipality



CHAPTER 3: SITUATIONAL ANALYSIS

3.0 INTRODUCTION

This section of the IDP summarises key development informants that shape the Msunduzi municipality and its people and that inform the development of the municipal Vision and Strategies.

PGDS GOAL: HUMAN AND COMMUNITY DEVELOPMENT

3.1 POPULATION

The recent Census (2011) indicates that the population for the uMsunduzi municipality has risen from a total of 552 837 people in 2001, to 618 536 people in 2011 which represents an average annual growth rate of 1.12 percent per annum. The Census also indicates that the number of households has risen from 130 292 in 2001, to 163 993 in 2011 although the average household size has decreased from 4.0 people per household in 2001, to 3.6 in 2011.

The table below indicates the population per ward in the municipality. The wards with the highest populations include wards 13, 16, 17, 18, 28, 30 and 34 are the most populous wards each with more than 20,000 people per ward.

TABLE 2: Population per municipal ward as a percentage of the total population (StatsSA, 2011)



The Census figures also indicate that there are more females (54.55%) than males (45.45%) in the municipality, a trend that has strengthened since 2001. The number of women-headed households has also increased since 2001 from 44.5% to 45.2% of all households in 2011.

The Census (2011) also indicates that the majority (68.4%) of the population fall within the economically active age cohorts (15 to 64 years) with 26.6% being under 15 years of age, and 5% being 65 years and older. A further positive trend is that the dependency ratio of people within the 15 to 64 age cohort has decreased from 51.5% to 46.2%, although this figure still remains high.

In terms of education levels, the Census (2011) indicates that the percentage of adults over 20 years with no schooling has decreased from 10.9% in 2001, to 5.5% in 2011. The percentage of adult with a matric qualification has also increased from 24.5% in 2001 to 33.7% in 2011. Residents with qualifications higher than a matric have also improved from 9.2% in 2001 to 13.1% in 2011. What is worrying though are the number of children of school-going age that are not attending. This figures is 62 737 children (2011) which is

marginally down on the figure of 66 789 children in 2001. Aside from eThekweni which has 383 346 children in this category, this is the highest figure of any municipality in the province.

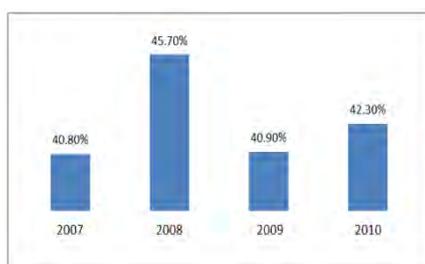
In terms of *Child-headed Households*, the table below summarises the prevalence over the three Censuses as compared to the uMgungundlovu DM average. As can be seen, the highest prevalence of child headed households occurred in 1996 when 0,9% of households in the municipality were child headed. The 2001 figures indicate a decline in child headed households to 0,3%, although the number has steadily climbed until the 0,6% in 2011.

TABLE 3: Prevalence of Child Headed Households

	No. of Households headed by Children (0-17 years)			% of Households headed by Children (0-17 years)		
	1996	2001	2011	1996	2001	2011
uMgungundlovu	2 215	1 398	1 755	1,2	0,6	0,6
uMsunduzi	1 067	674	920	0,9	0,3	0,6

In 2010 the uMgungundlovu DM had the highest prevalence of HIV/ Aids in the province as well as in the country according to the annual Department of Health anti- natal survey undertaken at state hospitals. These figures are summarised below and indicate an upward trend in infections. The municipality is attempting to establish ward Aids Committees and involving Ward Councillors in this regards.

FIGURE 3: HIV/ Aids Prevalence Rates in the Msunduzi Municipality (DOH, 2011)



The Msunduzi developed an HIV/ Aids Strategic Plan (2012 – 2016) which is included as an Annexure to the IDP. This plan includes the establishment of a local Aids Council.

The successful implementation of the HIV/ Aids Strategic Plan (2012 – 2016) will depend on a number of imperatives which include the Provision of leadership at all levels; Greater involvement of communities and their structures; Behavioural and attitude change among the community members; Greater involvement of people living with HIV and AIDS; the sustainability and adequate resourcing of initiatives that are aimed at reduction of the spread and impact of HIV, AIDS, STIs and TB.

There are a number of existing and potential long terms risks associated with the current prevalence rate that if not sufficiently addressed, existing impacts will become more firmly established whilst new ones will take root in communities. Both existing and potential impacts have a potential of reversing many of the developmental gains made in the district since 1994. The economic costs of HIV and AIDS, the stigma surrounding the disease that leads to discrimination and withdrawal, and the inability to access social services, combine to expand socio-economic inequalities in society. HIV and AIDS is not only killing people, it further divides communities and the society in general and the pandemic has caused a great deal of suffering in communities. The most visible impact of this has been an increase in the number of people who are getting sick and those who are dying due to sicknesses related to the pandemic. According to USAID (2003) in a study conducted in Sub-Saharan Africa the HIV and AIDS pandemic affects the performance of health systems through:

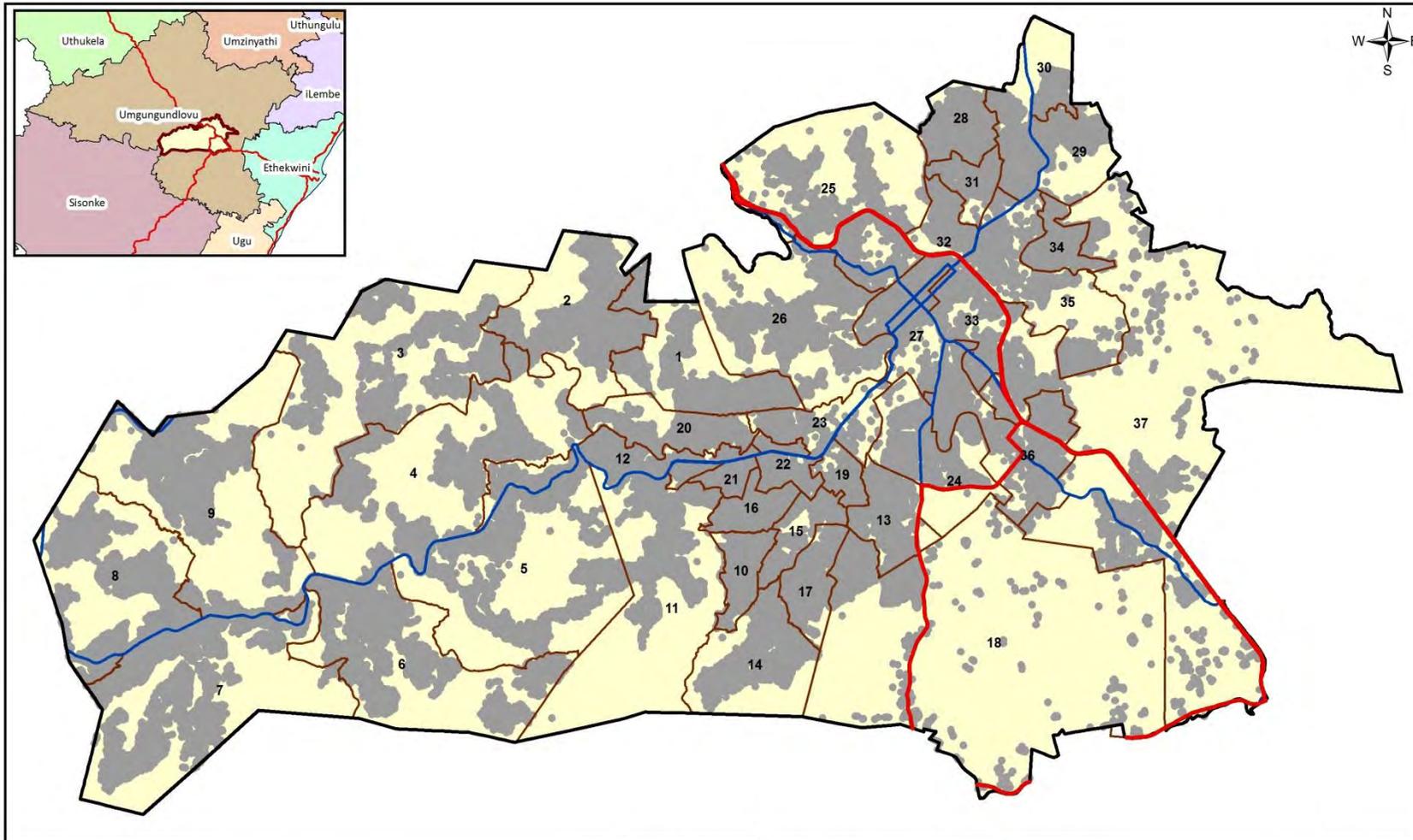
- More demand for hospital beds
- More demand for treatment
- Longer hospital stays
- Increased need for community services
- Increased costs of services

- Medical personnel being infected and affected

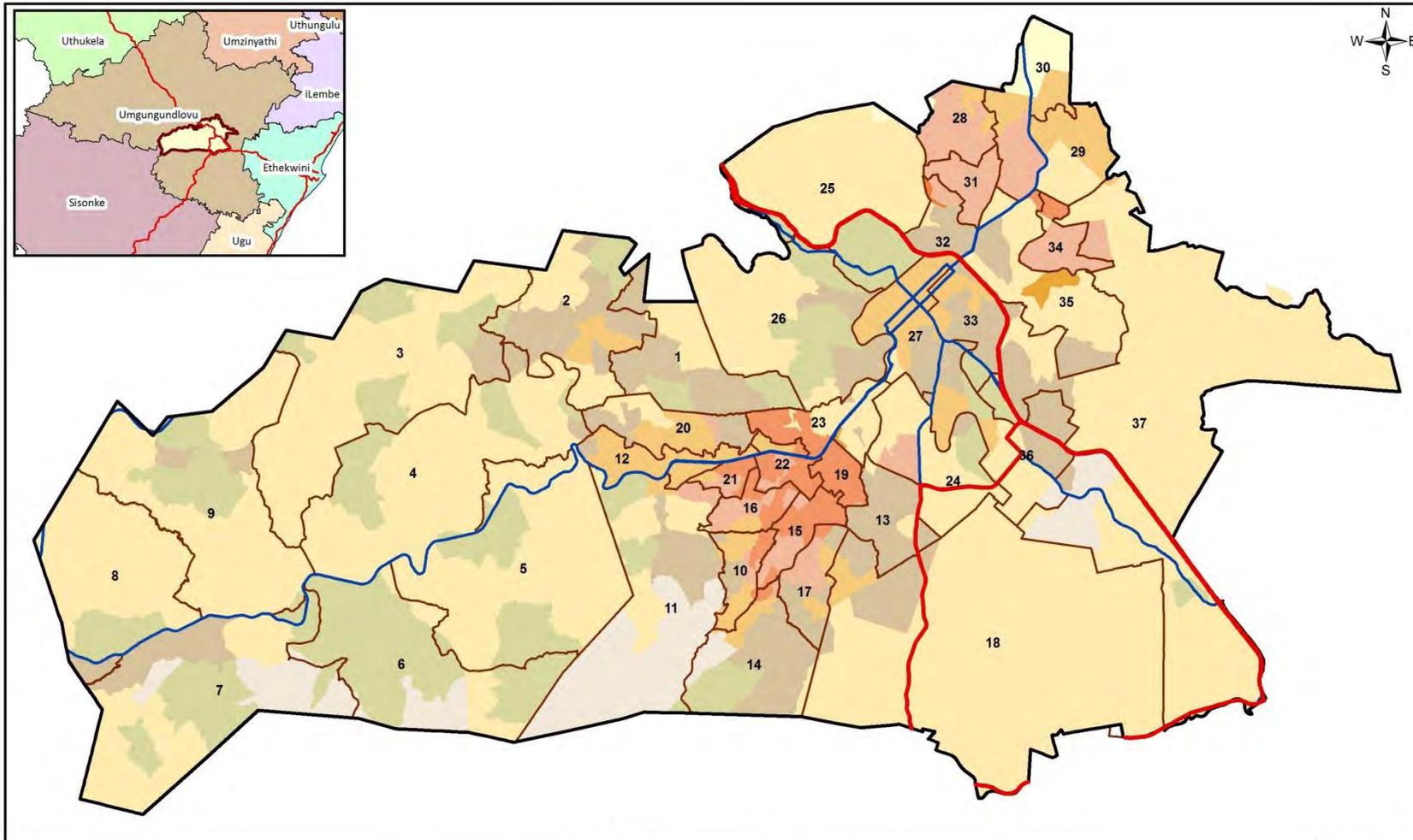
Similarly in the education sector, sickness and death of teachers and learners who have been orphaned or have a parent that is sick contributes to poorer results. The private sector is also affected through higher costs associated with absenteeism of sick workers, training of new staff to replace workers who have died and the loss of productivity.

In order to determine Mortality and Morbidity rates for the municipality, the Department of Health's Annual Report (2011- 2012) has been utilised which unfortunately aggregates the information to a District level. This aside, the top four causes of years of life lost in the uMgungundlovu DM are TB (22.4%), Lower Respiratory Infection (LRI) (10.1%), Diarrhoeal Disease (9.2%) and HIV/ Aids (8.6%). In terms of maternal mortality rates, the District average is 193.5 maternal deaths per 1 000 births which is classified as "much poorer than expected".

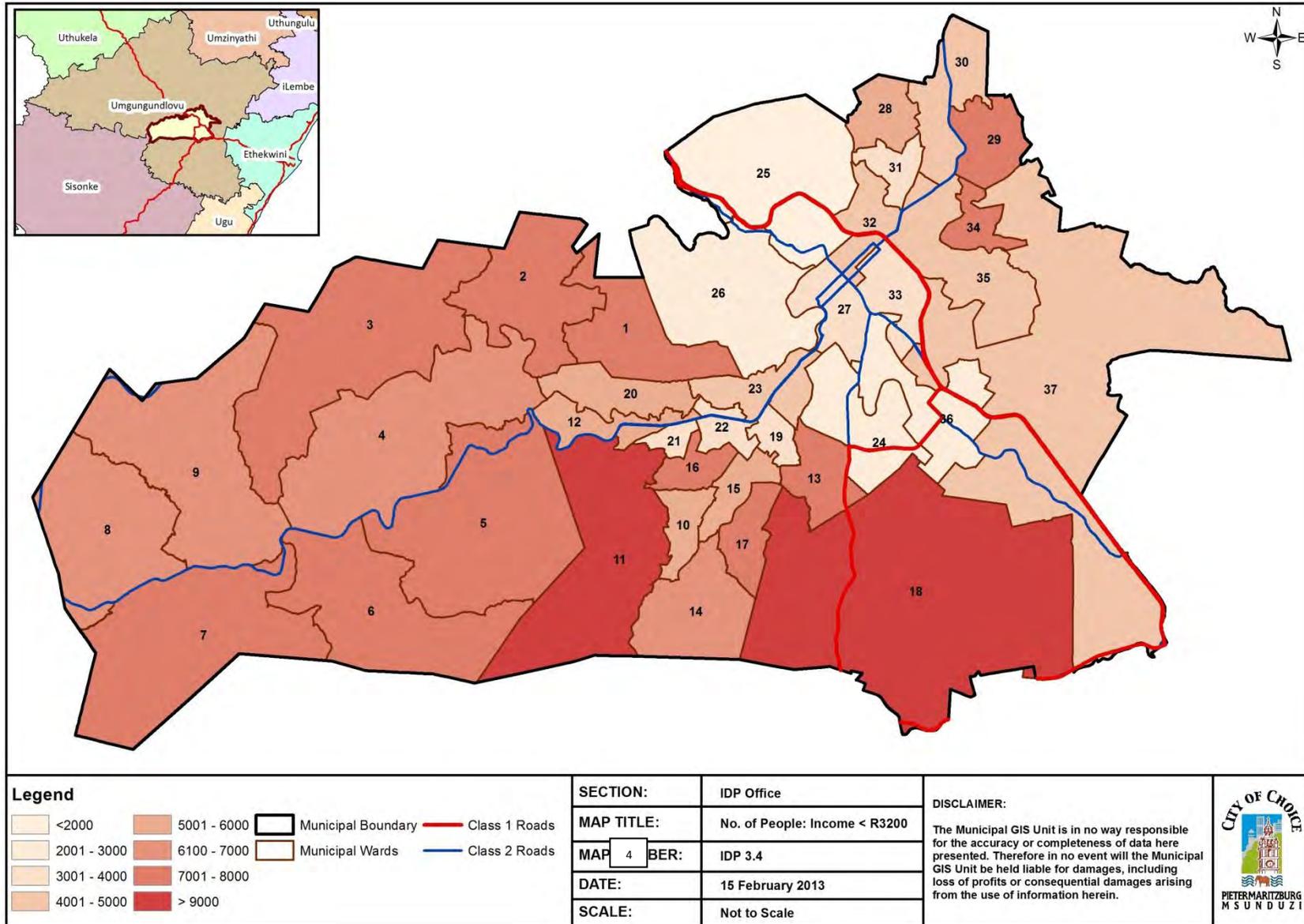
KEY ISSUES RELATING TO POPULATION <ul style="list-style-type: none"> • A growing population with a growing number of households, but with a decreasing average household size. • A population that is predominantly within the economically active age groups, and one where people within the working age groups are less dependent on those who are employed. • A population that is improving in levels of skills development and literacy shown by the improving levels of schooling and post schooling qualifications. • A population with the highest level of HIV/ Aids infection in the province. • A population with a relatively high level of child headed households. 	
STRENGTHS <ul style="list-style-type: none"> • A stabilising population growth rate. • A relatively low number of child- headed households • The majority of the population in the economically active age cohorts 	WEAKNESSES <ul style="list-style-type: none"> • High number of economically vulnerable households • Places of residence some distance from work opportunities. • High levels of unemployment.
OPPORTUNITIES <ul style="list-style-type: none"> • The majority of the population in the economically active age cohorts • Good levels of education amongst adults • Improving levels of literacy and tertiary training. 	THREATS <ul style="list-style-type: none"> • High levels of HIV/ Aids • Increasing in- migration

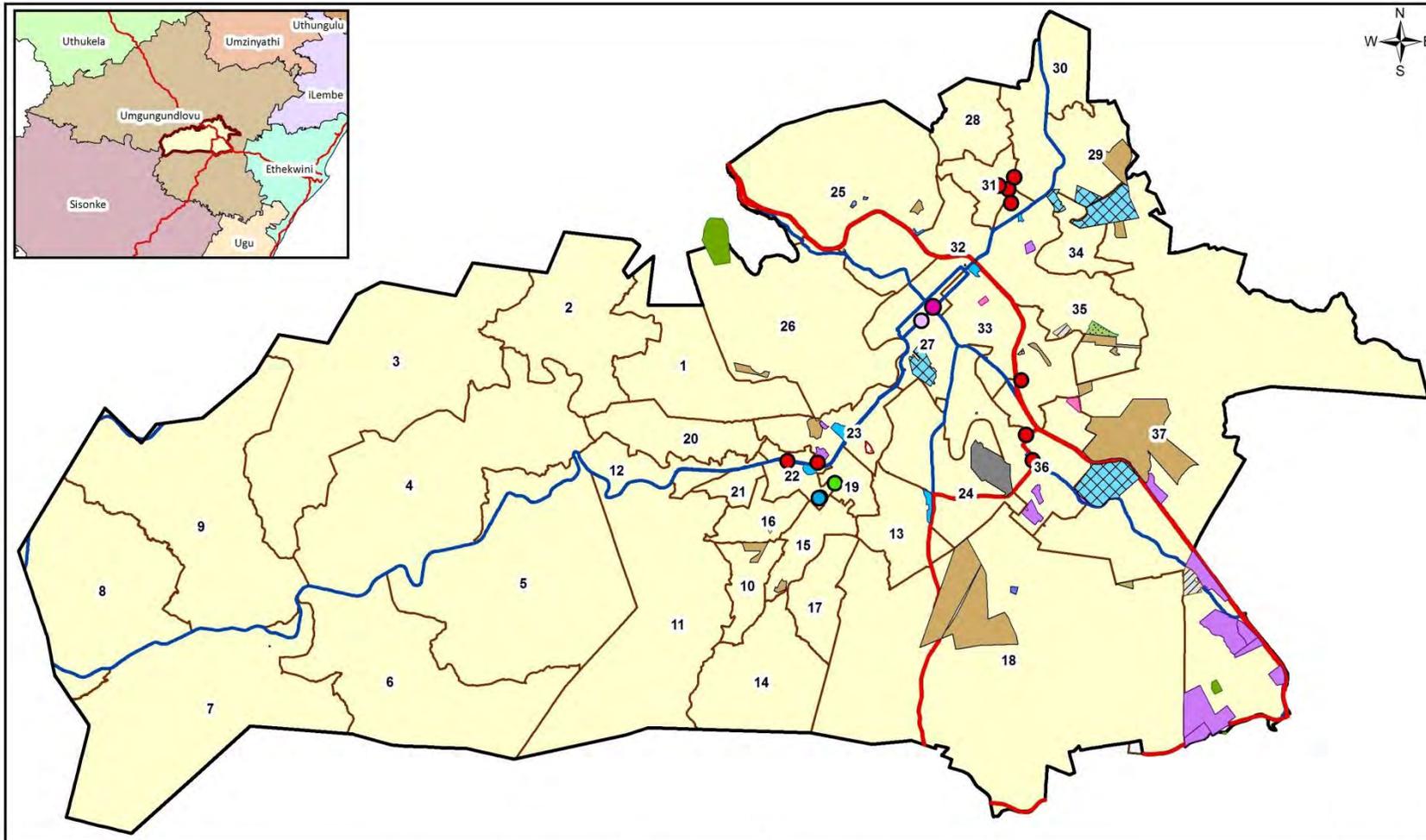


Legend <ul style="list-style-type: none"> ● House — Class 1 Roads ▭ Municipal Wards ▭ Municipal Boundary — Class 2 Roads 	SECTION:	IDP Office	DISCLAIMER: The Municipal GIS Unit is in no way responsible for the accuracy or completeness of data here presented. Therefore in no event will the Municipal GIS Unit be held liable for damages, including loss of profits or consequential damages arising from the use of information herein.	 PIETERMARITZBURG M S U N D U Z I
	MAP TITLE:	Settlement Pattern		
	MAP NUMBER:	IDP 3.2		
	DATE:	15 February 2013		
	SCALE:	Not to Scale		



Legend		SECTION:	IDP Office	DISCLAIMER: The Municipal GIS Unit is in no way responsible for the accuracy or completeness of data here presented. Therefore in no event will the Municipal GIS Unit be held liable for damages, including loss of profits or consequential damages arising from the use of information herein.	 PIETERMARITZBURG M S U N D U Z I	
0	3000 - 4000	Municipal Wards	MAP TITLE:			Population Density
0 - 500	4000 - 5000	Municipal Boundary	MAP 3 BER:			IDP 3.1
500 - 1000	5000 - 10000		DATE:			15 February 2013
1000 - 2000	> 10000		SCALE:			Not to Scale





Legend	
	Proposed ICT Hub
	Edendale SMME Incubator Centre
	Publicity House
	Thwala Road NDPG
	Informal Traders Project
New Developments	
	Cemetery
	Composting
	Education
	Fuel Station
	Health
	Hotel
	Housing Project
	Industrial
	Infrastructure
	Mixed Use
	Office
	Residential Estate
	Shopping Mall
	Taxi Rank
	Transportation
	Waste Treatment
	Municipal Wards
	Municipal Boundary
	Class 1 Roads
	Class 2 Roads

SECTION:	Economic Development
MAP TITLE:	Development Projects
MAP NUMBER:	IDP 4
DATE:	15 February 2013
SCALE:	Not to Scale

DISCLAIMER:
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PGDS GOAL: JOB CREATION

3.2 THE ECONOMY

3.2.1 THE STATE OF THE ECONOMY

The figure below indicates the Msunduzi GDP yearly growth rate percentage, and as can be seen, the GDP growth rate for 2011 was 3.85% representing a GDP of R25,492,758,644. This figure is up from the -0.31% growth rate experienced in 2010.

FIGURE 4: GDP per Annum for the Msunduzi Municipality (HIS Global Insight, 2011)

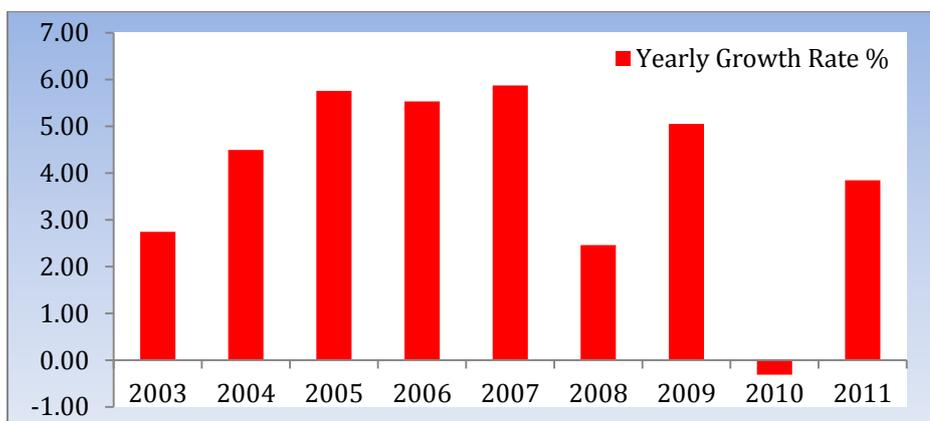
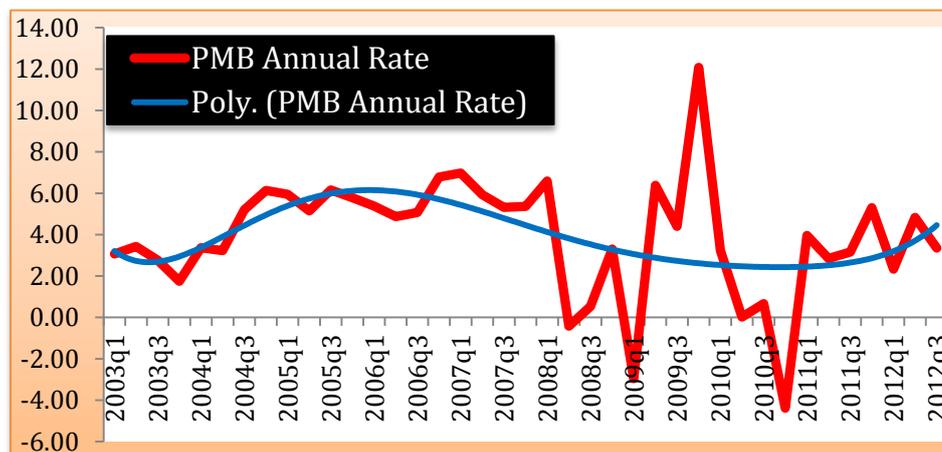


FIGURE 5: Annual GDP Growth Rate for Pietermaritzburg (2003 – 2012)

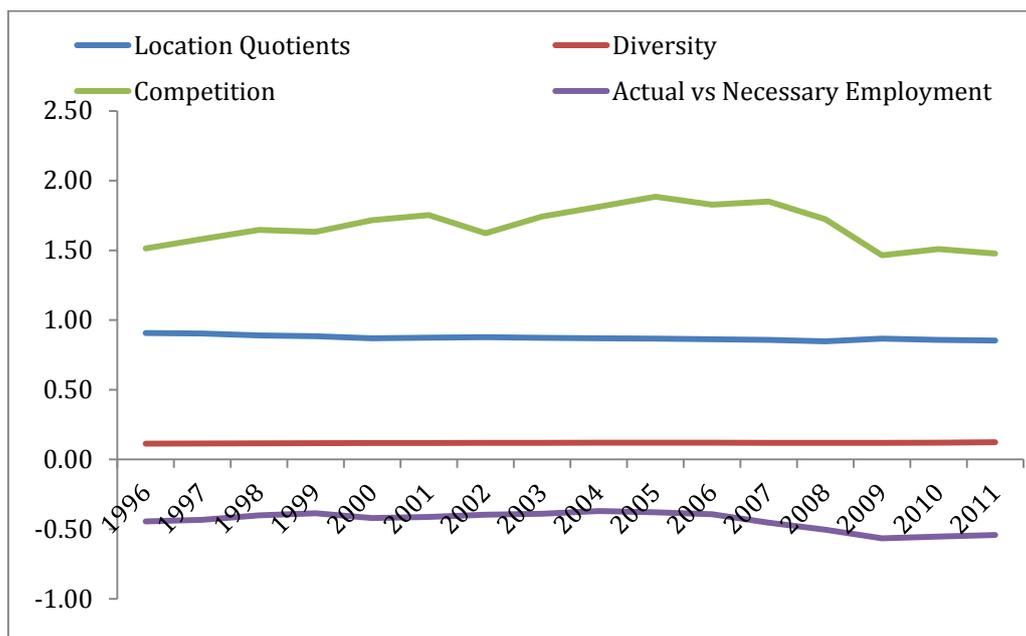


This figure indicates the annual GDP rate both per quarter and per year. The year on year rate remains positive although for Quarter 2 of 2008, Quarter 1 of 2009, and Quarter 4 of 2010, the GDP growth was negative. The trend is, however, positive at present.

These figures are mirrored by the Gross Value Added (GVA) figures for the municipality. GVA is a measure of the value of goods and services produced in an area. The GVA for the Msunduzi municipality for 2011 was R22,702,000,000.00 (Quantec, 2011). The GVA growth rate for 2011 was 3.42%. The GVA per capita for this period was R36 703.00 (Quantec, 2011).

The following figure illustrates trends in the location quotient, diversity, competition and actual versus necessary employment. Positive figures indicate low or decreasing risk, figures around zero show a neutral risk, and negative figures show high or increasing risk. As can be seen for the period 1996 to 2011, risk factors in the Msunduzi economy are associated with employment, whereas competition and location quotients show low risk. Diversity on the other hand shows neutral risk.

FIGURE 6: Location Quotient, Diversity, Competition, and Actual vs Necessary Employment in the Msunduzi municipality

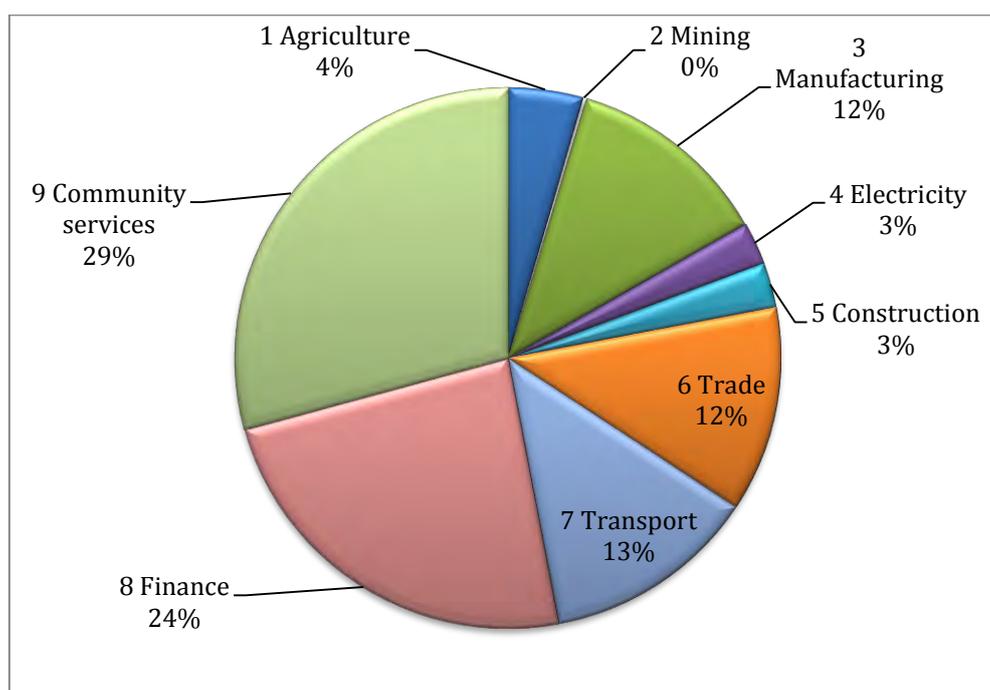


3.2.2 KEY ECONOMIC SECTORS

(i) INTRODUCTION

In terms of key economic sectors driving the Msunduzi municipality, Treasury statistics for 2012 indicate that the dominant sectors in terms of GDP are Community Services (29%), Finance (24%), Transport (13%), Trade (12%) and Manufacturing (12%). These are summarised in the figure below:

FIGURE 7: GDP Per Sector for the Msunduzi Municipality (2012)



(ii) COMMUNITY SERVICES

Community Services amounts for 29% of the Gross Domestic Product of the Msunduzi municipality and has grown with the finalisation of Pietermaritzburg as the provincial capital and as the seat of the provincial government. The central blocks in the CBD of the municipality have a large number of provincial government departments located therein.

(iii) FINANCE

The Financial sector of the Msunduzi economy is the second largest and accounts for 24% of the GDP of the municipal economy. This is associated with a large number of commercial banks being located in the municipality as well as other financial institutions. The location of government departments in the municipality, together with their financial transactions, reinforce this trend.

(iv) TRANSPORT

Transportation accounts for 13% of the GDP of the municipality. The municipality is located along the busy N3 corridor as well as at the confluence of a number of major provincial and district roads. The establishment of a motor sales complex adjacent to the N3 and Show Grounds and further strengthened this trend.

(v) TRADE

Trade accounts for 12% of the municipal GDP and is an important element of the economy. Many higher- order retail facilities are located in the municipality and have a large catchment area servicing many of the outlying towns and communities both within and outside the municipality.

(vi) MANUFACTURING

Although there has been a decline in the manufacturing output of the municipality in the last decade, manufacturing still contributes 12% of the municipal GDP. This is an important sector and many opportunities exist for its further development and growth. Industrial areas are, however, nearing capacity and additional areas for future expansion are required.

(vii) AGRICULTURE

Agriculture provides 4% of the GDP of the municipality. Although subsistence agriculture plays an important role in the municipality, commercial agriculture is not as prevalent as in surrounding municipalities. Many of the surrounding municipalities within the uMgungundlovu municipality supply produce directly to the markets in the municipality.

(viii) TOURISM

The economy of the municipality is dependent on a number of major sporting and cultural events including the Comrades Marathon, the Midmar Mile, the Duzi Canoe Marathon, the Mountain Bike World Cup, to name but a few. These events lead to direct cash- injections into the economy and have positive impacts on the local tourism establishments. The municipality is also located midway between the 'Burg' and 'Beaches' tourism destinations and is a convenient stop- over for many travellers.

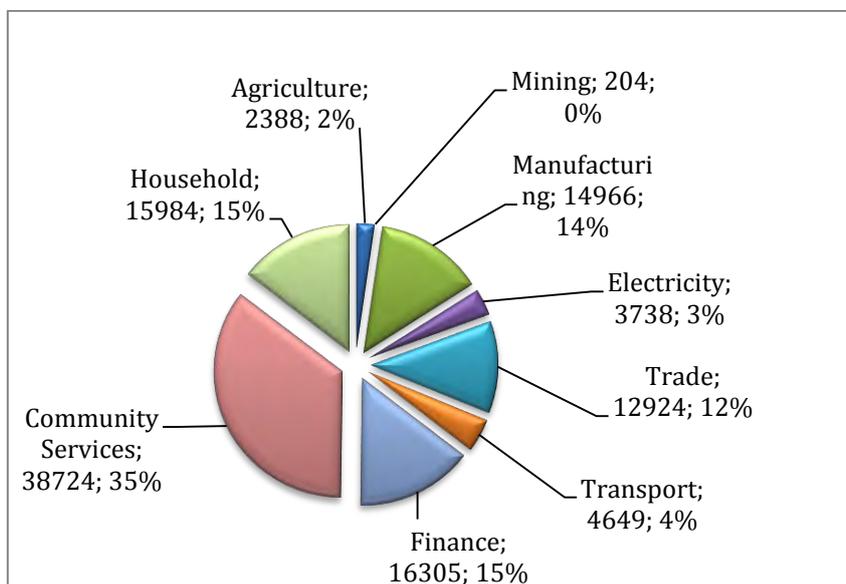
3.2.3 LEVELS OF EMPLOYMENT

(i) EMPLOYMENT

The HIS Global Insight data indicates that in 2011, 111 014 people were formally employed in the municipality with the majority, approximately 35% or 38 724 people, being employed in Community Services, followed by

15% in Finance and a further 15% being employed in households. The data indicates that employment in Msunduzi in 2011 accounted for 68.48% of the formal employment in the uMgungundlovu DM, a figure that is up from the 64.5% in 2001.

FIGURE 8: Number of Formally Employed People per Sector (HIS Global Insight, 2011)



The labour absorption rate is the rate at which the economy absorbs labour. The Census indicates the rate for the municipality is 36.39% and that the employment growth rate is 27.87%. The Census indicates that the average household income is R108 926.00 which is markedly up from the figure of R50 178.00 in 2001 (Statssa, 2011).

(ii) UNEMPLOYMENT

The Census (2011) indicates that levels of unemployment have declined from the high figures of 48.2% of the economically active population in 2001, to a figure of 33% in 2011. COGTA (2012) estimated the unemployment levels for the Msunduzi municipality at 45% which is above the provincial average.

A further positive trend is the decline in the youth (15 – 34 years) unemployment rate which stood at 58.2% in 2001 and declined to 43.1% in 2011.

3.2.4 FORMAL BUSINESSES IN THE MSUNDUZI MUNICIPALITY

The number of registered businesses is an indicator of economic activity in a district. There are 712 businesses registered in the Msunduzi Local Municipality, which is a sizeable number. Informal businesses are often unregistered and therefore unlikely to be included in this number. Almost half the respondents in the sample were unable to provide statistics on the number of registered businesses. For Msunduzi, having access to this data reflects well on their LED Capacity.

A business register is a valuable database for organising LED processes where the public and private sector work in partnership to improve the local economy. COGTA (2012) recommended that Msunduzi Municipality use its register of businesses to profile its potential private sector partners, and better structure and select its LED interventions to suit the nature of local business.

Respondents who participated in the COGTA (2012) study identified the following key economic sectors in the local economy: Consumer Sales and other Services (54%), Manufacturing (16%), Retail (13%), Training (8%), Hospitality and Tourism (6%) and Professional Services (2%). The prevalence of consumer sales and services, retail and financial services shows the role of the city as a service centre. There is some diversity in the

economy, with manufacturing and tourism (both productive sectors) featuring. It is surprising that the local economy is not more dependent on government services, given that Pietermaritzburg is the provincial capital.

As part of the COGTA study (2012), local business was asked on their future views of doing business with the municipality. Views on the future of business were only marginally positive overall in Msunduzi, with 38% being positive and 8% very positive. While 38% were neutral about the future, and 15% had a very negative view of the future. Although the sample is too small to draw reliable conclusions, there is some evidence of a mixed and even negative view on the future of business.

Hindrances to future growth were reported most frequently as roads at 31%, followed by service charges and electricity at 25% each, and followed by tax rates at 19%. It is not clear if tax rates were understood as municipal rates and taxes which are levied by the local municipality, or income tax which is a national competence. The finding that roads, electricity and service charges are a key hindrance to growth can assist the municipality to focus its efforts in these areas, and improve delivery of these services and infrastructure to the requirements of local business.

3.2.5 SMALL, MEDIUM AND MICRO ENTERPRISES AND THE INFORMAL ECONOMY

(i) SMMEs IN THE MSUNDUZI MUNICIPALITY

It has been generally acknowledged that the rate of growth and survival of SMMEs and the number of SMMEs in an area are indicators of growth. Many governments therefore make major efforts to assist new businesses to start up, and offer support to SMMEs to facilitate their growth.

The importance of creating an enabling infrastructure environment for Msunduzi business cannot be overstated. Electricity, telecommunications, water and roads are the fundamentals of basic economic infrastructure. Existing local and regional economic incentives to invest or expand were regarded as poor by half of the businesses surveyed in the Msunduzi LED Strategy (2008). The provision of incentives is the most important measure municipalities could introduce to promote development. Strategic Priority 5 in the 2030 Municipal Vision talks to the creation of an Economically Prosperous City and deals with the development of this sector.

(ii) THE INFORMAL ECONOMY

Most informal businesses in Msunduzi are low-income generating operations that are typically survivalist. Retail trade (i.e. restaurant, bar, shebeen, tavern, accommodation, vehicle repair/cleaning, shoe repair, repair of personal and household goods, garage, spaza shops/tuck shops/hawker-type stands selling various goods etc.) and community services (i.e. health, communication (telephones), cell phones, catering, gardening, domestic/household services, funeral services, hair salon, social and personal services etc.) are the predominant sectors of informal sector activity.

The COGTA (2012) study indicated that the majority of the informal economy sector has been trading for more than 5 years (70%), while 30% had been operating 1 to 5 years. No respondents had been operating for less than 1 year. This could indicate that informal business is becoming a long-term economic reality. The small sample size militates against drawing clear conclusions.

The Msunduzi LED Strategy (2008) indicates that in 2004, retail trade accounted for 49.2% of overall informal activity in Msunduzi. This percentage increases to approximately two-thirds of informal activity if community services are included in the calculation. Most of the informal businesses in Msunduzi are survivalist and provide support for an average of 5.68 individuals, who are almost always family members and not part or full time employees. Most of these businesses also earn less than R 1,000.00 per month (68%). A major cost for these businesses is the cost of transport, usually getting to and from the work site. The cost of transport can be anything from R250.00/month to R1,000.00/month. When this is related to the average earnings of R 1,000.00/month the problem becomes obvious. The majority of traders are positive about the future and

almost all traders want to grow their respective businesses into larger formal businesses in the future- 36% of all respondents reported that they specifically want to be self-employed.

TABLE 4: Informal Activities in Msunduzi

Municipality	Manufacturing	Construction	Trade	Transport	Finance	Community Services	Total Informal
KN - DC22	3 778	4 780	18,311	3 389	2 061	4 926	37 244
Richmond	268	382	1,419	177	188	207	2 640
Pietermaritzburg (Msunduzi)	2,241	3 530	13,555	2,402	1,724	3,677	27,130
Impendle	0	56	176	37	17	34	320
Lions River (uMngeni)	241	504	1 638	351	18	474	3 225
Mooi River (Mpofana)	94	129	378	162	20	212	994
New Hanover (uMshwathi)	933	178	1 147	260	95	322	2 936

Source: UKZN (2006)

In understanding why informal traders are not entering the formal economy, the COGTA (2012) survey indicated that costs of becoming part of the formal economy were the major hindering factor (86%). A further 32% quoted not knowing how to become part of the formal economy, while 2% reported it was too complicated, and 2% reported other reasons. This indicates some reticence to join the formal economy possibly due to administrative burden and associated compliance costs which form a barrier to transition. However, a significant factor is a lack of knowledge, which suggests the need for greater information and support services to informal business considering migrating to the formal economy in this municipal area. A larger sample would need to be canvassed before committing resources to such a specific programme however.

There is a critical need to maximise the informal sector and integrate it into the mainstream economy in the municipality. The sector needs an upward migration programme as well as the promotion of linkages between the informal and formal businesses. In seeking to achieve this, the Msunduzi municipality, as per the KZN Informal Economy Policy (2011), assisted with the establishment of the “Msunduzi Informal Economy Chamber” on 8 November 2011. The purpose of the chamber is to link the municipality to the traders. Key functions of the Chamber include:

- To represent informal economy actor issues at District and Local Level;
- To build and strengthen the capacity and leadership of informal economy actors;
- To build an information base on the numbers and situation of informal economy actors;
- To disseminate information on effective organizing strategies for promoting and protecting the rights of informal economy actors;
- To prioritize the upliftment of the poorest informal economy actors;
- To prioritize the interests of low-income informal economy actors by assisting with stopping exploitation and any such conduct by high-income vendors, intermediaries and wholesalers;
- To champion the interests of all informal economy actors by ensuring that government is advised in relation to policies that directly or indirectly affect informal economy actors;
- Chamber members should gain an understanding of common problems of informal economy actors, develop new ideas for strengthening their organizing and advocacy efforts, and through their elected representatives, join in local, district and provincial campaigns to promote policies and actions that can contribute to improving the lives and opportunities of informal traders;
- To work in partnership with the private and the public sector;
- All eleven official languages can be used at meetings; and

- No unsound language and/or behaviour will be tolerable at any meeting of the Chamber.

3.2.6 LEVELS OF POVERTY

The Human Development Index (HDI) is statistics composed from data on life expectancy, education and per-capita GDP as an indicator of standard of living. This table indicates an increase in the percentage of people in poverty between 1996 and 2001, followed by a decrease of the percentage of people in poverty between 2001 and 2007.

TABLE 5: Social Development and People Living in Poverty

Human Development Index (HDI)			Percentage of People in Poverty			Unemployment rate, official definition (%)		
1996	2001	2007	1996	2001	2007	1996	2001	2007
0.60	0.62	0.63	35%	45%	41%	20%	31%	28%

(Source: Urbanisation Paper, Clive Coetzee, 2009)

In a recent study by the African Food Security Urban Network (AFSUN) (2012) on gender and food insecurity in Southern African Cities, it was found that a high proportion of the total household expenditure in the Msunduzi municipality (52%) goes on food. The study notes that this is widely recognised as an indicator of poverty and food insecurity. As a result the immediate need to buy food outweighs other long-term needs such as investment in education, business and housing. This leaves little leeway in household budgets when they are subjected to income or price shocks. The study also indicated that female-headed households in the municipality spend a higher share of their income on food than nuclear households. The study also found that an average of 60% of Msunduzi households and 64% of female-headed households are *severely food insecure*. Only 7% of households in the municipality are food secure as compared to the 44% in Johannesburg, 15% in Cape Town, and 18% in Windhoek.

The Gini coefficient measures the levels of inequality in a society with the figure of '0' reflecting absolute equality, and '1' representing absolute inequality. For the Msunduzi municipality, a figure of 0.64 was measured in 2010 which is up from the 0,57 in 1996. This indicates that the society in the municipality is becoming more unequal in nature. It is, however below the district figure of 0.65 and the provincial average of 0.66.

The Human Development Index (HDI) is a composite statistic of life expectancy, education, and income indices and a score of '1' indicates a good HDI as opposed to the other extreme of '0'. The HDI for the Msunduzi municipality improved from 0.60 in 1996 to 0.62 in 2004 showing that life is generally improving for residents of the municipality.

3.2.7 BUILDING PLAN APPROVAL

In terms of Building Plan approval, for the period July 2012 to January 2013, 430 plans were approved by the municipality with a total estimated construction cost of R340,794,503.00.

3.2.8 ECONOMIC ADVANTAGES OF THE MSUNDUZI MUNICIPALITY

The Department of Economic Development and Tourism undertook a study into the comparative advantages of the District Municipalities in KwaZulu-Natal (2012) which indicates that the uMgungundlovu District Municipality, inclusive of the Msunduzi municipality, had the following comparative advantages:

TABLE 6: Municipal Economic Advantages

ADVANTAGE	CATEGORY	DESCRIPTION
LOCATIONAL ADVANTAGES	CENTRALITY	Msunduzi is at the cross- roads of major access routes linking Durban to Gauteng, Ixopo, Underberg with Greytown, Stanger, and as such there are multiple options for access into the municipality and the uMgungundlovu DM.
	LOCATED ON THE GAUTENG CORRIDOR PRIMARY LOGISTICS CORRIDOR	The development of this corridor has recently received renewed prioritisation by being declared as one of the President's Strategic Integrated Plans. This will provide opportunities for Nodes along the corridor identified in the SDF and ABM Plans.
NATURAL/ GEOGRAPHIC ADVANTAGES	HIGHLY FERTILE LAND	There is a high abundance of fertile land in the DM and LM making it one of the most productive areas in the province.
INFRASTRUCTURAL ADVANTAGES	MAJOR DAMS	Although not in the Msunduzi municipality, there are no fewer than four major dams in close proximity to the municipality (Midmar, Nagle, Wagendrift and Albert Falls, and the Spring Grove dam which is currently under construction).
	EXCELLENT ROAD NETWORK	The municipality is serviced by an excellent road network primarily centred on the N3 and the District (R) roads.
	RAIL LINKAGES	The municipality is located on the main Gauteng line, as well as the line to the Eastern Cape.
HUMAN CAPITAL ADVANTAGES	GOOD SCHOOLS AND TERTIARY INSTITUTIONS	The Pietermaritzburg and Midlands area is considered to possess the best schools in the province. These schools produce highly capable Matriculants with good leadership abilities. While the tertiary institutions are perhaps not as robustly developed as they are in eThekweni, the University of KwaZulu-Natal and the Cedara Agricultural College, along with various other private tertiary institutions, provide opportunities for well-trained Matriculants to become highly skilled members of the labour force. The existence of these educational institutions gives uMgungundlovu a significant comparative advantage in terms of being able to offer companies a skilled workforce.
INSTITUTIONAL ADVANTAGES	CAPITAL CITY STATUS OF PIETERMARITZBURG	The designation of Pietermaritzburg as the province's capital is a major advantage for the district. The district benefits directly from the location of government departments in Pietermaritzburg, while indirect benefits include, private sector clustering around government departments and substantial levels of business tourism. The capital City status of Pietermaritzburg also raises the profile of the entire district.

The study also categorised the *Comparative Advantage Sectors* as follows:

TABLE 7: Comparative Advantage Sectors

CLASSIFICATION	SECTOR	DESCRIPTION
EXISTING OR STABLE	PUBLIC ADMINISTRATION	Although general government would not normally be regarded as a comparative advantage sector, the public sector's role in the municipality is not so much a welfare role as it is an institutional and business one. The designation of the municipality as the provincial capital provides the municipality with a comparative advantage for attracting public sector business and services, as well as associated private sector business.
UNSTABLE OR THREATENED	CLOTHING AND TEXTILES (FOOTWEAR PRODUCTION)	The employment benefits of this sector are clearly immense and the sector has experienced relatively healthy growth over the past 10 years. Although the sector as a whole is not revealed to be a comparative advantage by the location quotient method, there may be a niche industry comparative advantage in the production of leather products and footwear. This is confirmed by the fact that the municipality has the largest concentration of footwear companies in the province and also possesses some leather tanneries. While the sector as a whole is growing there are significant threats to the future of the leather and footwear industry in the municipality. In particular cheap labour in Lesotho has recently drawn investors away from investing in the municipality and district.
HIGH GROWTH POTENTIAL	POST AND TELECOMMUNICATIONS	This capital intensive industry has been growing at a very impressive rate for the past 10 years and probably reflects the fact that Pietermaritzburg serves as the telecommunications hub for a large hinterland.
	SALES AND REPAIR OF MOTOR VEHICLES AND FUEL	This industry is growing rapidly within the municipality and reflects the importance of the municipality being situated on a major transportation corridor. The comparative advantage of this sector is only likely to grow with the renewed strategic focus on the Durban – Gauteng corridor.

In terms of Economic Opportunities and Catalytic Projects, although admittedly not comprehensive, the DEDT (2012) identify the following projects within the Msunduzi municipality based on discussions with key stakeholders:

TABLE 8: Catalytic Projects identified by the Department of Economic Development and Tourism

STRATEGY	PROJECT	DESCRIPTION	STATUS
EXPLOIT OPPORTUNITIES ASSOCIATED WITH THE N3 CORRIDOR	Dedicated, large scale truck stops	Designated stop for trucks using the N3 Durban-Gauteng corridor	Envisioned
	Development of logistics platform	Currently uMgungundlovu products are packaged and loaded in Durban for trips to Johannesburg; this represents as waste of fuel and increased costs; a logistical platform should be established north of PMB	Envisioned
	High Speed train between Durban and Johannesburg	High speed train, as part of the development of the Durban- Free State – Johannesburg Corridor	Planned
	Train coach manufacturing at Mason's Mill	Encourage the manufacture of coaches and rail components at Mason's Mill and link this to Prasa's refurbishment plan	Envisioned
DEVELOPMENT OF LEATHER AND SHOE INDUSTRY	SEZ for leather and footwear companies	Vertical integration of companies in this sector to include entire production process: tanneries, trims, adhesives, and retail	Envisioned
EXPLOIT CAPITAL CITY STATUS OF MSUNDUZI	CBD REVITALISATION	PMB CBD needs to reflect its importance as a provincial capital. Derelict buildings should be restored to their Victorian splendour and the city should be positioned as a preferred location for companies to operate.	Envisioned
	DEVELOPMENT OF A FIVE STAR HOTEL IN PMB	Currently there are a shortage of high-class hotels in the city; this limits business tourism growth	Envisioned
	FURTHER EXPANSION OF PMB AIRPORT	Revamp and expansion of existing airport to make it more accessible and attractive to use for both business and leisure	Planned
	ESTABLISH A MUSEUM AND HERITAGE CLUSTER	Consolidate a number of the disjointed collections into a modern and iconic world class museum	Envisioned
	DEVELOPMENT OF A LARGE- SCALE CONFERENCE CENTRE	Despite being an events capital; PMB offers very few conferencing options. The development of a conference centre at the Royal Show Grounds could offer greater opportunities for hosting more sporting events.	Envisioned
	DEVELOPMENT OF AN ECO- ESTATE IN PMB	PMB needs an up-market residential estate so as to attract top business people.	Envisioned
DEVELOPMENT OF EDUCATION NICHE MARKETS	FILM SCHOOL	The development of a world class film school.	Envisioned
	DEVELOPMENT OF A FLIGHT SCHOOL	The development of a flight school at Oribi Airport.	Envisioned
UTILISE ENGINEERING SKILLS	Encourage the location of an airline manufacturer in the municipality	This would be beneficial to the downstream component manufacturers already located in the municipality	Envisioned
	Establish an electronics hub	Cluster companies which supply electronic components for the motor industry	Envisioned
DEVELOP THE ICT SECTOR	Msunduzi ICT incubator	To provide an enabling environment for the emerging ICT small business to be sustainable and competitive in regional, provincial and nations markets	Exploratory

3.2.9 THE MSUNDUZI LED STRATEGY

LED processes in all municipalities should be guided by LED strategies, which are a legislative requirement of municipalities in terms of the Municipal Systems Act. The frequency of reviews and the mode of developing the strategy is a reflection of municipal capacity to manage development internally.

The last LED strategy was approved by Msunduzi Council in 2008, which is now four years old. The strategy was produced using a consultant and in-house capacity which reflects reasonably well on the municipality in

terms of capacity. No reason for the use of a consultant was supplied. Many municipalities have become accustomed to relying entirely on consultants to produce their LED strategy documents which does not bode well for sustained implementation, unless the strategy is produced at least by a collaborative process between a consultant and in-house municipal capacity. Expecting municipal staff to effectively oversee implementation of a strategy they were not responsible for drafting, is unrealistic.

No data on an LED strategy update or review was provided. If there has been no review of LED implementation, an indicator that the strategy remains on paper only, and has not been adapted to deal with real implementation challenges.

COGTA (2012) recommended that the Msunduzi municipality undertake regular implementation review and adjust the strategy implementation plans accordingly, using in-house capacity. This requires building internal project management skills where lacking.

KEY ISSUES RELATING TO THE ECONOMY	
<ul style="list-style-type: none"> • A positive GDP and GVA for the municipal economy with an upward trend curve. • Unemployment figures, although relatively high, are improving and showing a downward trend. • The municipality has a number of sectors that have a competitive and comparative advantage and require further support and assistance from the municipality and other government sectors. • LED Studies for the municipality show that there are opportunities in agriculture, agri-process, wood and wood products, tourism, logistics, ICT and manufacturing to varying degrees. This is summarized as follows: <ul style="list-style-type: none"> ○ Agriculture- adding value to local produce taken from the surrounding rural areas and municipalities. ○ Tourism- Increasing events and improving business tourism numbers. ○ Logistics- growing Msunduzi as a logistics centre for breaking bulk between inland and the coast as well as supply chain management services, especially the cold chain with links to Dube Trade Port. ○ Manufacturing- linked to agriculture and tourism, for example agricultural chemicals, and to automotive components, as well as wood and wood products. 	
STRENGTHS <ul style="list-style-type: none"> • Economic growth is positive. • Unemployment is on the decline. • The number of unemployed youth is on the decline. • The economy has well- established secondary and tertiary sectors. • The percentage of unemployed youth is on the decline. • The municipality is the provincial capital. 	WEAKNESSES <ul style="list-style-type: none"> • Limited space available for industrial expansion. • Labour residing long distances from places of employment. • The need to review the LED strategy.
OPPORTUNITIES <ul style="list-style-type: none"> • Adding value to agricultural produce. • Increasing events in the municipality. • The development of the logistics potential of the municipality's location. • Expanding manufacturing in the areas of agricultural chemicals, automotive components, and wood products. 	THREATS <ul style="list-style-type: none"> • The impacts of the on- going Global financial crisis. • Globalisation and competition with manufacturers with lower overhead costs.

PGDS GOAL: STRATEGIC INFRASTRUCTURE

3.3 PHYSICAL INFRASTRUCTURE

3.3.1 INTRODUCTION

The following table summarises the sector plans developed by the municipality together with the date of adoption where available.

TABLE 9: Municipal Sector Plans

SECTOR PLAN	STATUS	COMMENTS
Water Services Development Plan	The ToR for the revision of WSDP is currently in the process of been revised. This to align with new Census 2011 information.	It is anticipated that the WSDP will be completed and adopted by council in June 2014.
Bulk Water Master Plan	The ToR for the revision of 2005 Bulk Water Master plan is currently been revised. This will now include the greater Vulindlela area and Ashburton which was not previously covered.	It is anticipated that this process will be completed by August 2014
Bulk Sanitation Master Plan	The ToR for the revision of 2007 Bulk Sanitation Master Plan is currently been developed. This will now include all the proposed housing developments with recommendations for a possible secondary Waste Water Treatment Works.	It is anticipated that this process will be completed by July 2014.
Non- Revenue Water Reduction Master Plan	Approved 2010	Revision for 2013 and outer years
IWMP	Draft form	The Landfill components of the IWMP had been finalised and submitted to Waste Management for the finalisation of the entire plan and submission to Council for approval. This still rests with Waste.
Environmental Status Quo Report	Approved	Includes 12 specialist studies
Environmental Management framework (EMF)	Approved	GIS environmental layers linked to spatial decision support tool (SDST)
Strategic Environmental Assessment (SEA)	Approved	Includes sustainability framework
Strategic Environmental Management Plan (SEMP)	Approved	Includes 26 Action Plans
Ecosystem Services Plan/C Plan	1 st Draft approved, 2 nd Draft in progress	Currently refining data on 5 focus areas
Climate Change Policy and adaptation strategies	1 st Draft in progress	
Comprehensive Integrated Transport Plan (CITP) (2012)	Approved by Council	Legislative Requirement. To be updated every 5 years i.e. in 2017
Major Roads Plan	No proof it was approved by Council	Needs update
Transportation Plan	No proof it was approved by Council	Needs update
Road Safety Plan (2007)	No proof it was approved by Council	Needs update
Non-Motorized Network Plan 2009	Not approved by Council	Needs update
Roads Asset Management Plan (RAMP) (2006)	Not Approved	Tender to be advertise to update the plan
Integrated Rapid Public Transport Network (IRPTN) Plan	Approved by Council	Network under design for implementation
Public Transport Network Plan (2002)	No proof it was approved by Council	Superseded by IRPTN
Building Asset Management Plan (2006)	Not Approved	Needs update

3.3.2 WATER

(i) LEVELS OF SERVICE

The Census (2011) indicates that *houses receiving piped water inside their dwelling* has increased from 38.3% of households in 2001, to 47.9% of households in 2011. The Census further indicates that only 3.9% of households have no access to piped (tap) water and only a further 3.9% of households are between 200 – 1 000m from piped (tap) water.

(ii) WATER SERVICES DEVELOPMENT PLAN

The City is required by law to develop a Water Services Development Plan as part of the water sector chapter of the Integrated Development Plan. The current Water Services Development Plan needs to be updated and developed further in the light of new data (Census 2012 information) and the City's new strategic priorities. The Infrastructure Services unit will be managing the process.

In terms of the Water Services Act, Act 108 of 1997, clause 12 (1) every water services authority must prepare and submit both a draft water services development plan and a summary of that plan.

The Act requires that the Water Services Authority must take "reasonable steps" to bring the draft water services development plan to the notice of consumers and invite public comment. The Msunduzi Municipality is currently in the process of developing the terms of reference for a consultant to undertake the revision of the WSDP. We anticipate this process to be completed by December 2013 and submitted for public comments in January 2014. Thereafter a copy of the draft water services development plan (WSDP) is to be sent to the Minister of Water Affairs and the KZN Provincial Minister. We anticipate full adoption of the WSDP by council in April 2014.

A similar approach is currently adopted for the revision of both the Bulk Water and Sanitation Master plans. We anticipate both these master plans to be revised and concluded by July 2014.

(iii) WATER SERVICES AUTHORITY

The MEC for Local Government, Traditional Affairs and Housing designated the Msunduzi Municipality; a Water Service Water Authority through a Government Gazette dated 13 June 2003. This notice authorized the Msunduzi to perform the functions and exercise the powers referred to in Section 84(1) (b) of the Municipal Structures Act (117 of 1998) which provides for the provision of potable water supply and sanitation systems. In terms of Section 11 of the Water Services Act (108 of 1997), every Water Services Authority has a duty to ensure the adequate sustainable access to water and sanitation to all consumers within the area of jurisdiction.

The Msunduzi Municipality has signed and entered into a Bulk Services Agreement with Umgeni Water which came into effect from December 2012. This is a 10 year agreement that regulates the supply and sale of bulk water from Umgeni Water to Msunduzi Municipality. The following is a brief summary of the relevant obligations as contained in the agreement:

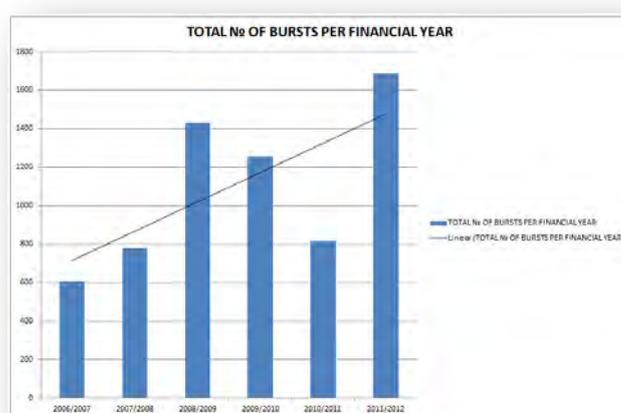
- Msunduzi to provide Umgeni Water with projected water demand based on expected growth over the contract period;
- Umgeni Water is responsible for meeting the hourly, daily and monthly peak flow demands;
- Meter at Strategic points in order to regulate and measure the sale of bulk water. ;
- Pay bulk water supply service charges as follows:-
 - Volume based charges in respect of water consumed;
 - Installation charges of new customer connections;
 - Capital contribution charges where a new water supply requires capital expenditure; and
 - Monitor and measure the performance of Umgeni Water against the said agreement.
- Ensure that the quality of water meets all the requirements of SANS 241.

(iv) OPERATIONAL MANAGEMENT

The Department of Water Affairs initiated a drinking and waste water quality regulation programme during 2005 with a specific objective to ensuring the improvement of tap water (potable) and waste water quality by means of compliance monitoring. The Msunduzi municipality was awarded a Blue Drop Status for 2011. This indicates that according to the South African National Standards, the drinking water quality has a 97% microbiological compliance, and a minimum of 85% chemical compliance.

Generally Asbestos Cement (AC) pipelines account for over 66% of the 920 km of the municipal water reticulation network. These pipes have a lifespan of 30 years and many of these pipes have reached the end of their lifespan, something that is evident in the number of water service interruptions that are occurring. The number of bursts has shown an increasing trend which correlates with the precarious nature of the existing infrastructure with an average of 5 bursts per day. This is depicted in the graph below.

FIGURE 9: Burst Main Trends per financial year



As per the President's State of the Nations Address, municipalities are obliged to halve water losses by 2014. This directive was prepared by the Department of Water Affairs who has subsequently prepared the National Water Conservation/ Water Demand Management Strategy/ Initiative. This initiative targets continuous and sustained water supply, reduction in water losses, enhancement of Revenue collection and ultimately reduction in non- revenue water through water conservation strategies via a 5 year plan and with MIG funding of R214,464,626.00 as approved in July 2011.

As part of the Non- Revenue Water Master Plan, a total of 16 core Non- Revenue water initiatives were identified and programmed for which realistic goals and targets were set. The 16 core interventions were made up of 8 real loss and 8 billing control interventions which are summarised below:

TABLE 10: Core Non- revenue Water Reduction Strategies

REAL LOSS IMPROVEMENTS	<ul style="list-style-type: none"> • Pressure reduction (rezoning) • Pressure reduction (implementation) • PRV (pressure reducing valves) optimization • Leak detection • Leak repair • Reservoir inspection and repair • Existing pipe replacement • Creation of district metered areas
BILLING IMPROVEMENTS	<ul style="list-style-type: none"> • Top consumer investigation • Meter reading accuracy • Non- domestic meter replacement • Domestic meter replacement • Custody transfer points • Damaged/ inaccessible meters • Standpipe/ low cost housing metering • New connection growth

3.3.3 SANITATION

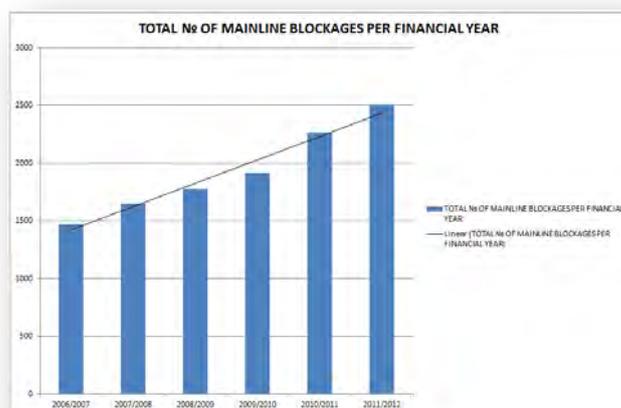
(i) LEVELS OF SERVICE

Households with flush toilets connected to sewerage, however, has declined from 52.3% in 2001 to 51.6% (84 675 households) in 2011. The Census (2011) further indicates that only 2% or 3 316 households do not have access to any form of sanitation, and that 34.1% of households have pit latrines both ventilated and unventilated. Peri- urban and rural communities have the lowest levels of flush toilets with the highest levels of pit latrines. The review of the WSDP is essential to address this problem.

(ii) OPERATIONAL MANAGEMENT

The municipal sewer system is also aging and broken pipes and dislodged joints frequently cause sewer blockages which then impact on river systems and therefore the general health of the population. The graph below summarises the mainline blockages over the past six financial years which shows increasing frequency of these occurrences.

FIGURE 10: Total Number of Mainline Blockages per Financial Year



By analysing and trending our current financial year (2012-2013) statistics and in comparing with the previous financial years, the relative trend line clearly indicates the increasing frequency of these occurrences. It should be noted that these are only the main reactive faults, however the general extent of all fault types have increased.

As outlined above the volatile nature of our water and sewer infrastructure has increased the operating cost with regards to maintenance and overtime. This is further compounded by increases of labour, fuel and materials.

3.3.4 ELECTRICITY

(i) LEVELS OF SERVICE

Households with *electricity for lighting* have also improved from 85.8% in 2001 to 91.9% in 2011, which is well above the provincial average of 77.9% of households. 463 households indicated that they did not have access to electricity for lighting.

Households without electricity services may be due to:

- Households that have not applied for electricity, either because they cannot afford the service or they were missed out when marketing was done in the area.
- Households may be on infill sites where households have only recently been developed. Eskom and Council will provide services in these areas if it is practical to do so and funding is available.
- The development may not have been planned in accordance with town planning norms and according to current Council policy, no electricity will be provided if it obviates future service delivery.

Due to financial constraints and ageing infrastructure, the municipality has brought on board the Independent Development Trust (IDT) to do a condition assessment and source funding to rectify which is being undertaken this financial year.

The municipality is also piloting solar powered street lighting and traffic lights in the CBD

(ii) LICENCE AGREEMENT

Eskom is licenced to supply electricity in the Greater Edendale and Vulindlela areas, while the municipality provides electricity in other areas.

The municipality is required to comply with NRS 047 and 048 which deal with the provision of electrical distribution in residential areas in terms of its licence agreement.

(iii) OPERATIONAL MANAGEMENT

The electrical department is stabilising with regards to outages. There is, however, a lot of work that requires more attention relating to infrastructure and its upgrades, and plans are in place in this regards including a 132 KV Upgrade Plan, a Street Lighting Plan, and a Substation Maintenance Plan. The municipality's current maintenance programme focusses on the replacement of defective street lights and the refurbishment of mini-substations, and pole transformers.

The municipality is currently implementing the Hilton/ Sweetwaters 33 KV line upgrade project which will stabilise power in these areas. The municipality is also currently busy with the electrification of Ezinketheni, as well as the provision of high mast lighting in Greater Edendale and Vulindlela.

The electrical assets in the municipality are aging and there are more than 10 transformers that are more than 38 years old which need replacement and refurbishment. The municipality has embarked upon a 10 year transformer replacement programme. Vandalism, tampering and theft of electricity assets is on the increase. More protection and fraud prevention strategies are needed to safe-guard electrical assets.

There is also a critical shortage of skilled management and technical expertise in the department.

3.3.5 SOLID WASTE

There are two components to solid waste in the municipality, namely *Solid Waste Removal*, and *Solid Waste Disposal*.

(i) SOLID WASTE REMOVAL

In terms of the Census (2011) information, weekly refuse removal has declined from 59.5% in 2001 to 53.2% in 2011 but this could be associated with a growth in the number of households. Of the approximately 94 000 households in 'borough' of Pietermaritzburg, approximately 84 000 are receiving weekly refuse removal.

The Solid Waste Removal section in the municipality is responsible for the following areas:

- Waste Collection;
- Management of Garden Sites (Prestbury, Link Road, Grange, Richie Road, Sobantu, South Road, Woodlands, and Eastwood);
- Street Sweeping;
- Maintenance of Public Convenience (toilets); and
- Removal of Illegal Dumping.

(ii) SOLID WASTE DISPOSAL

The New England Landfill Site is a licensed facility that is managed by the Municipality, and is the largest disposal facility in the KZN Midlands. The Site spans an area of 44 hectares, of which 29 hectares is currently being landfilled. The Site is managed in terms of its permit requirements and in terms of relevant environmental legislation. The Landfill is classified as a general, large, leachate bearing site and does not accept any hazardous waste. The Site is equipped with two weighbridges and a billing system and users of the Site are billed for the disposal of waste as per Council's tariff of charges. Waste disposed of is captured on the waste information system per category and type of waste. It is a regional facility that accepts waste from some of the local municipalities under the jurisdiction of the uMgungundlovu District. Quarterly monitoring for gas emissions, groundwater and surface water contamination and leachate disposal is conducted to ensure that the surrounding environment, water courses and groundwater are not being contaminated.

The Site currently has a lifespan of seven years, and feasibility studies into implementing advanced waste management systems aimed at reducing waste to landfill are being considered to extend the lifespan. Some of these initiatives involve recycling at source, implementation of a waste recycling collection system, the construction of a Materials Recovery Facility, and the construction an organic waste composting facility to treat organic waste.

3.3.6 TELECOMMUNICATIONS

(i) BACKLOGS

The Census (2011) indicates that the number of households with landline telephones has dropped from 45 471 in 2001 to 35 779 in 2011. Households with cell phones, on the other hand, have almost trebled from 43 593 in 2001 to 146 407 in 2011. 62 701 households also indicated that they now have access to the internet (Census, 2011).

The telecommunication industry has changed significantly over the past 20 years with the emergence of cellular networks and the semi- privatisation of Telkom and it is noted that the municipality is now well covered by both cellular networks and landlines. Telkom responds to landline applications and provides users with lines and the necessary hardware. Cellular networks, on the other hand, frequently assess demand on cellular networks and masts and install the necessary hardware based on demand. A problem with the current service delivery model is that telecommunications operators are profit- driven businesses and have the following tendencies:

- Technology and network rollout is prioritised to high income areas;
- Project investment needs a short term return to shareholders; and
- Servicing under developed areas have low priority and are branding exercises at best.

Due to the high scrap metal prices of copper, residents and businesses in the municipality experience intermittent levels of services based on the theft of cables. This is of concern as it directly impacts on the functionality of businesses.

(ii) LEGISLATIVE FRAMEWORK

The installation of Cellular Telecommunications Infrastructure is regulated by the Electronic Communications Act No 36 of 2005, the Constitution Act 108 of 1996, the National Environmental Management Act No 197 of 1998, the National Building Regulations and the KwaZulu-Natal Planning and Development Act 6 of 2008 and any other relevant legislation, bylaws and Council Policy.

(iii) MSUNDUZI POLICY

The Msunduzi municipality has prepared a policy for the development of Cellular Telecommunications infrastructure. The aim of this policy is to establish a uniform and comprehensive set of standards and assessment criteria to assist in the control, development and installation of cellular telecommunication infrastructure in the area of jurisdiction of the Msunduzi Municipality. This policy is intended to protect the social and physical environment from potential negative impacts, while at the same time not restricting the development of essential cellular telecommunication infrastructure.

This policy is intended for the use by Council, members of the public and cellular telecommunication infrastructure providers seeking approval for the erection or modification of cellular telecommunication infrastructure. At present this policy focuses on the Cellular Telecommunication industry, but it is intended to revise the policy to include all parties, i.e. commercial, public and state, current and future in accordance with the Telecommunications Act of 1996.

(iv) FUTURE PROJECTS

The municipality focusses attention on the access to the internet through its 2030 Vision and develops targets in this regards. The municipality has also identified increased broadband accessibility as one of its catalytic projects. Increased access to ICT services can uplift communities through:

- Educational benefits of the Internet for schools and libraries;
- Access to bigger markets for entrepreneurs and job seekers;
- Emergency communications at lower cost;
- Easier access to government's e-services; and
- Generally cheaper cost of communications.

3.3.7 TRANSPORTATION

The 2001 Census indicated that the daily modal split in the Msunduzi municipality was 62% by public transport and 38% by private vehicles. In analysing this information at a ward level, it was found that public transport is dominant in the western and southern regions of the municipality, with higher levels of private vehicle usage in the central and north-eastern regions. Cordon counts by the UDM (2007) indicate that the percentage of public transport person trips by minibus taxi had increased from 85% in 2005 to 88% in 2007, with trips per bus reducing from 15% to 12%. It must also be noted that there are no rail services that form part of the daily commuter public transport system.

The high dependency on public transport and the high level of pedestrian activity places a focus on the need for high standard public transport services throughout the Municipality with attention to non-motorised transport (NMT) integrated with the public transport system.

The Roads and Transportation Sub-unit is responsible for the planning, design, construction and maintenance of roads, public transport facilities, bridges, footbridges, stormwater and drainage systems. It operates in consultation with the Department of Transport and the uMgungundlovu DM, who are authorities with similar

responsibilities for different levels of facilities. The sub- unit is reasonably staffed although it lacks qualified and experienced Engineers and Technologists.

(i) ROADS

The backlog of roads that need upgrading, road safety measures (traffic lights, calming measure, signage enhancement, etc), road infrastructure rehabilitation and maintenance continues to be a major challenge for the Municipality in the current financial year going forward. There are still huge backlogs for construction of new roads and upgrading of gravel roads in the Greater Edendale, Vulindlela and Northern Eastern parts of Msunduzi (i.e. Thembalihle, Tamboville, Copesville, etc). These areas continue to grow since there are new low-cost housing programme being provided with sub-standard road services (i.e. gravel and hyson cell concrete roads Standards).

In the 2009/10 financial year the N3 / Chota Motala Road Interchange commenced which was finalised in the 2012/13 financial year. This project seeks to ease the traffic congestion experienced on the southbound peak-hour traffic from the Northern Areas into the CBD.

Inadequate funding for bulk services is increasingly becoming a retarding factor for development. The user-pays principle is applied for new developments to fast-track provision of bulk services. The Municipality continues to use externally sourced funds (ie. COGTA, DoT, MIG, etc) to fund its programmes and projects due to internal budgetary constraints. Priority is currently given to the problematic Electricity and Water infrastructure due to losses and outages experienced by these services. However, asset renewal (i.e. road rehabilitation, major defects patching, surface overlays, etc) remains unattended to due to financial constraints. Potholes have increased in number in the city's roads over the few years because of fatigue to road infrastructure.

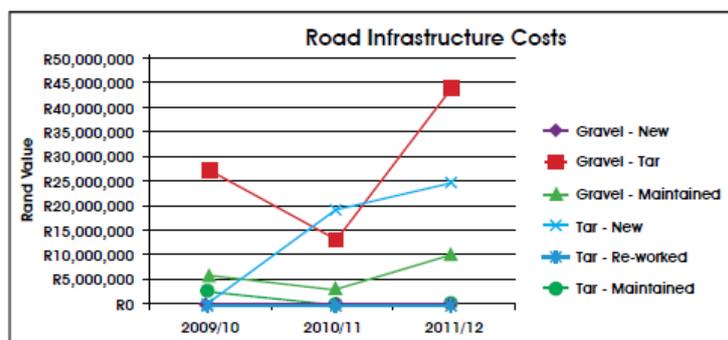
TABLE 11: Gravel Roads Infrastructure (kilometres)

	TOTAL GRAVEL ROADS	NEW GRAVEL ROADS	GRAVEL ROADS UPGRADED TO TAR	GRAVEL ROADS UPGRADED/ MAINTAINED
09/10	934	0.5	10.3	415
10/11	926	0	11.4	308
11/12	926	0	21.9	130

TABLE 12: Tar Road Infrastructure (kilometres)

	TOTAL TAR ROADS	NEW TAR ROADS	EXISTING TAR ROADS RE-TARRED	EXISTING TAR ROADS RE-SHEETED	TAR ROADS MAINTAINED
09/10	1291.5	0	0	6.0	150
10/11	1301.8	0	0	0	31
11/12	1301.8	0	0	0	33

FIGURE 11: Road Infrastructure Costs



MIG is funding 60% of the roads upgrading projects in Vulindlela and Edendale. The municipality funds around 80% of all major road extensions and expansions with the remaining 20% coming from grant funding from the Provincial and National Departments of Transport. The backlog for the upgrading of the gravel roads is so huge that substantial amounts of additional funding is required.

(ii) RAIL

The main line from Gauteng to Durban runs through the municipality. A further important rail link runs west from the city towards the Eastern Cape.

Although still in a conceptual stage, a high speed rail line linking Gauteng to Durban, will bisect the municipality. No concrete proposals exist as to its alignment.

(iii) AIRPORTS

The primary airport in the city is the Pietermaritzburg Airport, the management of which is outsourced to Indiza Airport Management Company. The airport is currently being upgraded, a project that should be finalised by August 2013.

(iv) INTEGRATED RAPID PUBLIC TRANSPORT SYSTEM

The Msunduzi municipality was selected as one of the cities to receive national support and funding for the restructuring of their public transport system in terms of an Integrated Rapid Public Transport Network (IRPTN). The Msunduzi IRTN planning and preliminary design commenced in August 2011 and is well underway due to the grant received from the National Department of Transport.

An IRPTN is about the integration of various forms of public transport to realise a more efficient, reliable transport network. In general terms it is an integrated system of high demand public transport corridors, referred to as trunk routes, fed by a comprehensive system of feeder routes. As a system, this provides effective coverage and frequent service for all users of the network. The objectives and goals of the Msunduzi IRTPN are as follows:

- Create a Transformed City with a high level of mobility for accessibility to employment, education, hospitals, etc.
- Modernised/ Vibrant Transport System with a high quality priority network, a modern reliable fleet, architecturally pleasing infrastructure, and convenience, safety and efficiency.
- Increased Environmental Responsibility.
- Economic spin-offs such as job creation, investment, and business opportunities.
- Visual awareness of the City's commitment to the poor and marginalised.
- Increased in- house technical skills and capacity.
- State of the art transport modelling tools.

The first phase of the network considers the following types of routes:

- Trunk- the core route with the highest demand using a segregated right of way. One such route has been identified for the initial phase running from Edendale in the west through to Raisethorpe in the east, a distance of some 17km.
- Complementary- other strategic bus routes branded as "Quality Bus" routes.
- Feeder- these routes serve more isolated areas and where the road network may comprise gravel roads. These services link with trunk and complementary routes, and services would typically be provided by 14-seater minibuses.

(v) NON- MOTORISED TRANSPORT

The Non- motorised Transport Plan for the Msunduzi municipality (2009) identifies a number of pedestrian problems as follows:

- A lack of sidewalks in residential areas;
- Intersections where informal trading is taking place;
- A lack of sidewalk maintenance;
- Speed of vehicles approaching pedestrian crossings; and
- Trading activities blocking sidewalks.

Problem areas have been identified as follows:

- On several busy roads in the city centre including Victoria Road, Church Street, Boshoff Street, Pietermaritz Street, Hoosen Haffejee Street, Langalibalele Street and Jabu Ndlovu Street.
- Around Primary Schools in all areas.
- At the Greytown Road Ineterchange.
- On route from the CBD to the Liberty Midlands Mall.
- At major hospitals (Edendale, Greys and Northdale) as well as local clinics.

Problematic roads identified for cyclists include:

- Victoria Road;
- Alexandra Road;
- CB Downs Road and the link to Ashburton (R103);
- All major roads where the speed and volume of motorised traffic is high; and
- All roads in industrial areas because of space sharing with trucks.

3.3.8 INDIGENT SUPPORT

Support to indigents in terms of municipal services is summarised as follows:

TABLE 13: Indigent Support

CATEGORY	DESCRIPTION
Property Rates	Indigents qualify like all domestic consumers for a reduction in the market value of the property as approved from time to time by Council and as reflected in the applicable tariff register. A rebate of 100% is granted on all residential property from a value of R15 001.00 to R100 000.00. If a property is worth more than R100 000.00 and residents approach Council for relief, a means test is applied.
Electricity	Indigents qualify for 60 kWh free electricity, as determined from time to time by Council and as reflected in the applicable Tariff Register.
Electricity MCB	Indigents qualify for free amperage as determined by Council from time to time and as reflected in the applicable Tariff Register. 20 Amp circuit breaker.
Water	Indigents qualify for 7kl of water per month and amount determined from time to time by Council and as reflected in the applicable Tariff Register.
Refuse	Indigents qualify for free refuse as determined by Council from time to time as reflected in the applicable Tariff Register.
Sewerage	Indigent households qualify for 4.2 kl of sewerage discharge as determined by Council from time to time as reflected in the applicable Tariff Register.

KEY ISSUES RELATING TO INFRASTRUCTURE DELIVERY

- Backlogs on repairs, maintenance, and refurbishment of infrastructure.
- High demand for engineering services in the informal and peri- urban areas and areas that did not previously form part of the borough of Pietermaritzburg.
- The need to protect revenue from theft and tampering by residential and business users.
- The need to reduce revenue losses caused by technical losses, illegal connections, tampering, unbilled metered consumers and unmetered authorised consumers.

<ul style="list-style-type: none"> As the service provision footprints increase, there is a need for larger operations and maintenance budgets. The difficulty of attracting and retaining qualified and competent technical staff with the shortage of technical staff continuing to affect service delivery. The theft and vandalism of infrastructure. An ageing fleet of vehicles with frequent breakdowns resulting in stoppages to service delivery. 	
STRENGTHS <ul style="list-style-type: none"> Investment in stabilising water and electricity provision in the municipality. Relative high levels of service provision with relatively low backlogs to RDP standards. 	WEAKNESSES <ul style="list-style-type: none"> Staff and skills shortages in key positions. An ageing fleet of vehicles. Varying levels of service provision.
OPPORTUNITIES <ul style="list-style-type: none"> The existence of a number of sector plans. An increased drive to recycling of waste. The IRPTN roll- out in the municipality. Expansions to the airport resulting in larger planes being able to land. Proximity to the N3 corridor. Potential high- speed rail link through the municipality linking Gauteng to Durban. 	THREATS <ul style="list-style-type: none"> The need to reduce revenue losses due to technical losses, illegal connections, tampering and unbilled usage. There is a need for larger operational and maintenance budgets to service the ever increasing service delivery footprint. Theft/ vandalism of infrastructure.

3.4 HOUSING

3.4.1 INTRODUCTION

Housing delivery is currently the responsibility of the Department of Human Settlement and the municipality assists the department as an implementing agent. Currently the Housing sub- unit is responsible for housing delivery and was accredited at a Level 1 by the Department of Human Settlement in August 2012. The municipality is responsible for the preparation of the Municipal Housing Settlement Plan which as adopted in October 2011, and the annual review thereof.

The Housing Plan identifies a multi- pronged approach to addressing housing delivery in the municipality including:

- Rural housing;
- Slum clearance;
- Rental housing; and
- Gap housing.

3.4.2 ESTIMATED BACKLOGS

The estimated housing backlog for the municipality as estimated by the Department of Human Settlement in the Housing Plan is 6 858 houses.

3.4.3 INFORMAL SETTLEMENTS

The following table in the Housing Sector Plan summarises the extent of informal housing around the municipality.

TABLE 14: Extent of Informal Settlements in the Municipality (Msunduzi Housing Plan, 2011)

No.	Name	No. of structures	Area	Action
				Upgrade / Relocate
1	Swapo C	1956	Northern	Upgrade
2	Swapo A	1848	Northern	Relocate / upgrade
3	Swapo B	1854	Northern	Relocate / upgrade
4	Masson	217	Northern	Relocate / upgrade/rental

No.	Name	No. of structures	Area	Action
				Upgrade / Relocate
5	Bombay/Butterfly Rd	4	Northern	Relocate
6	Mattison Drive	9	Northern	Relocate
7	Comet Road-2	15	Northern	Relocate
8	Comet Road-1	40	Northern	Relocate
9	Regina Road (behind Ginger Rd)	4	Northern	Relocate
10	Springvale Rd	11	Northern	Relocate
11	Nkululeko/Regina Rd	64	Northern	Relocate
12	Wayside Place	8	Northern	Relocate
13	Crest Place	30	Northern	Relocate
14	Tanjore Rd	6	Northern	Relocate
15	Mayfair Rd	60	Northern	Relocate
16	Between Regina & Cactus Rd	Cleared	Northern	Relocated
17	Admiral Place	Cleared	Northern	Relocated
18	Seagull Rd	Cleared	Northern	Relocated
19	Shamrock	13	Northern	Relocate
20	Nhlalakahle(Bombay & Balahimbra)	300	Northern	Relocate
21	Northdale stadium	Cleared	Northern	Relocated
22	Old Greytown /Khan road	25	Northern	Relocate / SH
23	Privet Rd/ Valley View	56	Northern	Relocate
24	Shottie (Adventure Rd)	216	Northern	Relocate
25	Skomplaas	266	Northern	Relocate
26	Namibia	56	Northern	Relocate
27	Jesmondene	87	Northern	Relocate
28	Yellowwood place	11	Northern	Relocate / upgrade
29	Coal Yard (Lincoln Rd)	51	Northern	Relocate
30	Peter Hay road	160	Northern	Relocate
31	Ohrman road	Cleared	Northern	Relocated
32	Maryvale	101	Northern	Relocate
33	Jika Joe	1380	Northern	Relocate / upgrade
34	Hollingwood	92	Central	Upgrade
35	Mkondeni	1065	Central	Upgrade
36	Bantine Place	32	Edendale/Imbali	Relocate
37	Slangspruit -unit FF	123	Edendale/Imbali	Upgrade
38	Crosby Farm	111	Edendale/Imbali	Upgrade
39	Williwfontain -- Papa/Terminus	360	Edendale/Imbali	Upgrade
40	Williwfontain -- KwaKuswayo	178	Edendale/Imbali	Upgrade
41	Willowfontain - Bulwer	380	Edendale/Imbali	Upgrade
42	Edendale BB	175	Edendale/Imbali	Relocate
43	Edendale unit T	70	Edendale/Imbali	Relocate
44	Willowfontain - Quarry	74	Edendale/Imbali	Relocate
45	Edendale J2	141	Edendale/Imbali	Upgrade
46	Qokoloko	22	Edendale/Imbali	Relocate
47	Edendale priority project		Edendale/Imbali	Upgrade

No.	Name	No. of structures	Area	Action
				Upgrade / Relocate
48	Edendale priority project	253	Edendale/Imbali	Upgrade
49	Edendale priority project		Edendale/Imbali	Upgrade
50	Edendale priority project	87	Edendale/Imbali	Upgrade
51	Edendale priority project	456	Edendale/Imbali	Upgrade
52	Edendale priority project		Edendale/Imbali	Upgrade
53	Edendale PP	137	Edendale/Imbali	Upgrade
54	Edendale PP	65	Edendale/Imbali	Upgrade
55	Tehuis- Edendale	103	Edendale/Imbali	Relocate
56	Gomora - Imbali Cross	183	Edendale/Imbali	Relocate
57	Below Ashdown- Bakery site	160	Edendale/Imbali	Relocate
58	Lay Centre	11	Edendale/Imbali	Relocate
59	Harewood	171	Edendale/Imbali	Upgrade
60	Mbanjwa road/ Caluza	81	Edendale/Imbali	Upgrade
61	Mbanjwa road/ Caluza	241	Edendale/Imbali	Upgrade
62	Wadley stadium	50	Edendale/Imbali	Relocate
63	Dambuza	70	Edendale/Imbali	Upgrade
64	Georgetown	112	Edendale/Imbali	Upgrade
65	Dambuza / Maehibisa		Edendale/Imbali	Upgrade
66		1	Edendale/Imbali	Upgrade
67		33	Edendale/Imbali	Upgrade
68	Smero / Esigodini	141	Edendale/Imbali	Upgrade
69	Khalanyoni	385	Edendale/Imbali	Upgrade
70	Shayamoya	173	Edendale/Imbali	Upgrade
71	Nhlazatshe	222	Edendale/Imbali	Relocate /upgrade
72		135	Edendale/Imbali	Upgrade
73		75	Edendale/Imbali	Upgrade
74	Sinathing	291	Edendale/Imbali	Upgrade
75	Sinathing adj lot 182	170	Edendale/Imbali	Upgrade
TOTAL		15817		

3.4.4 EXISTING HOUSING PROJECTS

The distribution of projects within the municipality indicates that:

- 60% of projects are located in Edendale/Imbali ABM
- 22.5% of projects are located in the Central areas ABM
- 17.5% of projects are located in the Northern ABM

The majority of housing projects in Msunduzi are individual and project linked subsidy projects. Housing projects in urban areas are as follows:

- A total of 40 housing projects are being administered by the municipality at present.
- A total of 30 056 housing subsidies for these projects have been applied for.
- To date 25 657 houses have been built and 4 399 houses still have to be built.

In terms of the type/ category assigned to each project, the following project list is provided:

TABLE 15: Projects in the Msunduzi Municipality

PROJECT TYPE/CATEGORY	AMOUNT OF SUBSIDIES	HOUSES BUILT TO DATE
25 in-situ upgrade	19 212	13 122
4 Greenfield developments	1 994	302
1 institutional		6 beds (closed out)
6 slums clearance	7 178	5 067
1 special needs	Proposed 40 beds	
1 urban consolidation	1044	975
2 in-situ/green-fields	1 288	1 218
1 urban individual	432	432
Total	31 148	25 657

(Source: Msunduzi Housing Delivery Unit, 2010)

3.4.5 PLANNED HOUSING PROJECTS

Future housing projects have been identified by the Housing delivery unit of the municipality, and are in various stages of planning. The projects are spread throughout the municipal area and can be summarised as follows:

TABLE 16: Summary of Planned Projects

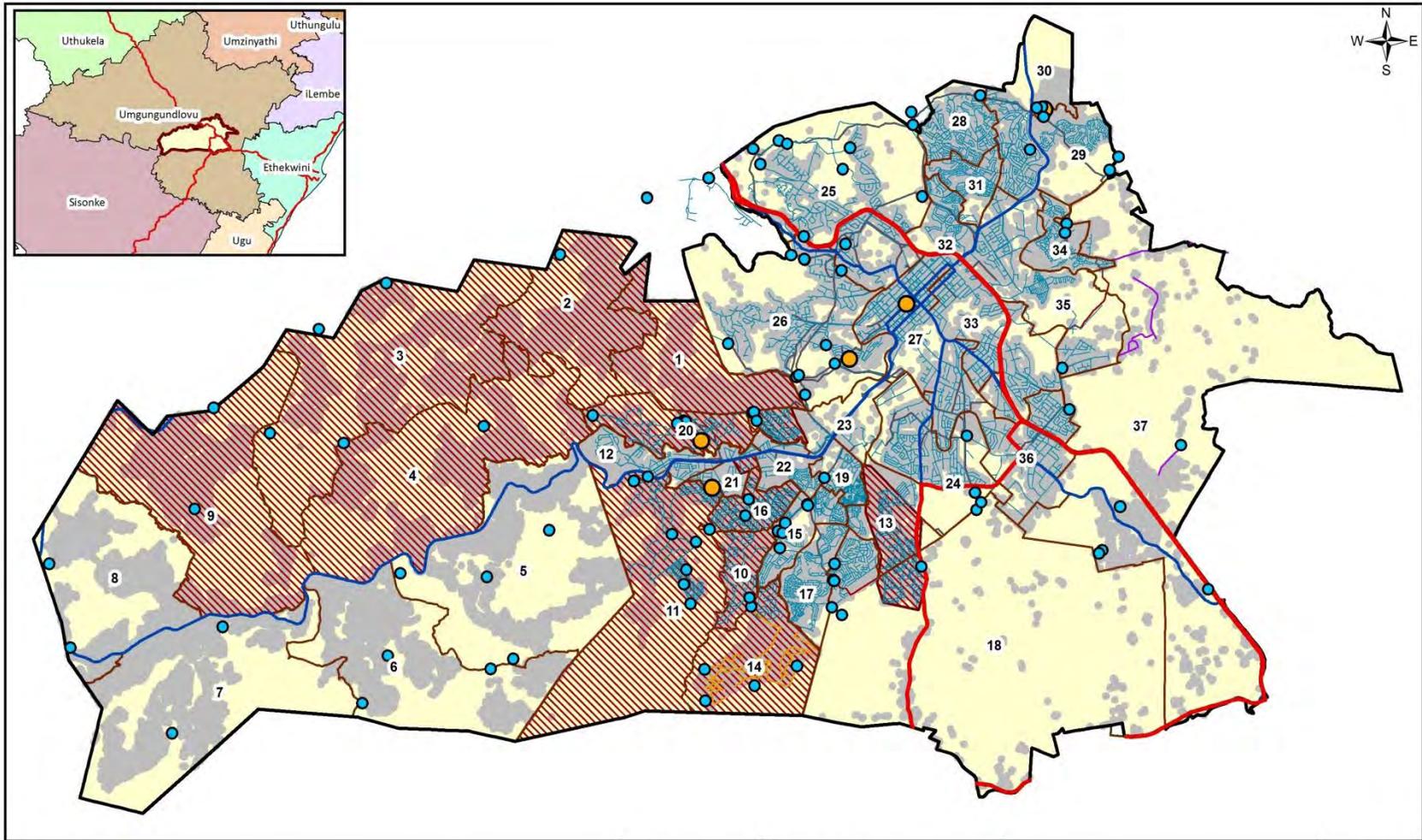
PLANNED PROJECTS	PLANNED NUMBER OF SITES
Edendale (southern areas)	8 419
Northern areas	4 100
Vulindlela	25 000
Sub-total	37 519
Rental housing	3 085 planned units

(Source: Msunduzi Housing delivery unit and Msunduzi Housing Association)

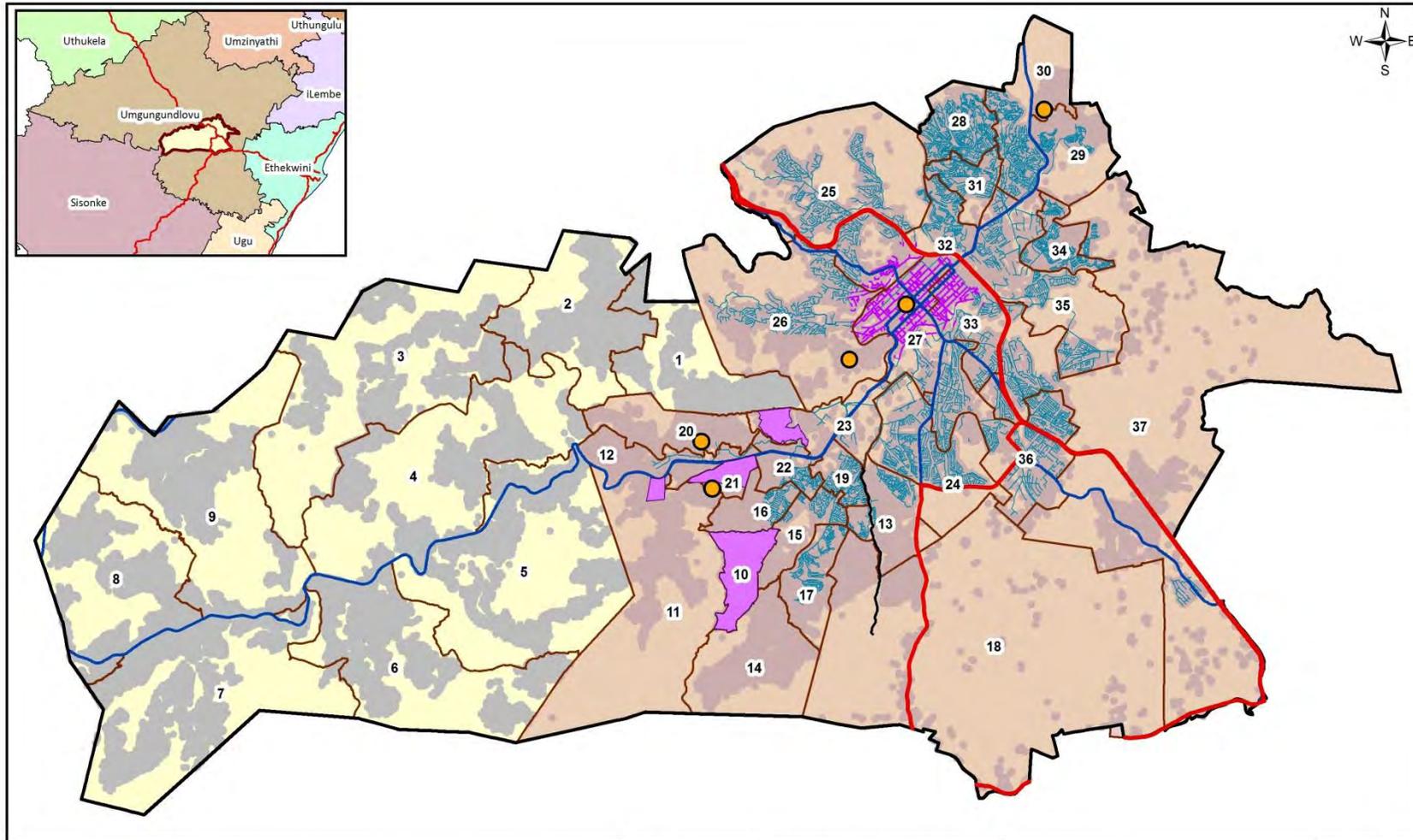
KEY ISSUES RELATING TO HOUSING:

- Housing Delivery:
 - Accreditation level 1 for housing delivery from the Department of Human Settlement (DOHS);
 - Funding and assistance for upgrading of informal settlements from DOHS (National Upgrading Support Programme);
 - Prioritised for Social Housing and identified as one of 13 municipalities with Provisional Restructuring Zones;
 - Land invasion creates queue jumping;
 - Release of suitably located land for housing being delayed by the state. Many parcels have been identified but the state is delaying release
 - Land/ legal problems are affecting transfers both of land for housing and completed houses; and
 - Suitable organisational structure and staffing in the Municipality not approved to deliver on housing fully.
- Rental Stock:
 - Ageing infrastructure (rental flats);
 - Insufficient funding for repairs and maintenance which relates to poor rental payments;
 - Possibility of transferring certain rental units under Enhanced Extended Discount Benefit Scheme (EEDBS) policy (National Department of Human Settlement Policy); and

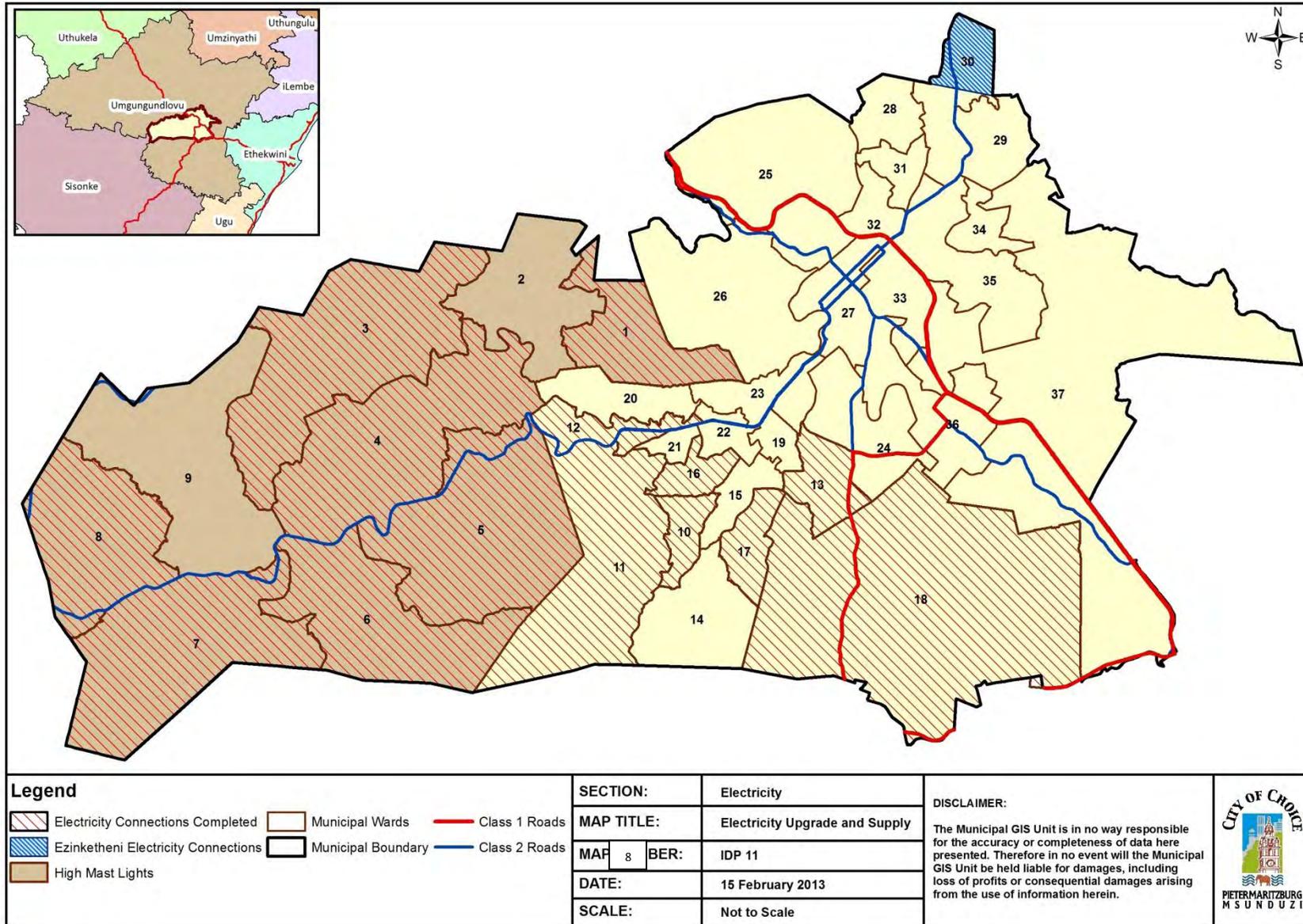
○ Delays by DOHS in investigation of rental stock for the EEDBS transfers.	
<p>STRENGTHS</p> <ul style="list-style-type: none"> • Accreditation level 1 with the Department of Human Settlement (DOHS). • Funding forthcoming from the DOHS. 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Ageing rental stock. • Insufficient funding for repairs and maintenance.
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Transfer of rental stock in terms of the Enhanced Extended Discount Benefit Scheme. • Social Housing prioritised as one of 13 municipalities. • Release of strategically located land for densification and residential infill. • Funding assistance from DOHS for the upgrading of informal settlements. 	<p>THREATS</p> <ul style="list-style-type: none"> • Illegal occupation of land. • Land legal problems affecting the transfer of land and housing.



Legend <ul style="list-style-type: none"> ● All Reservoirs ● Water and Sanitation Projects — Pipes — Steel Pipes — Bishopstowe Pipeline — Willowfountain Pipes Basic Water Supply Phase 2 • Settlement Pattern Municipal Wards Municipal Boundary — Class 1 Roads — Class 2 Roads 	SECTION:	Water and Sanitation	DISCLAIMER: The Municipal GIS Unit is in no way responsible for the accuracy or completeness of data here presented. Therefore in no event will the Municipal GIS Unit be held liable for damages, including loss of profits or consequential damages arising from the use of information herein.	 PIETERMARITZBURG M S U N D U Z I
	MAP TITLE:	Water Infrastructure		
	MAP NUMBER:	IDP 10.1		
	DATE:	15 February 2013		
	SCALE:	Not to Scale		



Legend		SECTION:	Water and Sanitation	DISCLAIMER: The Municipal GIS Unit is in no way responsible for the accuracy or completeness of data here presented. Therefore in no event will the Municipal GIS Unit be held liable for damages, including loss of profits or consequential damages arising from the use of information herein.	 PIETERMARITZBURG M S U N D U Z I
Water and Sanitation Projects	Sanitation Infrastructure Study	MAP TITLE:	Sanitation Infrastructure		
CBD Sewer Pipes	Settlement Pattern	MAP 7 BER:	IDP 10.2		
Sewer Pipes	Municipal Wards	DATE:	15 February 2013		
Slangspruit Outfall Pipe	Municipal Boundary	SCALE:	Not to Scale		
Sewer Upgrade	Class 1 Roads				
	Class 2 Roads				



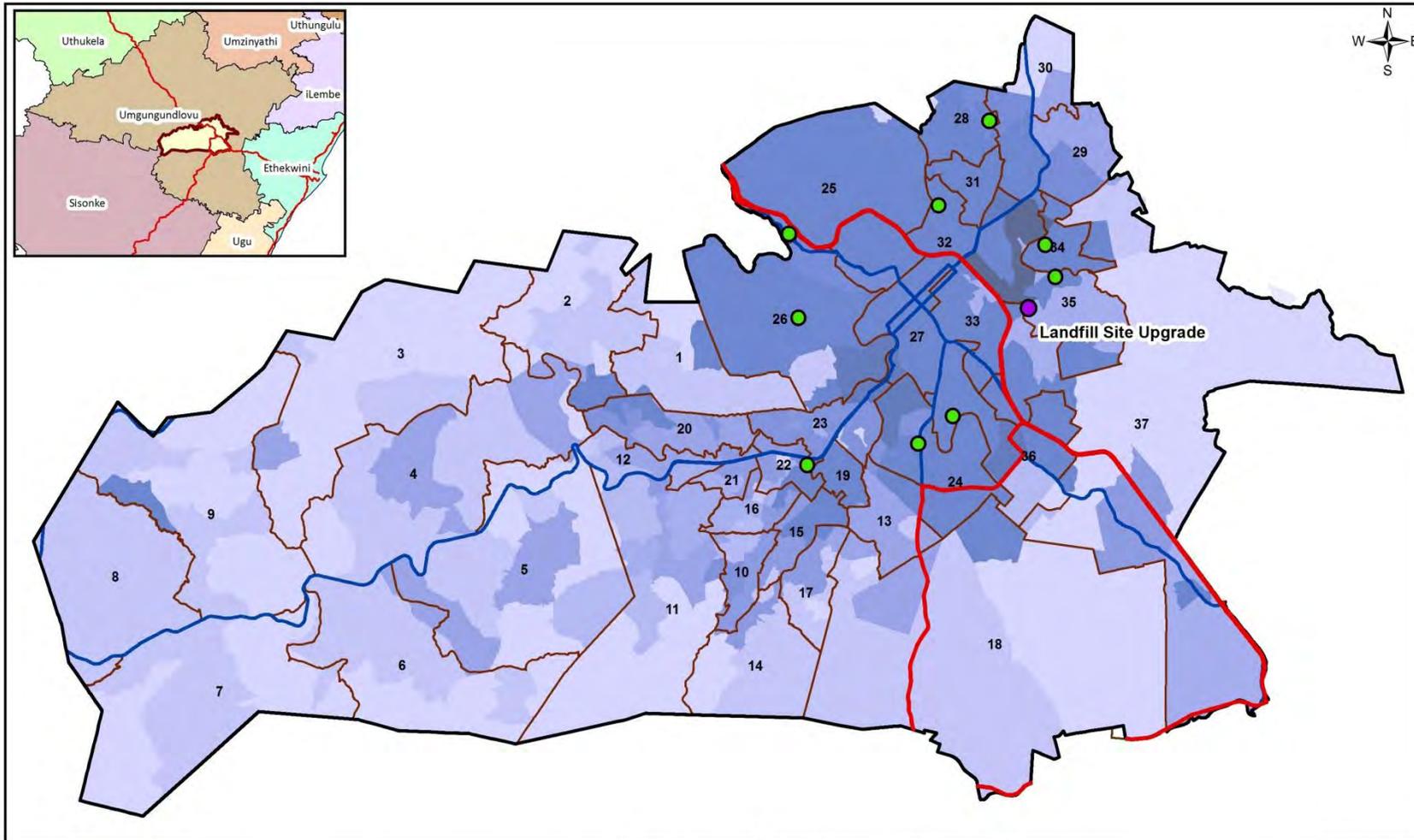
Legend

- Electricity Connections Completed
- Ezinketheni Electricity Connections
- High Mast Lights
- Municipal Wards
- Municipal Boundary
- Class 1 Roads
- Class 2 Roads

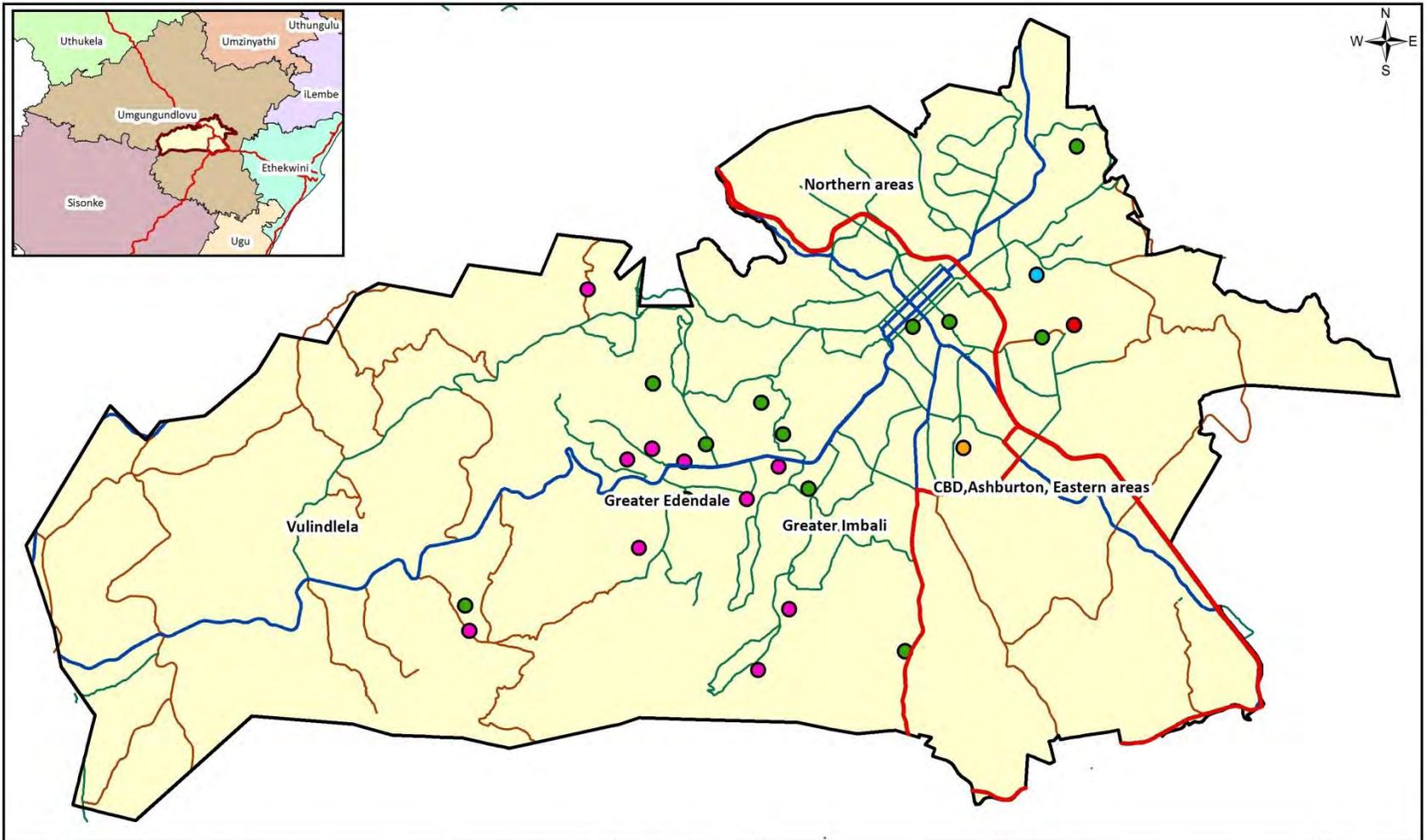
SECTION:		Electricity
MAP TITLE:		Electricity Upgrade and Supply
MAP	8	BER:
DATE:		15 February 2013
SCALE:		Not to Scale

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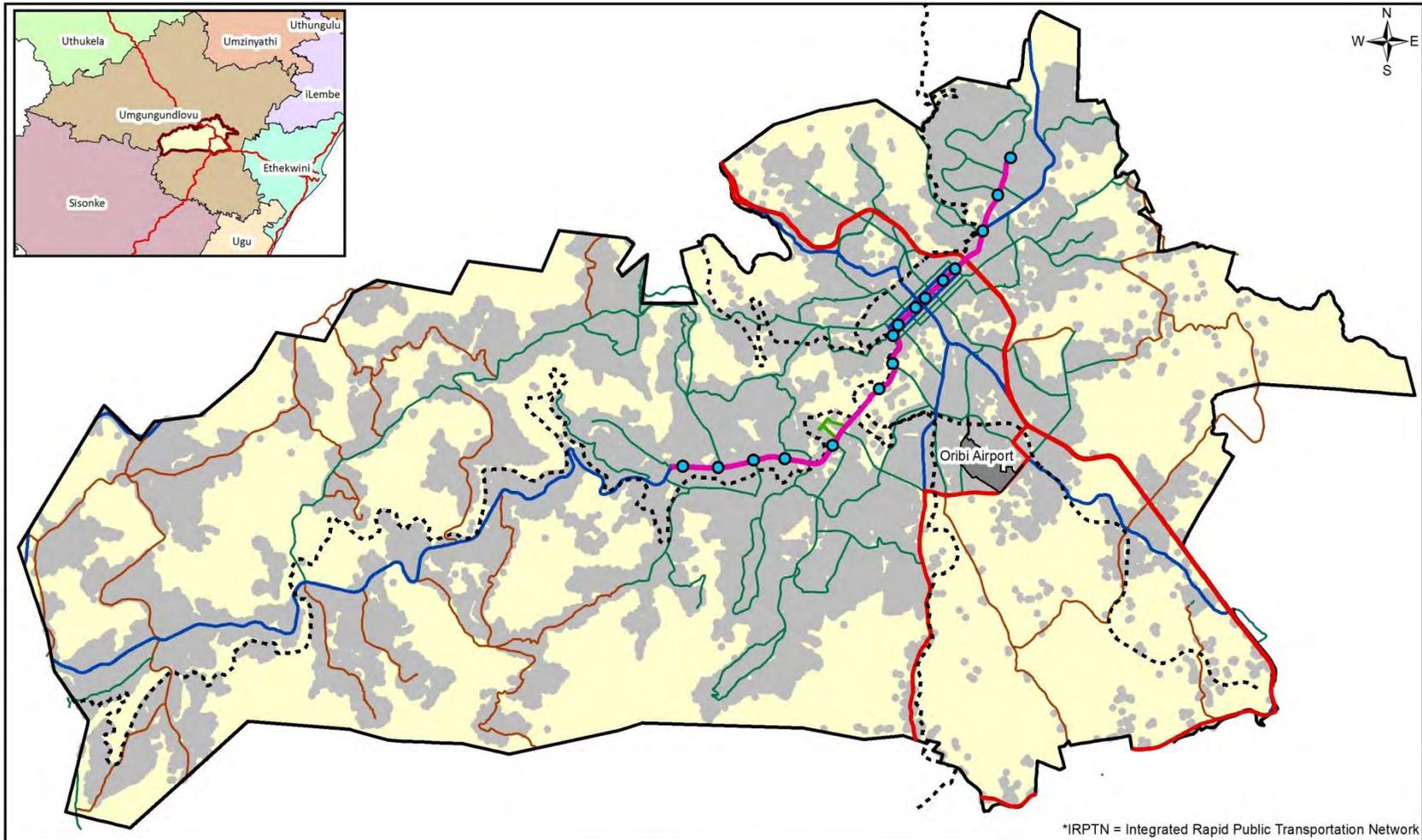


Legend		SECTION: Waste Management		DISCLAIMER: The Municipal GIS Unit is in no way responsible for the accuracy or completeness of data here presented. Therefore in no event will the Municipal GIS Unit be held liable for damages, including loss of profits or consequential damages arising from the use of information herein.	 PIETERMARITZBURG M S U N D U Z I
Refuse Removal Percentage	<ul style="list-style-type: none"> 0 1 - 10 11 - 20 21 - 30 31 - 40 41 - 50 51 - 60 61 - 70 71 - 80 81 - 90 100 	<ul style="list-style-type: none"> Landfill Site Upgrade Garden Refuse Sites Municipal Wards Municipal Boundary 	<ul style="list-style-type: none"> Class 1 Roads Class 2 Roads 		
		MAP TITLE: Waste Services			
		MAP 9 BER: IDP 14			
		DATE: 15 February 2013			
		SCALE: Not to Scale			



Legend		SECTION:	Roads	DISCLAIMER: The Municipal GIS Unit is in no way responsible for the accuracy or completeness of data here presented. Therefore in no event will the Municipal GIS Unit be held liable for damages, including loss of profits or consequential damages arising from the use of information herein.
New Roads: Hollingwood	Class 1 Roads	Municipal Boundary	MAP TITLE:	
Upgrading of Airport Apron Slab	Class 2 Roads		MAP NUMBER: 10	
Upgrading of Existing Roads	Class 4 A Roads		R: IDP 12	
Upgrading of Foot Paths	Class 4 B Roads		DATE:	
Upgrading of Gravel Roads			SCALE:	15 February 2013
				Not to Scale





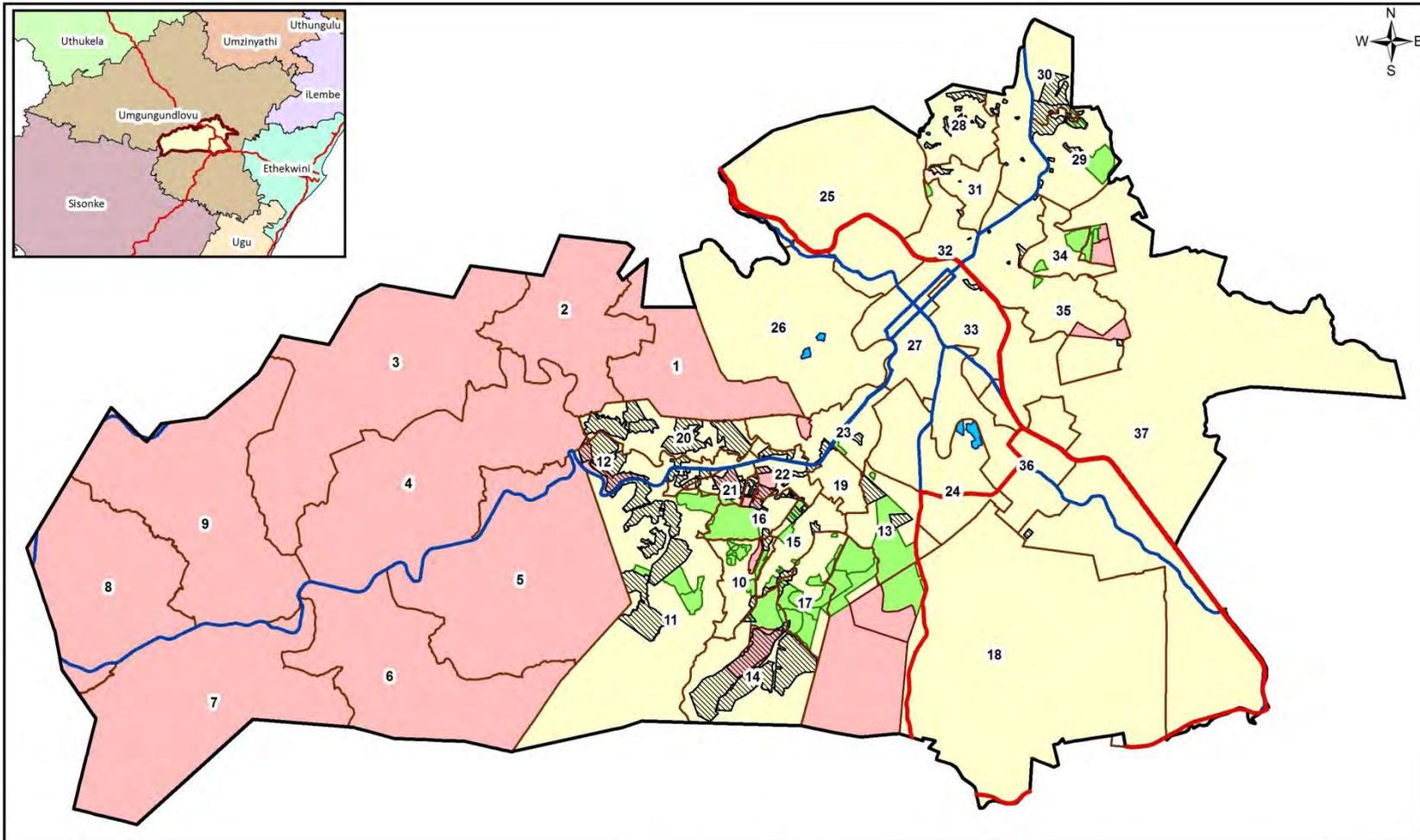
*IRPTN = Integrated Rapid Public Transportation Network

Legend		
	Stations and Terminal V5	
	*IRPTN Phase 1 Right of Way	
	Mason's Mill Depot Site	
	Class 1 Roads	
	Class 2 Roads	
	Class 4 A Roads	
	Class 4 B Roads	
	Rail	
	Oribi Airport	
	Settlement Pattern	
	Municipal Boundary	

SECTION:	Transportation
MAP TITLE:	All Major Transportation Modes
MAP 11 R:	IDP 13
DATE:	15 February 2013
SCALE:	Not to Scale

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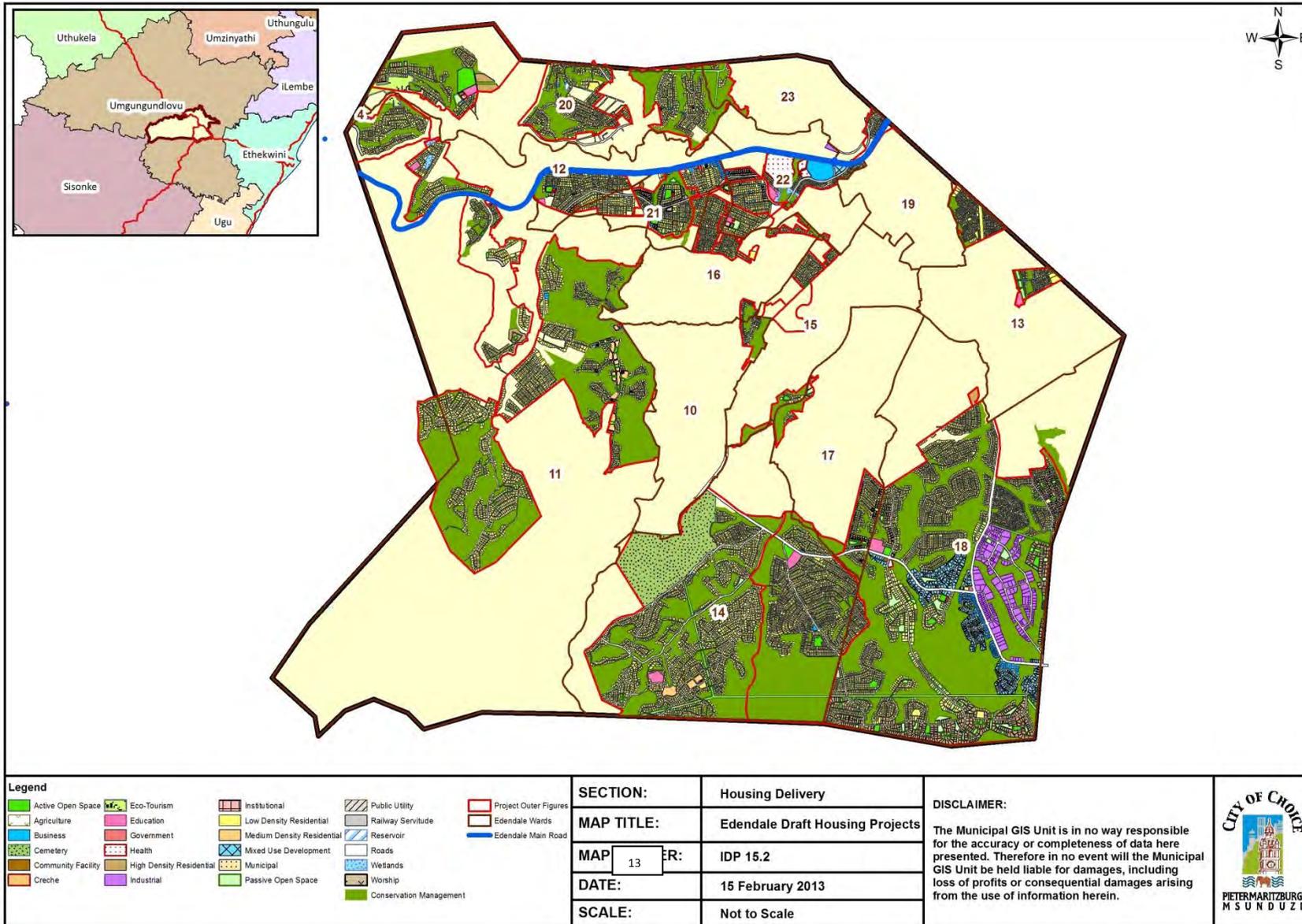


Legend		
	Current Projects	
	Planned Housing Projects	
	Existing Rental Stock	
	Municipal Wards	
	Municipal Boundary	
	Informal Settlements	

SECTION:	Housing Delivery
MAP TITLE:	Municipal Housing Projects
MAF 12 ER:	IDP 15.1
DATE:	15 February 2013
SCALE:	Not to Scale

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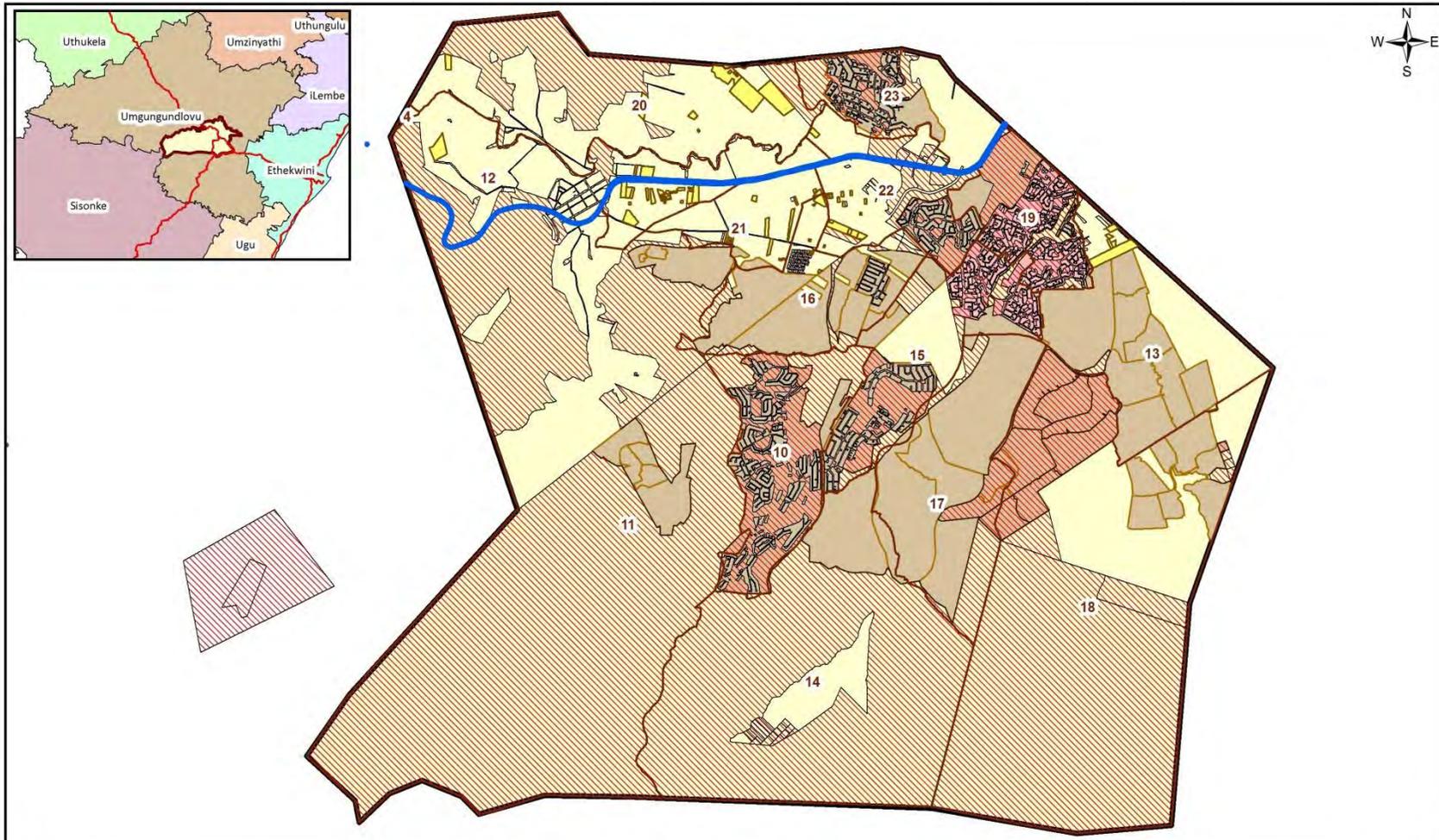


Legend			
Active Open Space	Eco-Tourism	Institutional	Public Utility
Agriculture	Education	Low Density Residential	Railway Servitude
Business	Government	Medium Density Residential	Reservoir
Cemetery	Health	Mixed Use Development	Roads
Community Facility	High Density Residential	Municipal	Wetlands
Creche	Industrial	Passive Open Space	Worship
		Conservation Management	
		Project Outer Figures	
		Edendale Wards	
		Edendale Main Road	

SECTION:	Housing Delivery
MAP TITLE:	Edendale Draft Housing Projects
MAP 13 ER:	IDP 15.2
DATE:	15 February 2013
SCALE:	Not to Scale

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Legend	
	Land for Expropriation
	State Land Transferred to the Municipality
	Unit DD Tenure Conflicts
	Upgrading of Land Tenure
	Edendale Wards
	Edendale Boundary
	Selby Msimang [Edendale] Road

SECTION:	GEDI
MAP TITLE:	Edendale Land Legal Projects
MAP <input type="text" value="14"/> R:	IDP 6
DATE:	15 February 2013
SCALE:	Not to Scale

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3.4.6 THE EDENDALE LAND INITIATIVE AND THE GREATER EDENDALE DEVELOPMENT INITIATIVE

(i) LEGAL BACKGROUND

Proclamation LG No 73/1995 established the Pietermaritzburg/Msunduzi Transitional Local Council (now Msunduzi Municipality). This included the area comprising the Greater Edendale Complex. From the date of this proclamation, Edendale was administered by the Municipality. However the underlying land was in State or Private, generally 'Black', ownership. In response to the above the Minister, in terms of section 10 of the Local Government Transition Act 209/1993, promulgated Proclamation 84/1996 which required that the transfer of immovable assets to the Municipality be effected by agreement. A general Power of Attorney No 540/1997 was issued by the Minister of Land Affairs (now RDLR) on 22 September 1997, and which was assigned to the KZN Provincial Department of Housing, now the KZN Provincial Department of Human Settlements (hereinafter referred to as 'the DOHS') also provided for the transfer of State land to the Municipality.

The Municipality was tasked with the matters set out in Part B of Schedule 4 and Part B of Schedule 5 of the Constitution of the Republic of South Africa 1996 including but not limited to municipal planning and development. To this end the Greater Edendale Development Initiative (hereinafter referred to as 'GEDI') was established to embark on the development of the area known as the Greater Edendale Complex and comprising all the properties that are the subject of the legal provisions as detailed in the above paragraphs.

A joint Provincial/Municipal working committee was established in terms of a written agreement dated 20 March 1998 as amended by the amending agreement dated 15 August 2000 for the express purpose of resolving the land and legal issues (historical and current) in the Greater Edendale Complex in order to pave the way for the redevelopment of Edendale for the benefit of its inhabitants. The DOHS provided grant funding for this purpose.

As will be seen below, the above named committee, now known as the Department of Human Settlements / Msunduzi Municipality Land Legal Committee (hereinafter referred to as 'the LLC') was expanded and currently serves as a joint governmental committee, having representation from KZN DOHS, RDLR, KZN Public Works, the Municipality, the National Housing Development Agency, appointed land and legal experts and other professionals.

(ii) MEMORANDUM OF AGREEMENT

The Municipality via GEDI requested financial assistance to resolve land tenure issues and assistance to gain control and ownership of the state land and private land and which land was substantially marginalised due to informal settlement thereon and which had and was fast developing into untenable 'slums'. Further, the LLC established that, with reference to the private land, a large proportion of the owners were long deceased and where their estates have not been wound up or, as is generally the case, not even reported to the Master's office. This resulted in tenure insecurity, poor land administration and the inability of Government in general, but the Municipality in particular, to provide basic services in the Greater Edendale Complex.

The Municipality and DOHS on 1 March 2002 entered into a Memorandum of Agreement (hereinafter referred to as 'the DOHS MOA') for the acquisition of private land in Edendale and the transfer of land under the control of the State and within the jurisdiction of the Municipality to the Municipality.

The DOHS MOA provided grant funding to the Municipality. The implementation of the DOHS MOA falls under the jurisdiction of the LLC. This grant funding has been fully committed and will be fully spent by August 2013.

The main functions of the LLC include *inter alia*:

- Project Management and Administration;
- Setting up and maintaining a current GIS for GEDI;
- Setting up, management, payment of and appointment of Professional Valuers;

- Management and funding of the Sales Administration process associated with the acquisition of Private Land;
- Management, payment and appointment of ‘negotiators’; and
- Generally all other costs directly related to the implementation of the DOHS MOA.

The Department of Land Affairs (now Rural Development and Land Reform-RDLR) through its Provincial Land Reform Office is mandated by its legislative and policy framework to provide funding for land acquisition for designated groups for purposes of settlement and production. To this end, the Municipality entered into a further Memorandum of Agreement with the RDLR on 21 October 2008 (hereinafter referred to as ‘the RDLR MOA’). In terms of the RDLR MOA, the RDLR has budgeted amounts of Twenty Million Rand (R20m) for land acquisition and Fifteen Million Rand (R15m) for the upgrading of tenure, resolution of tenure conflict and tenure insecurity and conveyancing for the Greater Edendale Complex.

Further, and within the new strategic framework, RDLR identified the Greater Edendale Complex as a primary opportunity to give effect to the policies on tenure upgrade, land acquisition for sustainable human settlements, land acquisition for agriculture, industrial and economic development. The Greater Edendale Complex with its multiple land ownership and irregular settlement patterns are materially hindering development and accordingly the RDLR, via and in terms of the RDLR MOA, has become a major role-player in the redevelopment of Edendale.

(iii) LAND TITLE ADJUSTMENT

The RDLR have appointed three Land Titles Adjustment Commissioners in terms of the Land Title Adjustment Act, Act 111 of 1993. The above is critical and will enable the LLC to deal with deceased estates and related land issues as provided for in the Land Title Adjustment Act, Act 111 of 1993. The above initiative will benefit in excess of 20 000 (twenty thousand) people who are currently living without secure tenure. The Land Titles Adjustment Commissioners will play a role in that:

- They will make awards of property where there are competing interests that have arisen historically; and
- They will make awards where the properties affected have already been transformed and the award will sound in money.

(iv) HISTORICAL COMMUNITY INVOLVEMENT

It is specifically important to note that it was in fact the Edendale Private Land Owners and Rate Payers Association (hereinafter referred to as ‘ELRA’) who, in the year 2000, approached the then Provincial Department of Housing to seek assistance in dealing with their land in Edendale which had been materially marginalised by the ever-increasing settlement by informal occupiers of their land. The history of this settlement is well-known and is not repeated here; and Rates arrears have and remain a major issue with respect to the above and extensive interaction between ELRA, the Municipality, LLC and local community structures have informed the processes embarked upon to date.

(v) PLANNING AND PROVISION OF HOUSING

The LLC embarked upon a major planning initiative for the Greater Edendale Complex. Three (3) of the eighteen (18) ‘functional’ areas identified for development purposes in terms of the above integrated planning initiative by the LLC have been prioritized by the Municipality. This prioritization was based on the fact that these are the areas where the problems outlined above are concentrated. Of these priority areas, one of them is the area known as Dambuza;

Legislation provides that Municipalities must take all steps within the framework of national and provincial housing legislation and policy to ensure that inhabitants have access to adequate housing and services. Municipalities must set housing delivery goals, identify and designate land for development and create and maintain a public environment conducive to housing development which is financially and socially viable. The Municipality, via GEDI, is accordingly actively and aggressively participating in the National Housing

Programme in accordance with the rules applicable by promoting housing development projects, acting as the developer in respect of the planning and execution of housing development and administering the National Housing Programme in its area of jurisdiction; and accordingly 12 housing projects were identified as part of the above initiative of which five (5) priority housing projects were identified and resolved by the Municipality to be implemented forthwith.

(vi) EXPROPRIATION

A large portion of the land that the Municipality will be acquiring is in the ownership of deceased estates. Given the background set out above and in particular the urgency of the matters the Municipality has resolved to proceed by way of expropriation – this being in the public’s interest to do so. Section 190 of the Local Authorities Ordinance No 25/1974 provides for the expropriation of land by the Municipality if it is unable to purchase the land on reasonable terms through a negotiated process and it has obtained the express permission of the MEC to expropriate such land. The Expropriation Act, Act 63 of 1975 then governs the expropriation process to be followed. The first 63 properties identified for expropriation have followed the whole process and are in the final legal stages of expropriation before the Municipality takes possession of the properties.

It must be specifically noted that, in the context of the fact that these properties are in the hands of deceased estates, the Land Titles Adjustment Commissioners will play a meaningful role in order to ensure that the compensation payable is received speedily and expeditiously by the heirs of these estates and where it is recognized that, in most of the deceased estate cases, these have not been notified at the Master of the High Court’s Office in Pietermaritzburg.

(vii) PROPERTY IDENTIFICATION

In terms of the DOHS MOA and further endorsed by the RDLR MOA, the Municipality has established a subcommittee of the LLC, this being the Land Acquisition Committee (hereinafter referred to as ‘the LAC’). The RDLR is represented on the LAC. LAC is chaired by the Municipality’s Manager Real Estate and Valuations and is mandated by the DOHS MOA and the RDLR MOA and the Municipality to identify and resolve to acquire properties required for the redevelopment of the Greater Edendale Complex. The LAC is responsible to ensure that all such properties resolved to be acquired shall be valued by two independent Professional Valuers. The Municipality then pays compensation on the basis of the higher of the two approved valuations plus a 10% solatium. In order to maintain a fair market value for each property, an escalation factor has been included in the daily update of each property

(viii) PURCHASE AND SALE

The Private Land Acquisition Programme is of course driven initially by consultation with the Registered Land owner/s whereafter the recommended negotiation price is determined by valuation and then forwarded to a “Negotiator” drawn from a panel of Negotiators appointed by the project who are largely Attorneys drawn from the Edendale area;

Presently a total of 255 properties are in various stages of being purchased for the first 5 Priority Housing projects, the majority of these having been valued twice and are now in the negotiation stages of purchase or being set aside for expropriation for various reasons.

(ix) ADDITIONAL FUNDING

At present the DOHS is offering to continue funding the Land Initiative for a further 3 years, and a Business Plan has been submitted to them for consideration of approximately R71 million. This includes for an amount of R54million for Land Purchase and R17 million for project administration, conveyancing and the like.

3.5 SOCIAL INFRASTRUCTURE

3.5.1 HEALTHCARE FACILITIES

The table below summarises the healthcare facilities within the municipality and Map 15 indicates the facilities spatially as well as their catchment areas.

TABLE 17: Health Facilities within the Msunduzi Municipality

	MOBILES	SATELLITES	CLINICS	COMMUNITY HEALTH CENTRES
MSUNDUZI	6	7	31	2

Healthcare facilities previously operated by the Msunduzi municipality have been transferred to the provincial Department of Health.

3.5.2 SCHOOLS

The Pietermaritzburg area of the municipality is a centre of educational excellence, in both provincial and national contexts. Pietermaritzburg is home to a number of institutions of higher education including the University of KwaZulu- Natal, technicons, FET colleges and technical colleges. It is also home to a host of both private and government owned institutions of primary and secondary education.

Even within the rural and peri- urban areas, schools within the Msunduzi municipal area are situated within the national standards of a primary school within 2km and a secondary school within 5km of all residential areas. A continuous challenge is the standard of school buildings and access to schools in various areas within Edendale and Vulindlela.

3.5.3 LIBRARIES

The Bessie Head main library remains a flagship facility, having been upgraded with Carnegie Corporation of New York funding. This Library provides services to the entire country as well as playing host to numerous overseas researchers and visitors. In addition there are 8 branch libraries and two mobile libraries providing services to the entire municipality. The Bessie Head library is one of five Legal Deposit libraries in the country and is also a major facility within the Province. The top four service delivery priorities are acquisition of book stock to improve services to the public; the provision of periodicals and newspapers to the community; to maintain and upgrade our buildings and facilities and our computer facilities.

TABLE 18: Library Usage

CENTRAL (BESSIE HEAD) LIBRARY					
	ADULT LENDING	CHILDREN'S LENDING	MUSIC & AV LIBRARY	HOUSEBOUND	TRAVELLING LIBRARY
JULY 2011- JUNE 2012	172 016	134 862	25 473	40 197	56 462

3.5.4 THEATRES AND COMMUNITY HALLS

There are 45 community halls, 14 local halls, and 1 theatre in the Msunduzi municipality which are hired out and used by members of the community.

Challenges experienced by Council with regards to these facilities relates to recuperating all operational costs relating to the service that is being charged for.

3.5.5 PARKS AND OPEN SPACES

The following table summarises the number of parks and open spaces in the municipality. Maintenance of these facilities has been problematic at times.

TABLE 19: Parks and Open Spaces

DESCRIPTION	NUMBER	AREA (m ²)
PARKS	16	1,913,800
OPEN SPACES	133	4,002,000

3.5.6 CEMETERIES AND CREMATORIA

The municipality has reviewed its strategies in the Cemetery and Crematoria Sector Plan. The Sector Plan proposes, among other things, alternative burial methods in response to the fact that the city is running out of burial areas as is the case in other cities. Community involvement and participation is essential to ensure buy-in.

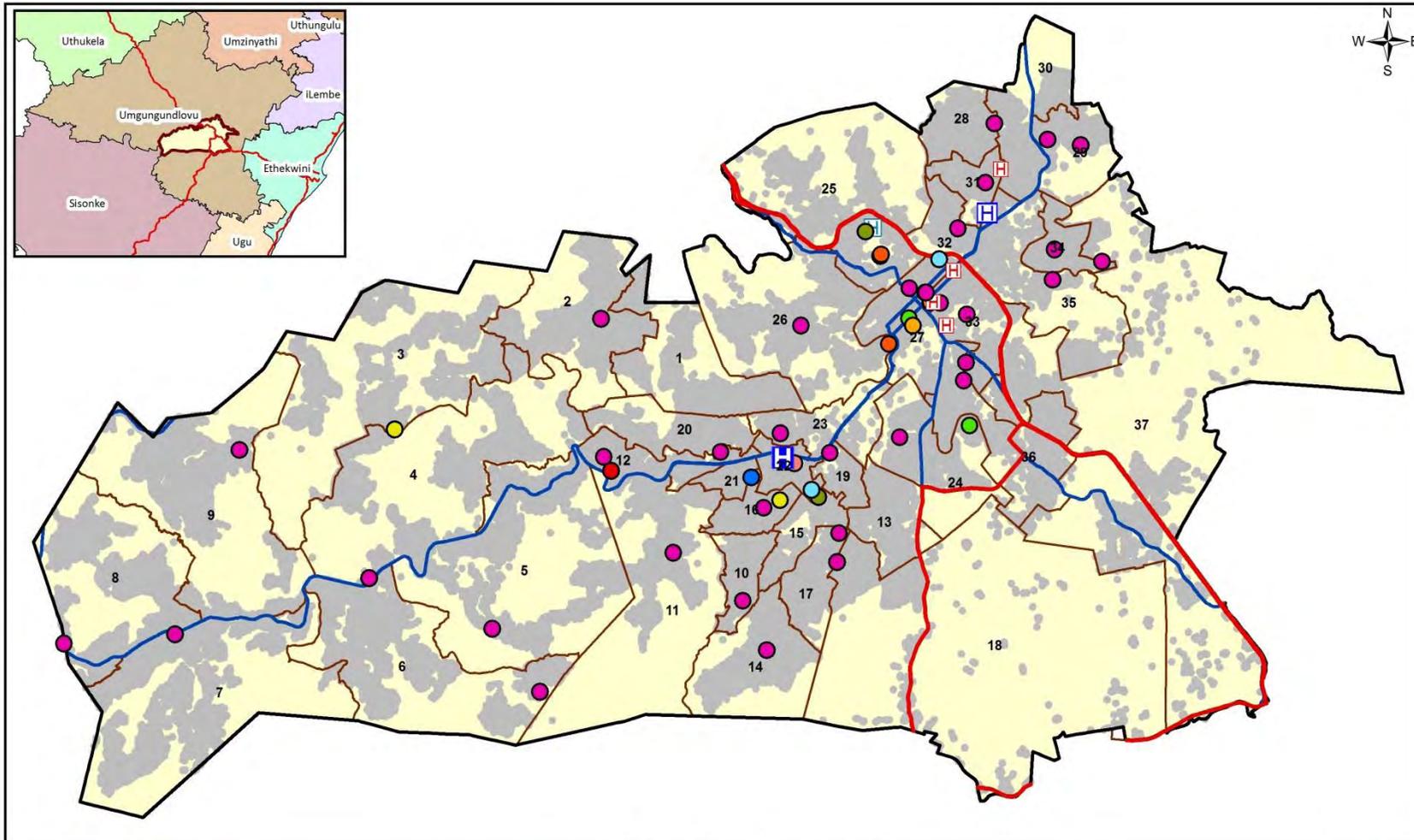
The municipality operates three cemeteries namely the Azalea, Snathing and Mountain Rise Cemeteries. There are three crematoria at Mountain Rise, two of which are operational.

The identification of a new cemetery is vital as the lack of burial space in the existing cemeteries will seriously impact on service delivery in the near future.

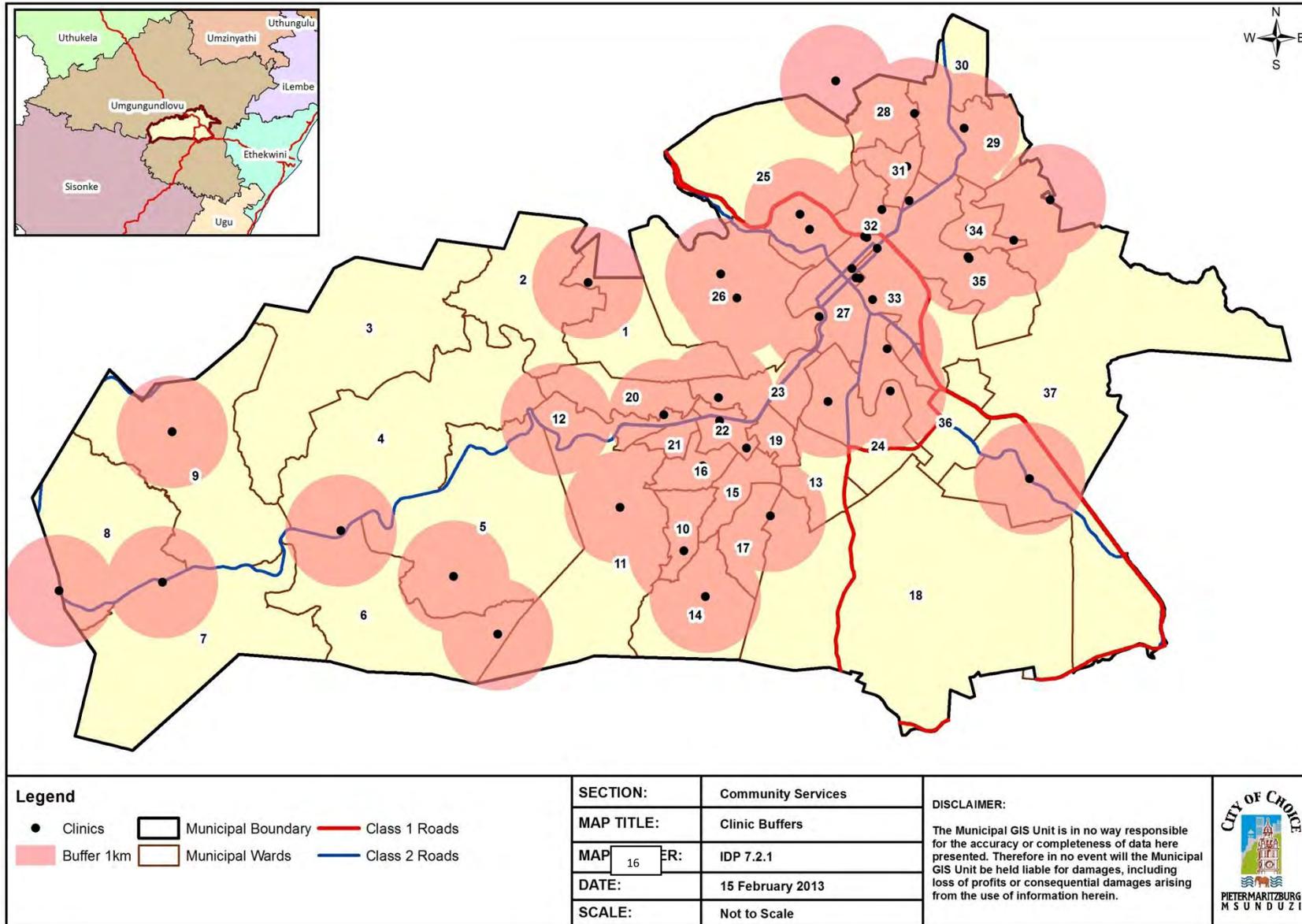
3.5.7 COMMUNITY SAFETY

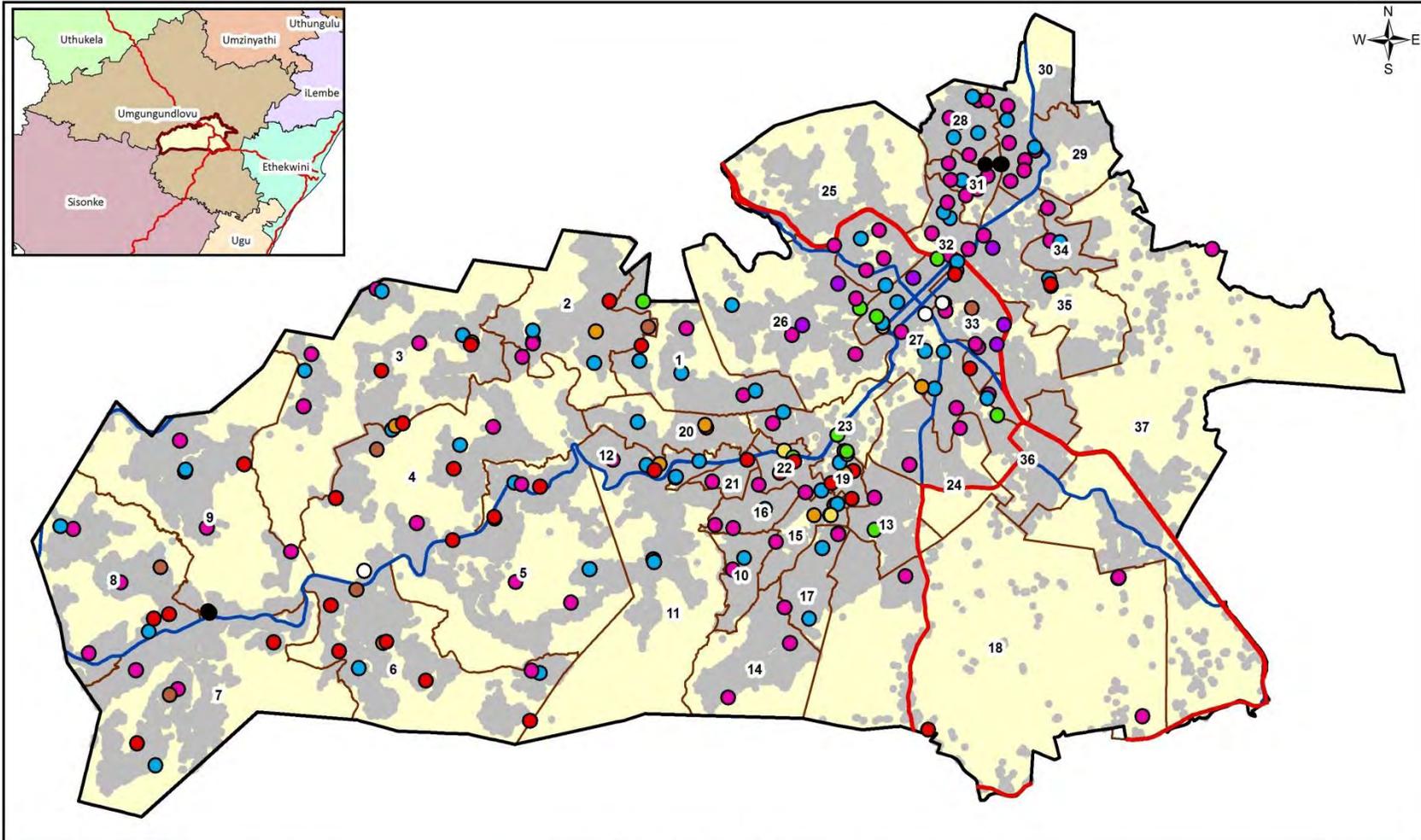
In terms of National Crime Prevention Strategy, the Provincial Department of Community Safety and Liaison is the custodian of the Community Safety Plan with plans being formulated in each of the District Municipalities. Local municipalities, like the Msunduzi municipality, are then responsible for providing inputs into the District Municipality's plan. The Department of Community Safety and Liaison has deployed a staff member to the uMgungundlovu District Municipality to facilitate the preparation of the plan, and due to the fact that the DM does not have a champion to drive the process, the Msunduzi is liaising directly with the provincial official to facilitate data capture in terms of the guidelines.

It is anticipated that by the end of June 2013, the Msunduzi municipality will have a draft work plan in place which will later be aligned to the DM process once this is finalised.

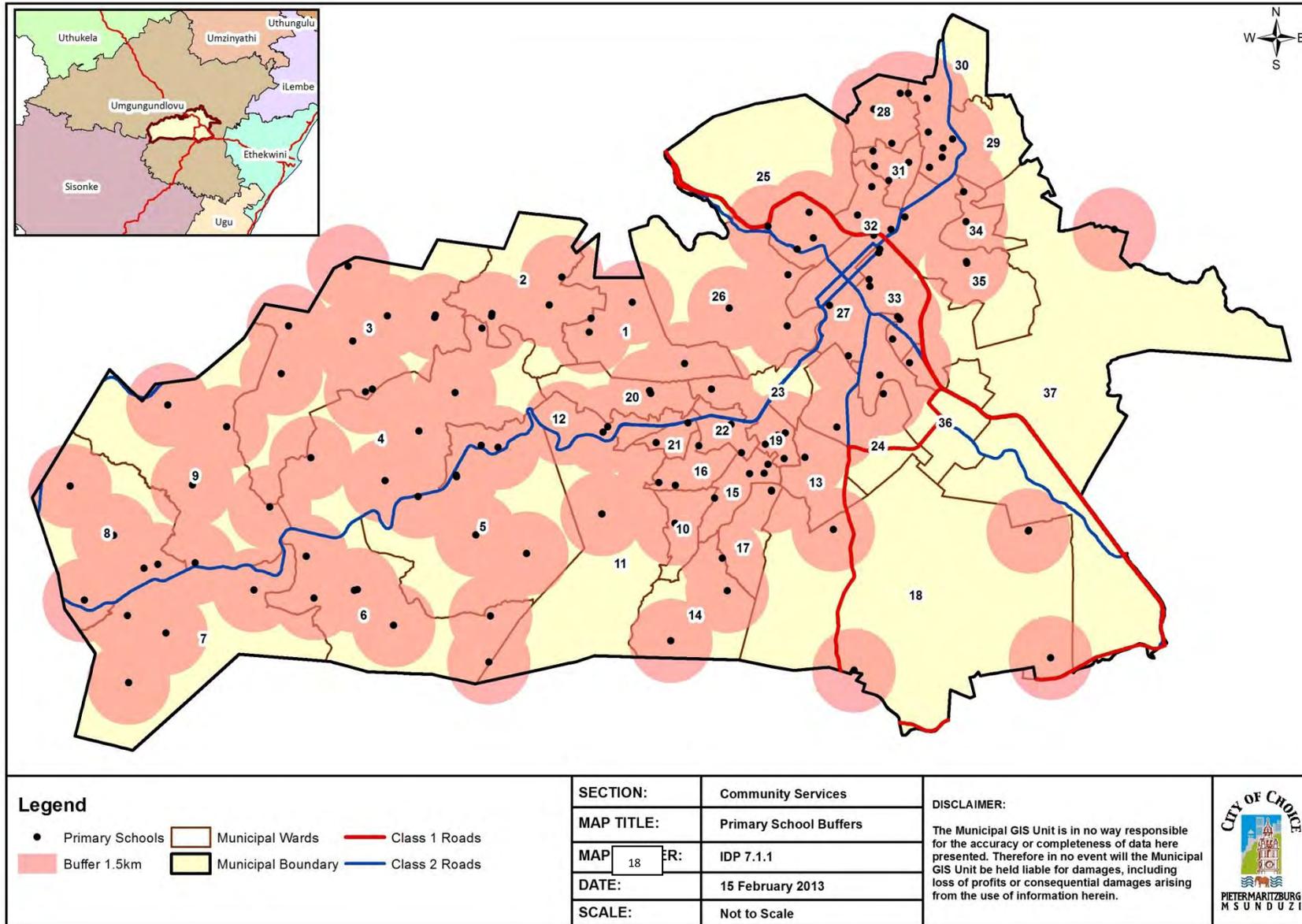


Legend Health Regional Hospital District Hospital Tertiary Hospital Hospital Admin CHC Clinic EMRS Hospice Mob. Base Specialised Psychiatric Hospital Specialised TB & MDR Stepdown To be Built Training Settlement Pattern Municipal Wards Municipal Boundary Class 1 Roads Class 2 Roads		SECTION: Community Services MAP TITLE: Health Facilities MAP 15 R: IDP 7.2 DATE: 15 February 2013 SCALE: Not to Scale	DISCLAIMER: The Municipal GIS Unit is in no way responsible for the accuracy or completeness of data here presented. Therefore in no event will the Municipal GIS Unit be held liable for damages, including loss of profits or consequential damages arising from the use of information herein.	 PIETERMARITZBURG M S U N D U Z I
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Legend		SECTION:	Community Services	DISCLAIMER: The Municipal GIS Unit is in no way responsible for the accuracy or completeness of data here presented. Therefore in no event will the Municipal GIS Unit be held liable for damages, including loss of profits or consequential damages arising from the use of information herein.	 PIETERMARITZBURG M S U N D U Z I	
<ul style="list-style-type: none"> ● Combined ● ELSEN ● Junior Primary ● Junior Secondary ● Primary 	<ul style="list-style-type: none"> ● Secondary ● Senior Primary Senior Secondary ● Technical Colleges ● Other 	<ul style="list-style-type: none"> ● Settlement Pattern Municipal Boundary Municipal Wards — Class 1 Roads — Class 2 Roads 	MAP TITLE:			All Schools
		MAP 17 R:	IDP 7.1			
		DATE:	15 February 2013			
		SCALE:	Not to Scale			



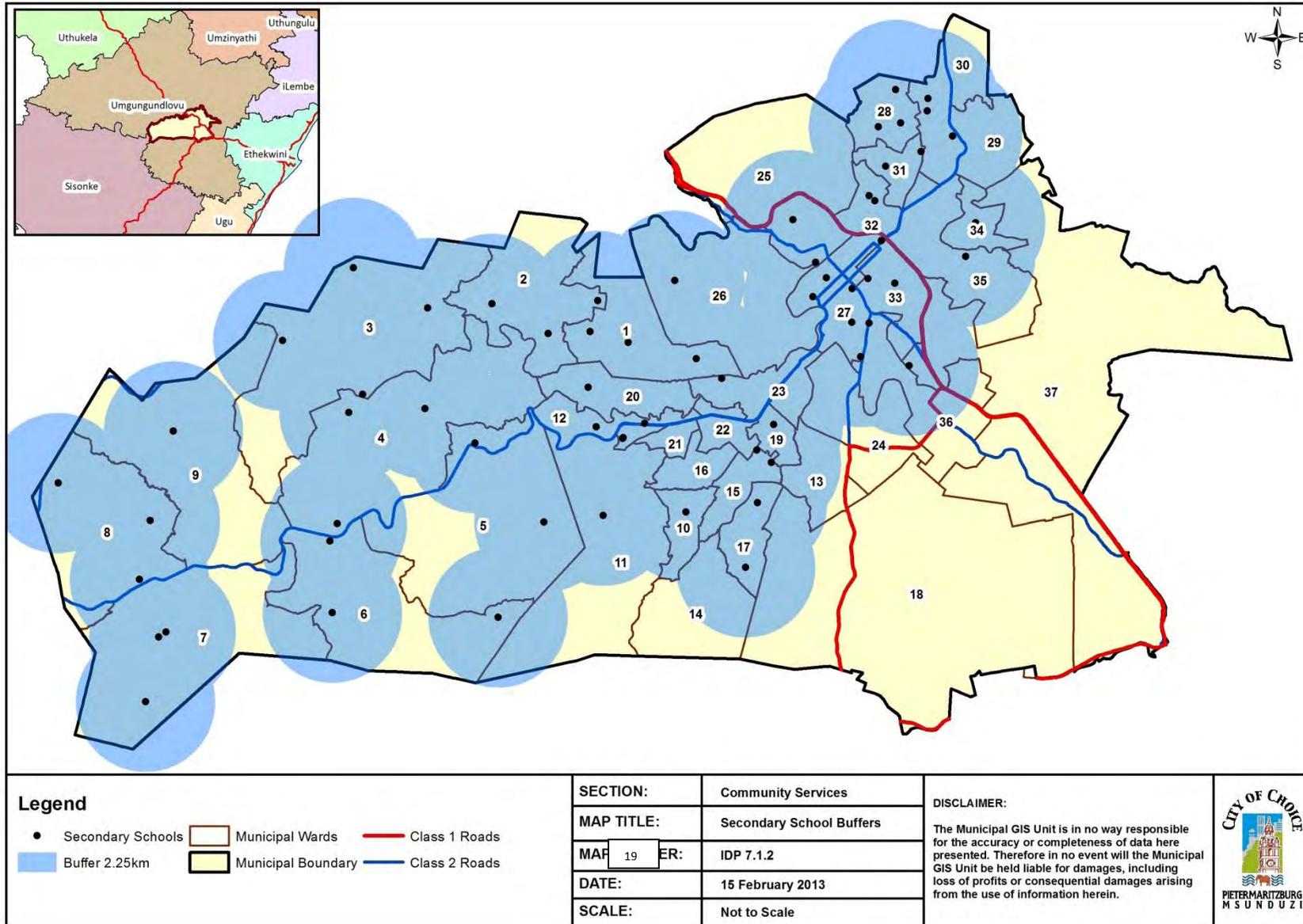
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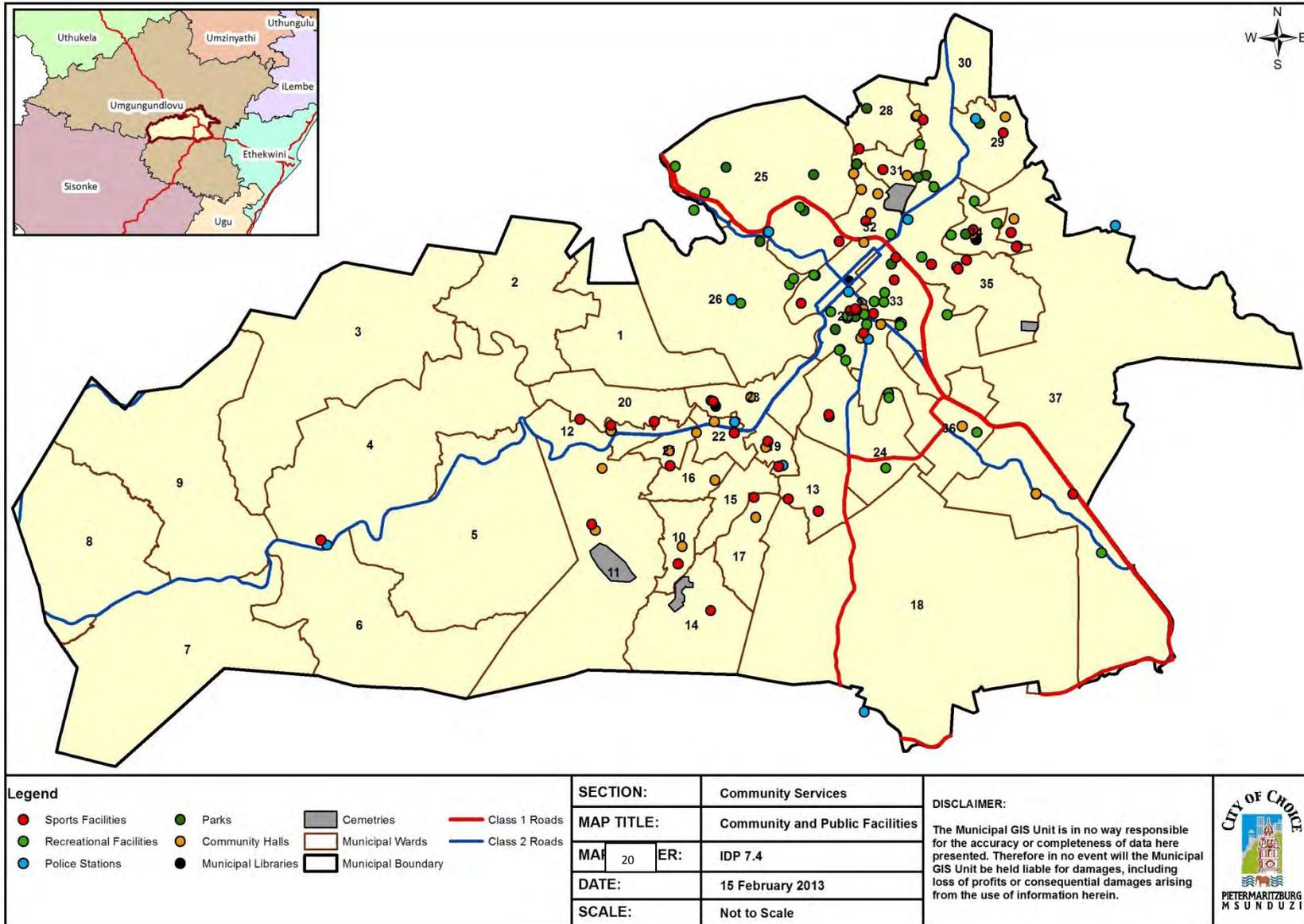
- Primary Schools
- Municipal Wards
- Class 1 Roads
- Buffer 1.5km
- Municipal Boundary
- Class 2 Roads

SECTION:	Community Services
MAP TITLE:	Primary School Buffers
MAP NUMBER:	IDP 7.1.1
DATE:	15 February 2013
SCALE:	Not to Scale

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Legend			
● Sports Facilities	● Parks	■ Cemeteries	— Class 1 Roads
● Recreational Facilities	● Community Halls	■ Municipal Wards	— Class 2 Roads
● Police Stations	● Municipal Libraries	■ Municipal Boundary	

SECTION:		Community Services
MAP TITLE:		Community and Public Facilities
MAH	20	ER: IDP 7.4
DATE:		15 February 2013
SCALE:		Not to Scale

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3.6 SPECIAL GROUPS

The Msunduzi municipality is engaged in a number of programmes with the special groups of women, youth, the aged and the disabled. These are summarised below:

TABLE 20: Programmes for the Youth, the Aged, Women and the Disabled

CATEGORY	DESCRIPTION
YOUTH	<ul style="list-style-type: none"> Sports programmes: Local games are organised for the youth to compete for representation in the District games, from which a team is selected to participate in the SALGA Games which are held annually. This programme has been running since 2002. The Junior City Council (JCC): This is a Youth Council for youth from the Msunduzi municipality which meets monthly. A number of programmes are associated with this including: A back to school campaign involving visits to 5 schools- one in each zone where stakeholders are invited to address the youth according to social ills identified in schools; Child Protection Campaigns dealing with issues like child abductions; School exchange programmes between four urban and four rural schools; Taking a child to work where learners are identified from schools and placed in different business units in the Municipality; The JCC Sports Festival involving soccer and netball events; and Leadership Training to capacitate members of JCC together with 37 ward youth representatives. Vocational guidance: 1 week programme at central locations per zone exposing the youth to career opportunities. School Uniforms: The purchase of school uniforms for needy children in ten identified schools. Reed Dance: Provision of busses to assist girls attend the annual reed dance at KwaNongoma. Driver's licences: Assisting orphans and previously disadvantaged youth in acquiring driver's licences. Youth Centre and Career Guidance Councillor: This office is funded by the municipality and is located opposite the City Hall.
AGED	<ul style="list-style-type: none"> Golden Games Sports Programme: Wednesdays have been identified as Golden Wednesdays by the MEC for Sports and Recreation in an attempt to promote active aging. 27 such clubs are supported by the municipality and the intention is to roll this out in all 37 wards.
DISABLED	<ul style="list-style-type: none"> Brail reading training: This project has been started in Zone 1 as a pilot project and it is the intention to roll this programme out in other wards. Awareness campaigns: Educating parents on integration of impaired people into society. Some 80 parents have been identified for a 1 week workshop to address this issue. Human Rights Month (March): This campaign involves the education of disabled people on their human rights including education on grants access.
WOMEN	<ul style="list-style-type: none"> A programme for the 16 days of activism took place from the 25th of November to 10 December 2012 where the municipality partnered with Cindi (NGO).

KEY CHALLENGES FACING SOCIAL INFRASTRUCTURE:

- Although the Msunduzi municipality has a reputation for good educational institutions, the condition of some schools in the peri- urban and rural areas in the western parts of the municipality are poor and require urgent attention.
- The municipality has a large number of community halls that it rents out and maintains. Income received from these facilities must be in line with expenditure so as to recuperate all operating costs related to the service that is being charged for.
- There is a need to identify a new cemetery due to a lack of burial space in existing cemeteries.
- Reliability issues relating to the crematoria need attention.
- Ageing equipment and financial constraints relating to staff have had a negative impact on the maintenance and upkeep of parks and open spaces.

STRENGTHS

- A well-established education sector in the municipality with both nationally acclaimed public and private schools, as well as tertiary institutions.
- A well-established public and private healthcare sector.
- Good libraries.

WEAKNESSES

- Poorly maintained public facilities including cemeteries and open spaces.
- Reliability of crematoria.
- Ageing equipment.
- Unreliable fleet.

OPPORTUNITIES

- The potential to further enhance research and development in the institutions in the municipality.

THREATS

- Maintenance of schools.
- Rental for the use of facilities is insufficient to ensure their upkeep.
- Ageing equipment.

PGDS GOAL: SPATIAL EQUITY

3.7 SPATIAL PLANNING

3.7.1 INTRODUCTION

Section 26(e) of the Municipal Systems Act (32 of 2000) requires all municipalities to prepared Spatial Development Frameworks (SDF) to guide and inform development planning and public and private sector investment. SDFs enable Council, communities, industries, service providers and government agencies to plan, budget and develop with confidence and certainty. A copy of the full SDF is included as an Annexure to this document.

The SDF is neither a comprehensive plan nor a development master plan. It is a flexible framework that serves as the basis on which detailed area and even site specific master plans may be prepared. It is conceptual in nature and seeks to contextualise the national and provincial development imperatives while also presenting a spatial overtone of the development strategies outlined in the IDP. Any changes to the framework will need to be reflected in future revisions which should occur on a regular basis towards achieving the Municipality’s Vision.

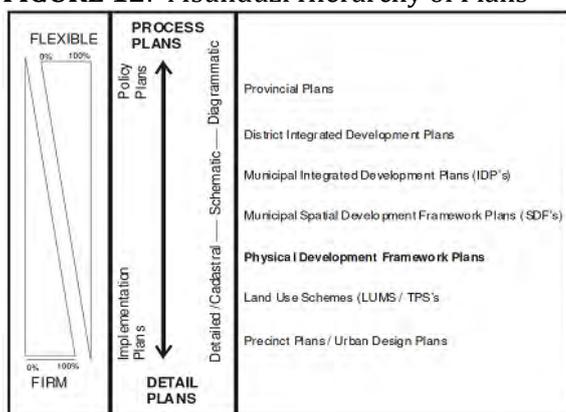
The primary aim of the Msunduzi SDF is to:-

- Serve as strategic, indicative and flexible forward planning tool, to guide public and private sector decisions on land development and investment;
- Present a set of policies and principles, and an approach to the management of spatial development within the municipal area, to guide decision-makers in dealing with land development applications;
- Provide a clear and logical framework for spatial development by providing an indication of where the municipality would support certain forms of development;
- Provide a clear spatial logic that would facilitate private sector decisions on investment in the built-environment;
- Promote social, economic and environmental sustainability of the area; and
- Provide a framework for dealing with key issues such as natural resource management, land reform, sub-division of rural land and the conservation of prime and unique agricultural land, etc.

3.7.2 THE HIERARCHY OF PLANS

The Msunduzi municipality has embraced the concept of a Hierarchy of Plans which is illustrated below. A consolidated Spatial Development Framework (SDF) was adopted by Council in 2009 and a series of Area Based Management Plans (ABM) were adopted in 2010 for the areas listed below.

FIGURE 12: Msunduzi Hierarchy of Plans



- Vulindlela;
- Greater Edendale and Imbali;
- The Northern Areas; and
- CBD, Ashburton and the Eastern Areas.

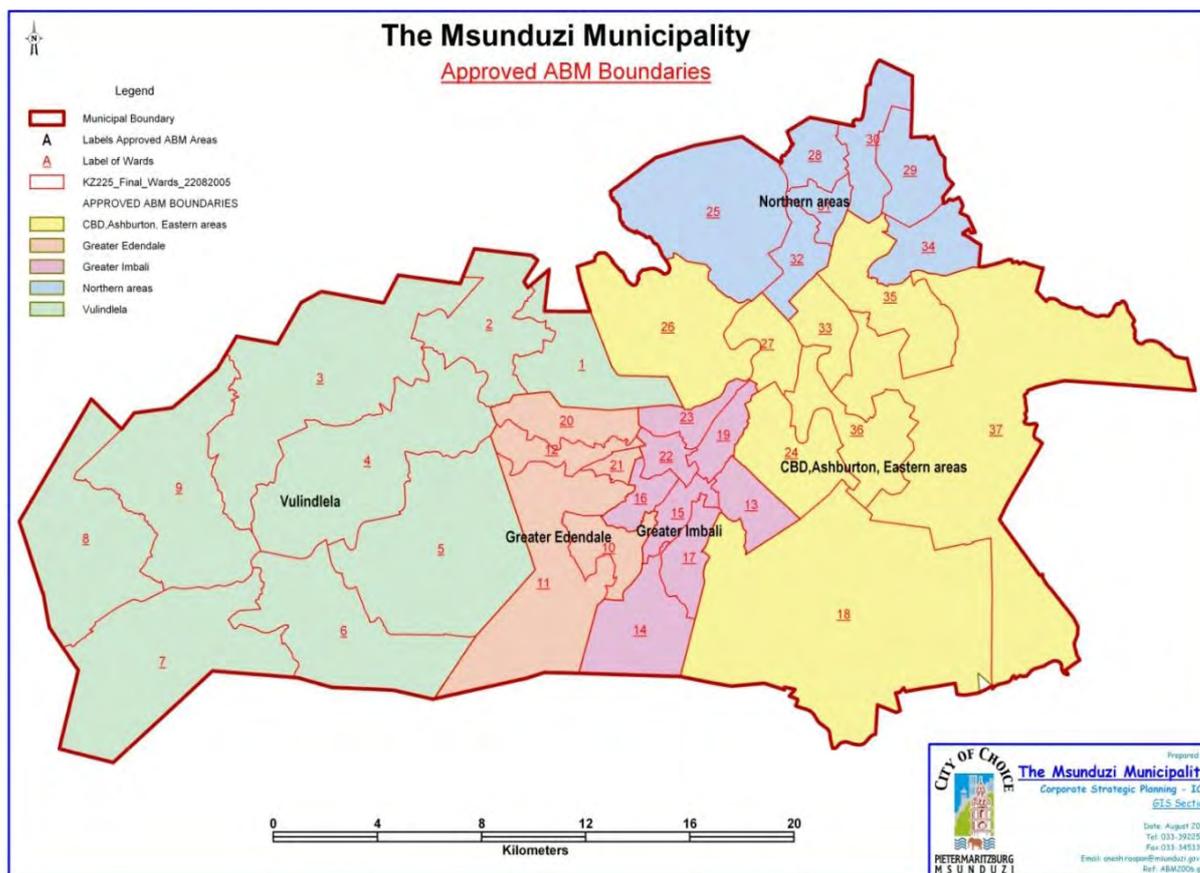
MAP 21: Area Based Management Plan Boundaries and Ward Boundaries

(i) VULINDLELA

Vulindlela is situated to the west of Pietermaritzburg and northwest of the Greater Edendale area. The majority of the land belongs to the Ingonyama Trust, (Traditional authority areas). The area is predominantly rural and underdeveloped. The Vulindlela area covers a vast area of approximately (28 000 ha) in extent. The study area is made up of 9 wards; the areas leadership consists of ward councilors, Amakhosi for Mafunze TA, Inadi TA, Mpumuza TA, Nxamalala TA and Ximba TA.

(ii) GREATER EDENDALE AND IMBALI

Topography and river corridors play a major part in structuring growth and development within the ABM. The area has major valleys and steep topography particularly those areas closer to the Vulindlela ABM. These serve as structuring elements and constrain development in certain parts.



The majority of the population in the Greater Edendale and Imbali area is located to the east and south east of Edendale Road. Older areas on either side of the Edendale Road comprise a mix of both formal and informal settlement patterns, mostly located on older cadastral layouts. Settlements to the south and east are a mixture of

traditional and formal settlements. The residential areas in the central and eastern portions of the site are dominated by more recent formal settlement patterns. Undeveloped land with great potential for development lies to the east of the ABM and adjacent to the Ashburton ABM.

(iii) THE NORTHERN AREAS

The Northern ABM consists of portions of the CBD, Clarendon, Montrose, Chase Valley, Woodlands, Northdale, Raisethorpe, and Bishopstowe. The N3 corridor traverses the ABM but it is largely a movement corridor between the dominant urban cores of Johannesburg and Durban. Due to the limited access nature of this road, opportunity points exist at key intersections or off-ramps along its route.

(iv) CBD, ASHBURTON, AND THE EASTERN AREAS

The CBD also functions as the primary market place for the municipality, a place of concentration of power (financial, economic and political), an investment location, a rates revenue generator, and provides an opportunity for social interaction and integration. It also serves as the gateway city to the surrounding tourist destinations, it in itself being a tourist destination. The confirmation of the 'Capital Status' and relocation of the various Provincial Departments has contributed to the growth and stability of the area. Its declaration as the Provincial Legislative Capital has had a strong influence on the "City of Choice's" unprecedented economic and development growth.

This ABM is the major employer of the city's working population with the majority of people being employed in government departments, mainly in the central area, while others are employed in the city's industries in Mkhondeni, Pelham, Willowton, and on the periphery of Northdale spilling over to Mountain Rise. The city's major education institutions are also within this ABM to include; the University of KwaZulu-Natal and Durban University of Technology in Scottsville, and UNISA and FET College/s in the central area.

3.7.3 THE SPATIAL DEVELOPMENT FRAMEWORK

(i) THE EXISTING SPATIAL DEVELOPMENT FRAMEWORK

A consolidated Spatial Development Framework (SDF) was adopted by Council in 2009. The guiding principles for the SDF are summarised below:

TABLE 21: Spatial Development Framework Guiding Principles

GUIDING PRINCIPLES	APPLICATION
Compaction	<ul style="list-style-type: none"> New and Infill development focused to create coherent system, mainly in SE quadrant
Integration	<ul style="list-style-type: none"> Shenstone and Ashburton as areas to integrate Low Income residential areas into city New economic opportunities in growth area and adjacent to major roads New E-W and N-S roads links to major parts of city
Urban Densification	<ul style="list-style-type: none"> In periphery of CBD Adjacent to major nodes
Restructuring of the City:	<ul style="list-style-type: none"> Creating a Polycentric City with new nodes and new economic opportunity areas Limited mixed-use activity spines between focus points Redressing imbalances with improved infrastructure and new economic opportunities Creating a road system matrix
Meeting Land Use Needs and Identification of areas of economic development potentials	<ul style="list-style-type: none"> New Residential areas New economic opportunity areas New nodal points Restructure CBD
Sustainability	<ul style="list-style-type: none"> Protecting environmentally sensitive areas Coherent and reinforcing infrastructure Protecting agriculture potential areas Upgrade residential areas with appropriate infrastructure In situ upgrading of Informal settlements
Creating a quality urban environment	<ul style="list-style-type: none"> Create a polycentric city Create a mix of housing types in different areas Reinforce public transport system

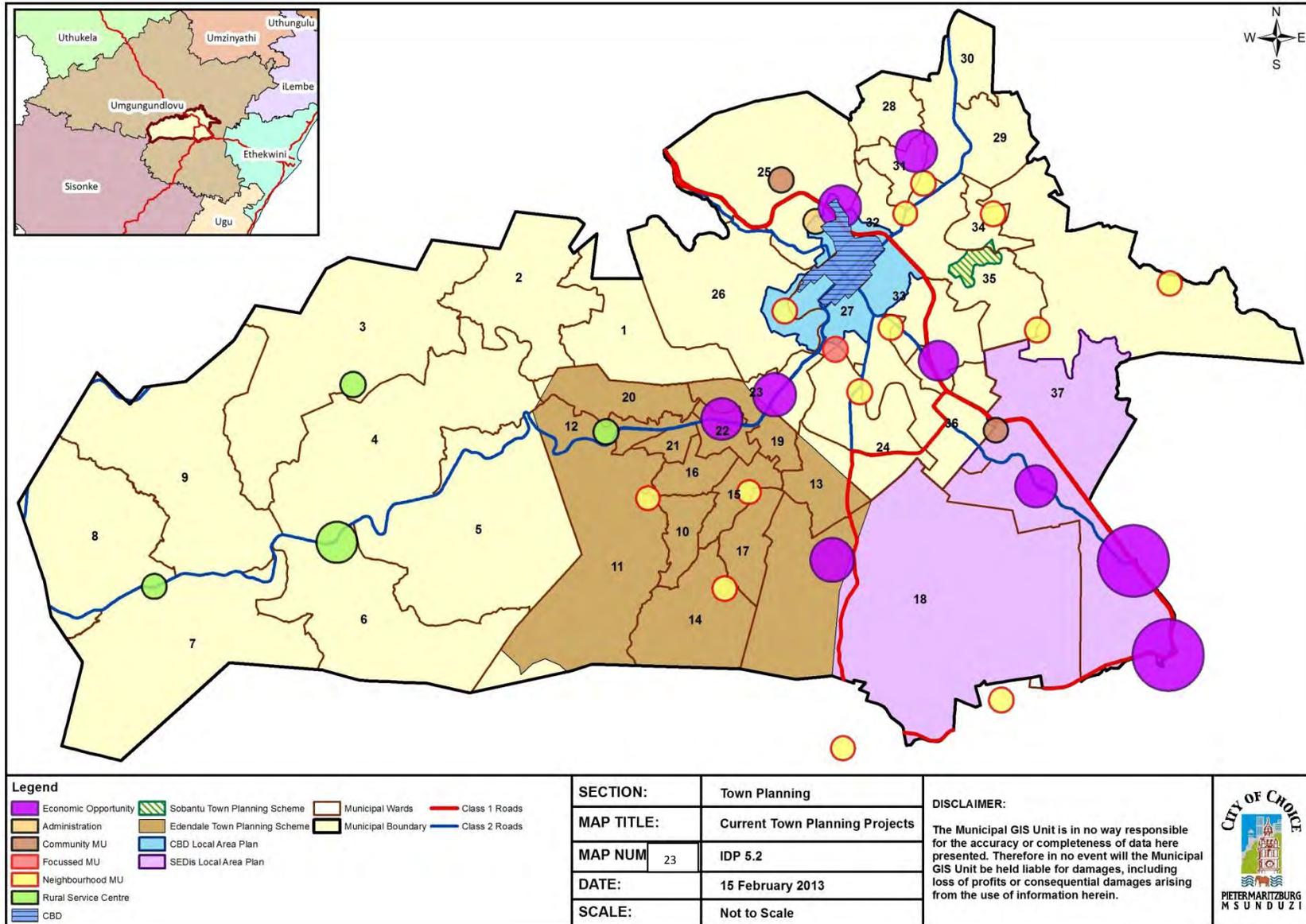
Spatial Structuring elements of the municipality include:

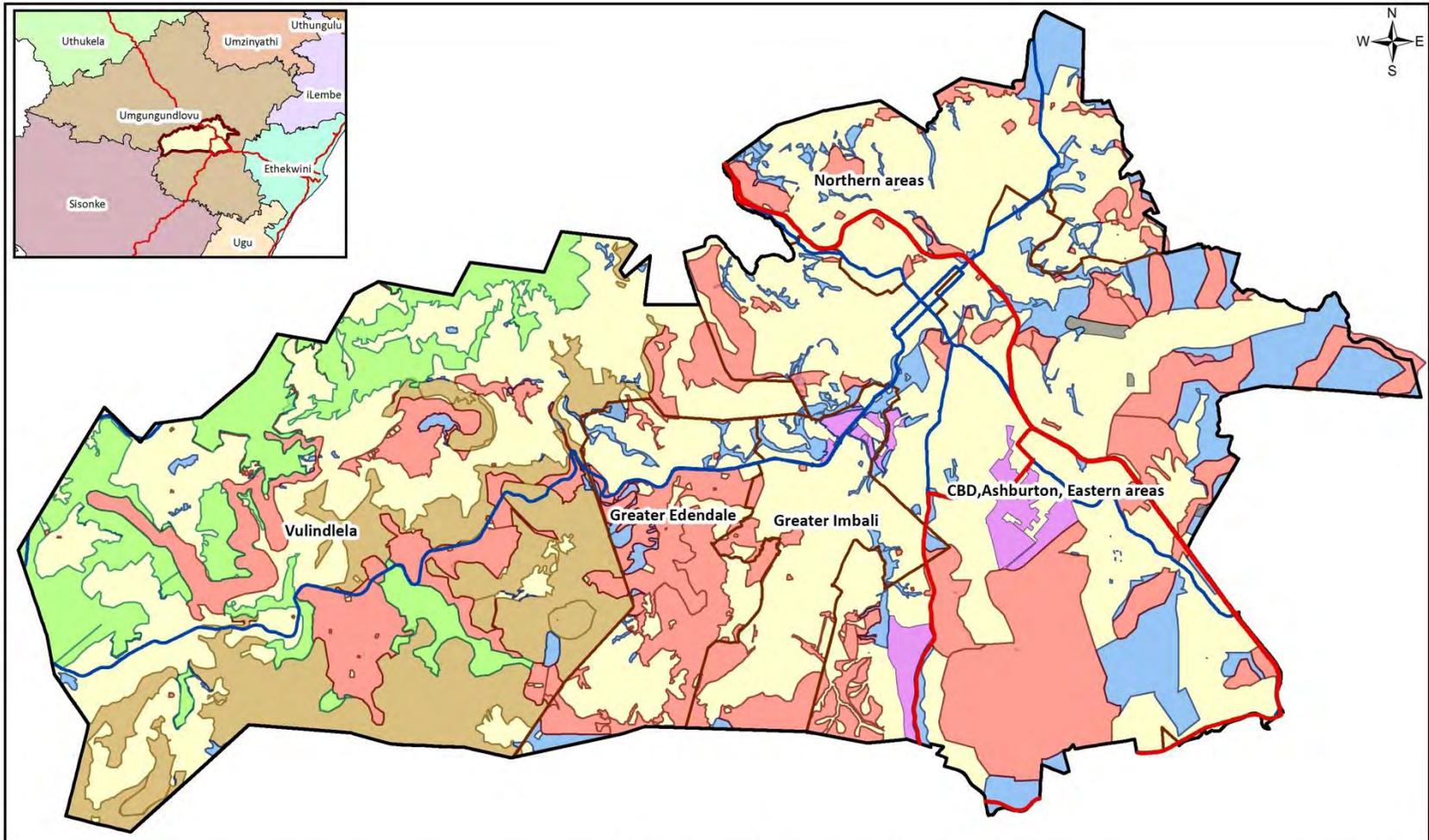
- Nodes (Concentration of activity);
- Corridors (Main roads / Arterials);
- Settlement Patterns (Formal / Informal / Traditional);
- Restrictive Conditions (Environmental / Topographical / Geotechnical);
- Environment / Open Spaces (Active / Passive);
- Urban Edge; and
- Mixed-Use Developments Aesthetic Environment (Visual Form / Heritage Special Features)

(ii) TOWARDS A LONG- TERM SPATIAL DEVELOPMENT FRAMEWORK

With the assistance of COGTA, the Msunduzi municipality is embarking upon a Long- term Spatial Development Strategy which will inform the refinement and review of the Integrated Development Plan and the Spatial Development Framework, thereby assisting the municipality in achieving its Constitutional mandate and other legislative obligations. Key outcomes of the strategy include:

- A description of the desired 2030 outcomes in terms vision, goals and objectives;
- Agreement on the set of indicators that will be applied to measure the progress being made to achieve the desired outcomes;
- Agreement on the targets and the City growth path in respect of each of the indicators;
- Agreement on the strategic interventions required to achieve the set targets;
- A description of the catalytic projects in support of the interventions, where possible; and
- Agree on the monitoring, evaluation, reporting and review framework of the plan.





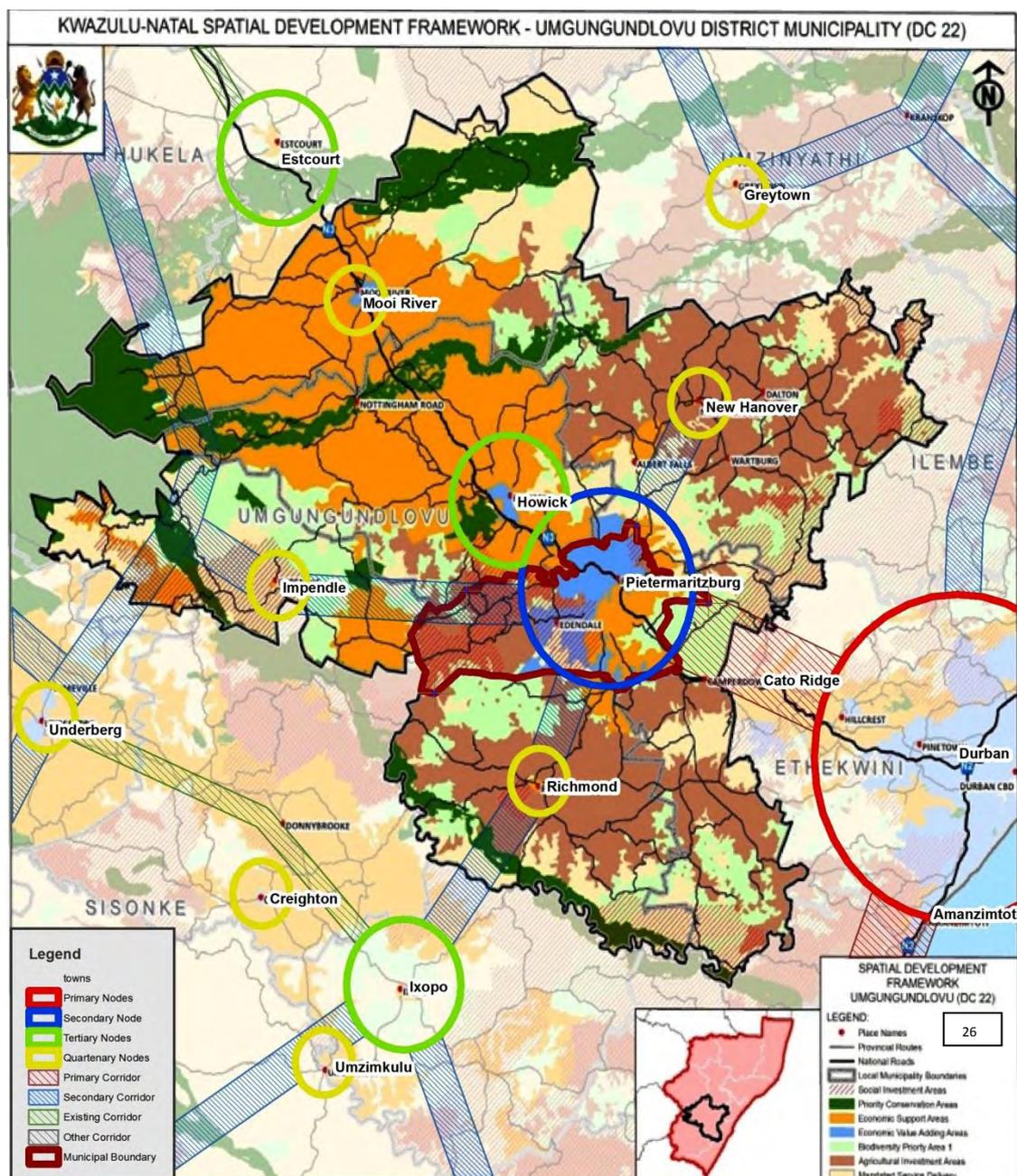
Legend

Future Infrastructure Service	Area Based Management Boundaries	Class 1 Roads
Future Urban Agriculture	Municipal Boundary	Class 2 Roads
Future Restricted Use		
Future Longer Term Development		
Future Economic Opportunity		
Future Communal Agriculture		

SECTION:	Town Planning: Spatial Planning
MAP TITLE:	SDF: Future Development
MAP NUM: 24	IDP 5.1.2
DATE:	15 February 2013
SCALE:	Not to Scale

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3.7.4 REGIONAL CONTEXT

Through the SDF and ABM Plan preparation process, attention has been paid to the alignment of the Msunduzi SDF to that of the surrounding local municipalities as well as to the SDF of the uMgungundlovu DM. The two maps above summarise the Msunduzi municipality's SDF in terms of the surrounding SDFs in the uMgungundlovu District Municipality, as well as the Msunduzi municipality in terms of the Provincial Growth and Development Strategy. The following is noted:

- The PGDS identifies the Msunduzi municipality as a secondary node in the province, secondary to the eThekweni node.
- The PGDS identifies the N3 corridor as a Primary Corridor with the roads linking the municipality to the New Hanover, Richmond and Impendle nodes as secondary corridors.
- The uMgungundlovu SDF identifies the Msunduzi municipality as the Primary Node.

3.7.5 NODES AND CORRIDORS

The Msunduzi SDF is based on a concept of a hierarchy of nodes connected by a system of corridors. This is summarised in the tables below:

(i) NODES

TABLE 22: Development Nodes within the Msunduzi municipality

MSUNDUZI NODES	
Description	<p>Guiding concepts for the identification and functioning of nodes:</p> <ul style="list-style-type: none"> • Optimise the use of existing bulk infrastructure and social facilities; • Discourage Urban Sprawl; • Ensure compact and efficient urban areas; • Protect agricultural land with high production potential; • Provide guidance to both public and private sector investors; • Promote economic, social and environmental sustainability; and • Accommodate reasonable future demand for development. <p>The SDF distinguishes various nodes in terms of whether they are:</p> <ul style="list-style-type: none"> • Existing and to be maintained at that level; • Existing at a lower level and to be extended and consolidated into a higher level node; • New nodes to be introduced and phased in over time and as thresholds occur, but shown at the level which is ultimately intended.
Name	Description
The CBD Node	This is the heart of the City, and consists of the core and the frame surrounding it. The core contains the full range of uses associated with a CBD, while the frame accommodates transitional uses at a lesser density. The so-called CBD extension node, which includes the recently developed Motor World, the Bird Sanctuary Site, the Midlands Mall and the RAS is incorporated into the CBD Node.
Regional Multi- use nodes	This level of node includes a retail component between 75 000 m ² and 120 000 m ² , and serves a regional function. In addition to retail, it can include a wide range of compatible uses. There is one existing Regional Multi-Use Node (Liberty Mall and the surrounding area). There is a new proposed Multi-Use Node that will be introduced at Shenstone, in the Edendale area.
Community Multi- use nodes	These serve a community function, and would have a retail component ranging from 25 000 m ² - 40 000 m ² . These nodes also accommodate a wide range of compatible uses, and the SDF distinguishes between existing community nodes to be maintained at existing levels, those with the potential for expansion and future nodes. Essentially a new Multi-Use Community Node will be developed on the Edendale Road.
Neighbourhood Multi- use nodes	These operate at a neighbourhood level, and have retail components of between 5 000 m ² and 12 000 m ² . These types of nodes occur in two forms, viz as mono use nodes that are pure retailing, and those that are multi-use. Again, the SDF identifies existing nodes to be maintained or expanded, and future nodes.
Focussed Multi- use nodes	This node includes light industrial, warehousing and "big-box" retailing and other uses not normally found in the other nodes, and is located at Camps Drift.
Administrative Node	This node is on the edge of the CBD Node and includes Greys Hospital, Carter High School and the Town Hill Hospital Grounds, to which the Provincial Parliament is likely to relocate.
Rural Service Centres	<p>Rural Service Centers (RSC's) are identified focal points from which a conglomeration of services would occur to serve the generally poor rural communities. These are main distribution centres or higher order points (nodes) where services are concentrated.</p> <p>The RSC's are based on the Rural Service System model which seeks to spatially distribute economic activities (includes effective service delivery) at an identified concentration point (node) along movement networks. The concentration of economic activities is based on mutual benefit i.e. shared infrastructure, shared market, and one activity producing an input for another activity. The range of services at a concentration point is determined by the threshold which it serves and therefore, the larger the threshold, the greater the range of activities. Most of these nodal points are located in the Vulindela area.</p>
Large Scale Mixed- use nodes (Corridor Opportunity Areas)	<p>Large scale Mixed-use Nodes are identified along the N3. These offer opportunities for integrated and coordinated mixed use developments that include activities such as industry, offices and commercial land uses.</p> <p>In terms of Provincial policy, development is to be encouraged along the Provincial Priority Corridor (N3) at appropriate locations. In the case of Msunduzi, this would be around the intersections where development potential still exists i.e. the Lynfield Park/Lion Park and Richmond/Umlaas Road intersections. Local Area Development Plans would be required.</p>

(ii) CORRIDORS

TABLE 23: Development Corridors within the Msunduzi municipality

MSUNDUZI CORRIDORS	
Description	The main objectives of development corridors is to achieve integration, improve access and provide investment opportunities whilst correcting imbalances created by the apartheid planning system. It is suggested that through the use of development corridors, previously segregated areas can be connected and opportunities created for economic development in previously disadvantaged communities and the identification of alternative development axis.
Name	Description
Provincial Priority Corridor/ Limited Access Mobility Road	This is the N3 which has been identified as a priority development corridor by the Provincial Cabinet. Its prime function is to serve as a long-distance movement corridor, and although the agglomeration benefits of the corridor should be optimised, this should not interfere with its primary function. Consequently, development will be located at or near some intersections.
Activity Spines	Generally referred to as development corridors, these occur along major arterials leading into or from the CBD Node. A mix of complementary land uses including retail, office, entertainment and residential; about half a street block in width fronting onto the arterials are to be encouraged, but only in specific areas.
Arterial Roads and Bypasses	These existing; improved; and proposed roads are aimed at improving accessibility, alleviating congestion in and around the core, and opening up areas previously excluded from the local economy. In the case of future roads, the alignment shown is merely diagrammatic. The proposed road "matrix" comprises both major and minor arterial connections. A number of such roads is proposed in the Edendale, Imbali, Ashburton area in order to improve connectivity to all parts of the city, especially new employment areas.

3.7.6 BROAD LAND USES

A broad land use analysis was prepared as part of the SDF (2009) preparation process. It is noted that the percentages indicated are an approximation to indicate land use trends and to inform overall spatial planning at an SDF level. A more detailed land use audit is required at the Scheme level which will follow the preparation of the SDF.

TABLE 24: Land Uses per Area Based Management Area

GENERAL LAND USE PERCENTAGES	The Grasslands takes about (31.7%) which is most of the land in the municipality, followed by land used for settlement purposes at 29.1% which includes; formal settlements (14.8%), traditional settlements (14.1%), and informal settlements (0.5%). It is important to distinguish between the different types of settlements as these would give an idea of the level of services available and those that are required.
ABM	DESCRIPTION
CBD, ASHBURTON AND EASTERN AREAS ABM:	Whilst the dominating land use is thornveld and grasslands, this area is predominantly used for residential purposes. The area is also home to some of the major employers in the city namely; government sector in the central area and industries in Mkhondeni, Willowton, and Pelham. This area is therefore, the largest rates contributor of the city. It is important to mention that this area plays a significant role in terms of transport infrastructure available in the city. This area accommodates the larger part of the N3 a primary movement corridor (also part of the Provincial Development Corridors) dissecting the city and the Edendale – Northdale development corridor; it is also home to the city's only airport and railway station. A concentration of education facilities is found in this area and the largest of them being the University of KwaZulu-Natal. The north eastern part (Bellvue/New England) and south eastern part (Ukulinga/Ashburton) has pockets of cultivated land.
NORTHERN AREAS ABM:	This area is mostly used for residential purposes and the natures of the settlements are both formal and informal, especially in the areas of Claridge and Copesville. Forestry/Plantations are also the dominant land uses especially to the west of the area with natural bush in between. The majority of commercial activities in the city are within this area with pockets of industrial uses in places. There are also pockets of Active/Passive Open Spaces (the largest being Queen Elizabeth Park), and Cultivated Land (Copesville/Claridge). It is important to note that the largest health institutions in the city namely; Grey's Hospital and Townhill Mental Institution are within this area. The area is also part of the Edendale – Northdale development corridor and the N3.
GREATER EDENDALE AREA ABM:	A large part of this area is used for residential purposes even though it is largely under serviced. The natures of the settlements are formal, informal, and traditional even though there is no tribal authority in this area. Even though there are industrial activities in the area, the majority of people are unemployed and are relatively poor. This area has been identified as one city's areas of priority spending with initiatives already underway to support this namely; the Greater Edendale Development Initiative (GEDI) and the Edendale – Northdale Development Corridor. This area was also home to the Ndumiso Teacher's College now home to Durban University of Technology (Imbali Campus) and Umgungundlovu FET, the Edendale Hospital, and the railway depot.
VULINDLELA ABM:	This area is under traditional authorities and is predominantly rural with settlements largely traditional however; there are pockets of informal settlements. This area is the largest of the ABMs and houses the majority of the city's population yet it is highly underdeveloped and serviced. The majority of people are unemployed, dependant on government grants, and some live off the land through subsistence farming. There are also pockets of Active/Passive Open Spaces, Forestry/Plantation, Grasslands, and Natural Bush. The education facilities are scattered all over the area and the lack of health facilities is obvious.

3.7.7 LAND USE CONTROLS

The municipality is working towards the roll- out of a wall- to- wall scheme for the entire municipal area. The municipality currently has schemes covering the following areas:

TABLE 25: Existing Scheme Coverage

SCHEME NAME	COVERAGE (ha)
Pietermaritzburg Scheme	15,196.35
Ashburton	3,108.88
Plessislaer	214.44

As per the PDA, the Municipality has moved towards creating a wall to wall scheme by identifying four projects that have been recently initiated:

1. The extension of the PMB TPS to include the Greater Edendale area [as well as a revision of the Plessislaer TPS];
2. The extension of the PMB TPS to include the Sobantu area;
3. The drafting of a Local Area Plan for the South Eastern District [SEDis]; and
4. The drafting of a Local Area Plan for the Central Area and CBD Extension Node including an Inner City Regeneration Strategy.

There have not been and are no plans to regulate land use within the Vulindlela area which falls under tribal authority.

3.7.8 COMMUNITY BASED PLANS

Community Based Planning (CBP) is a methodology of increasing community participation in different wards. It is a workshop conducted in a ward that will result to the production of a ward plan that will eventually feed to the IDP and SDF. Each plan consists of prioritized ward needs and a group of approximately 100 people, representing different interest groups and sectors in the ward, meet for three days to develop these bottom-up plans.

Currently the Msunduzi municipality ABM Unit are working in ward 4,6,7,10,12,14,23,24 with wards 1, 2, 3 and 21 being initiated shortly. All wards where CBPs are underway correspond with those targeted by COGTA due to the presence of Community Development Workers. COGTA is part- funding the initiative with the Msunduzi municipality. It must be noted that the Msunduzi municipality does not have funds to roll-out CBP to other wards.

KEY ISSUES RELATING TO SPATIAL PLANNING:

- The need to develop the full suite of plans for the municipality. Msunduzi has prepared an SDF and is now embarking upon the preparation of Area Based Plans for the South Eastern Districts (SED) and Central Business District (CBD) areas which are two of the pressure spots in the municipality. There is a need to prepare similar plans for all ABMs in the municipality.
- The need to prepare a long- term spatial vision for the municipality. This process is about to commence with the support and funding from COGTA.
- Meeting land use needs and identification of economic development potentials through the development of new residential areas, the development of new economic opportunity areas and nodal points, and restructuring the CBD.
- New and infill development to be focussed so as to create a coherent system, mainly in the south- east quadrant of the municipality;
- Integration of low income residential areas into city with a focus on Shenstone and Ashburton;
- Encouraging new economic opportunities in identified growth areas and adjacent to major roads;
- Better integration within city through the creation of east- west and north- south road linkages to major parts of the city;
- Urban densification in the periphery of the city and adjacent to major nodes;
- A need to restructure the city through:

<ul style="list-style-type: none"> ○ Creating a polycentric city with new nodes and new economic opportunity areas; ○ Mixed- use activity spines between focus points; ○ Redressing imbalances with improved infrastructure and new economic opportunities; and ○ The development of a road system matrix. ● Creating a quality urban environment through reinforcing the public transport system, and creating a mix of housing types in different areas. ● Improving the sustainability of the city through the protection of environmentally sensitive areas, protecting areas of high agricultural potential, <i>in situ</i> upgrading of informal settlements, and upgrading residential areas with appropriate infrastructure. 	
<p>STRENGTHS</p> <ul style="list-style-type: none"> ● An SDF and the preparation of 4 ABM plans and the development of a further 2 currently underway. ● COGTA funding secured for the development of a long-term spatial strategy for the municipality. 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> ● Key spatial plans have not as yet been developed. ● The need to review the SDF.
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> ● COGTA assistance with the funding for the development of a long- term spatial strategy for the municipality. ● Working with the new IRPTN to link the city for efficiently. ● Densification. ● Community based plans. 	<p>THREATS</p> <ul style="list-style-type: none"> ● The poor are located some distance from their places of employment or from job opportunities. ● Enforcement needs to ensure implementation of the SDF and scheme. ● Compliance with the 2015 deadline from the Planning and Development Act for wall- to- wall schemes.

PGDS GOAL: RESPONSE TO CLIMATE CHANGE

3.8 THE ENVIRONMENT

3.8.1 ENVIRONMENTAL MANAGEMENT FRAMEWORK

The Msunduzi Municipality, in partnership with the National Department of Environmental Affairs (DEA) and the KwaZulu-Natal Department of Agriculture, Environmental Affairs and Rural Development (DAEA&RD) developed, and in July 2010 approved, the environmental policy and strategic level plans listed below:

- An Environmental Status Quo Analysis (State of Environment) consisting of:
 - Flood Line Assessment
 - Geotechnical Assessment
 - Surface Water Resources
 - Wetland Mapping
 - Agricultural Resources
 - Biodiversity Assessment
 - Air Quality Assessment
 - Service Capacity Assessment
 - Socio-economic Analysis and Planning Policy Review
 - Cultural Heritage Assessment
 - Institutional Framework Assessment
- A Strategic Environmental Assessment (**SEA**)
- An Environmental Management Framework (**EMF**)
- A Strategic Environmental Management Plan (**SEMP**)
- An Environmental Services Plan (**ESP**)

The Msunduzi SEA takes the form of a sustainability framework which provides a set of criteria against which the Municipality can assess any policy, program or plan and is aimed at informing development planning and promoting and supporting sustainable development.

The EMF provides the following tools:

- Areas deemed suitable or unsuitable for development;

- Key environmental information to assist decision making on development applications;
- Environmentally sensitive areas requiring protection to ensure ecosystem service delivery; and
- Environmental goals and mechanisms to achieve the above

The SEMP provides an operational framework for the Msunduzi Integrated Environmental Management Policy by identifying specific Action Plans which will be operationalised through the IDP. The SEMP also provides a monitoring and evaluation strategy that will enable Msunduzi to measure progress towards meeting environmental objectives identified in the SEA.

The Draft ESP identifies areas to be set aside for the maintenance of ecosystem goods and services to maximise the ecological viability of ecosystems within Msunduzi and ensure the persistence of biodiversity. Methodology to evaluate Social Criteria is included.

The following table summarises the key environmental policies and plans that the municipality has developed or is currently in the process of development:

TABLE 26: Msunduzi Environmental Management Unit: Policies and Plans

PLAN / POLICY	STATUS	TIMEFRAME	COMMENTS
Environmental Status Quo	Complete – Approved July 2010	1 st review due July 2015	Contains twelve specialist studies
Strategic Environmental Assessment	Complete – Approved July 2010	1 st review due July 2015	
Ecosystems Services Plan / Conservation Plan	1 st Draft	2 nd draft In progress – Ongoing	Biodiversity based conservation plan
Environmental Management Framework	Complete – Approved July 2010	1 st review due July 2015	GIS environmental spatial layers linked to spatial decision support tool (SDST)
Sustainability Framework	Completed – Approved July 2010		Tool for the sustainability appraisal of all Municipal plans, policies and projects.
Strategic Environmental Management Plan	Completed – Approved July 2010	1 st review due July 2015	Contains 26 priority specific Action Plans
Ecosystems Services Plan (Action Plan E4)	<ul style="list-style-type: none"> • Five Focus Areas prioritised • Ground truthing of biodiversity and refining of C-plan boundaries underway 	Ongoing 3-5year Projected Timeframe	
Conservation Land Use Ownership Models	1 st Draft In Preparation	18 Months	
Ecosystems Services Information Booklet	1 st Draft In Preparation	12 Months	
Climate Change Policy	1 st Draft In Progress	First Draft 12 Months	
Municipal Climate Change Adaptation Strategies	1 st Draft In Progress	First Draft 12 Months	

3.8.2 THE NATURAL ENVIRONMENT

(i) TOPOGRAPHY, GEOLOGY AND SOIL CAPABILITIES

Pietermaritzburg is situated in the basin of the uMsunduzi River and its tributaries. An escarpment rises approximately 400m above the city to the West and North West. Altitude within the municipality ranges from 495 to 1795 metres above sea level and the municipality generally slopes from west to east. The mountains around the city bowl create a distinction between the urban and rural parts of the municipality. While this has provided opportunities to manage the urban/ rural interface, it has limited the city's expansion potential resulting in the formation of a number of small urban hubs outside the city.

The predominant lithologies present in the Msunduzi municipal area are comprised of sedimentary rocks of the Ecca Group and Dwyka Formation which form part of the lower Karoo Supergroup. The aforementioned sediments are extensively intruded by Jurassic post-Karoo dolerite sheets, dykes and sills that intermittently outcrop across the entire municipal area. Each major lithological sequence exhibits a distinct set of geotechnical conditions. When combined with general slope characteristics of the area, these conditions can be expected to vary greatly within a region of similar underlying geology. The diversity of the geotechnical conditions in the Msunduzi Municipality brought about by the geology and geomorphology, combined with the hilly areas surrounding the Pietermaritzburg Central Business District (CBD), result in a very complex interplay between slope gradient and potentially unstable transported sediments and soils.

Soils within the Municipality vary greatly with the topography, rainfall patterns and geology have resulted in the high agricultural potential of the area. Large portions of highly productive agricultural land have, however, been developed for other uses such as housing. The remaining areas of highly productive agricultural land occur mainly on communally owned land in the Vulindlela area and poor agricultural practices in these areas are affecting the productivity of the land. The Map below shows the distribution of the bioresource groups (BRG's) as identified by the Department of Agriculture. The BRG's provide further detail of the spatial distribution of both soil types and land capability.

Moist Highland Sourveld, indicated as a dusty pink in the Map above, occurs only in a small portion of the municipality along the western border near Elandskop. Soils in this portion of the municipality are relatively deep, highly leached and strongly acidic. Fertility is low, but physical properties are favourable, which result in a short growing season. Soils and aspect in this area both have a marked effect on the species composition and the productivity of the grassland. Much of the Vulindlela area of the municipality, in the west, is characterised as Moist Midlands Mistbelt. The potential of the soils of this BRG are high, in spite of the fact that they are leached and the inherent nutrient status is very low, with problems of phosphorus fixation and aluminium toxicity. The high potential of the arable areas of this BRG has meant that little value has been placed on the veld and veld management practices have been poor, including excessive burning, particularly during the season of active grass growth, followed by continuous selective overgrazing. These practices have largely destroyed the palatable grass species and resulted in grassland of low pastoral value. Moist Coast Hinterland Ngongoni Veld, indicated in dark red occurs in the northern parts of the municipality including Sweetwaters, Raisethorpe, Copesville and Bishopstowe. Soils of the area are acidic and leached and injudicious burning, coupled with selective overgrazing, have resulted in a very poor quality veld cover. The Dry Coast Hinterland Ngongoni Veld bioresource group occurs on over 20 % of the municipality and reaches from north to south down the middle of the Municipality. This bioresource group has limited potential due to low rainfall. A past history of early burning, and in fact burning at any time of the year, coupled with selective overgrazing as the grass emerges, has resulted in a particularly poor quality veld cover. The Coast Hinterland Thornveld covers mainly the area in which the city occurs. The bioresource group is known for its floristic richness but drastic deterioration in the quality of the veld has resulted from the common practice of burning throughout the year to promote a flush of fresh growth followed by selective overgrazing. Where both soil and water are suitable, the potential exists for the production of sugar cane, maize and vegetables within this area. The Valley Bushveld bioresource group occurs in a small area in the far eastern parts of the municipality. The low and erratic rainfall of this BRG generally precludes any line of farming other than livestock production that is based on the veld, except for select areas of arable land adjacent to a reliable source of water from a river. As sweetveld, grazing can support beef animals throughout the year. Goats can effectively utilise the available

browse in summer, but need to graze during much of the winter when trees lose their leaves. Wildlife should play an important role in the economy of the Valley Bushveld.

(ii) RIVER AND WETLANDS

Msunduzi Municipality constitutes almost entirely one catchment and this has benefits in terms of catchment management but also means that any impact within the catchment will affect the entire municipality. The majority of the water produced in the Msunduzi catchment goes towards servicing/supplementing Durban's water requirements while Msunduzi sources the majority of its water from the Umgeni catchment. The uMsunduzi River (and its various tributaries) is an important feature of the municipal landscape and significant proportions of the Msunduzi Municipality have catchments that are currently in either a fair, poor or seriously modified ecological state. Catchments within the municipality that are transformed have reached their full supply capacity. Water quality varies between catchments but the impact of the city is evident from the decrease in water quality that occurs as it passes through the urbanised portions of the municipality. Rivers within Msunduzi are the source of a number of goods and services and these include:

- Water supply for industry, domestic use, agriculture and livestock watering;
- Dilution and removal of pollutants from agricultural, domestic and industrial sources;
- Reducing sediment inputs to coastal zone;
- Decomposing organic matter;
- Storing and regenerating essential elements;
- Provision of building materials in the form of clay bricks;
- Grazing fodder during dry seasons;
- Recreational and subsistence fishing;
- Providing aesthetic pleasures;
- Storm water management and control
- Sites for recreational swimming;
- Recreational sport, such as canoeing and income generated in the area from events e.g. Dusi Canoe Marathon;
- Open spaces within the City such as Alexandra Park;
- Environment for contemplation and spiritual renewal; and
- River-based educational activities.

The extent of wetlands has declined significantly, particularly in developed areas. Wetlands have been transformed and most of the remaining wetland areas are in a degraded state due to inappropriate land use and inadequate catchment management. There is a lack of ground level information regarding the functionality of most of the wetland habitats within Msunduzi and as part of the Status Quo Phase of the EMF, a wetland specialist study was undertaken that mapped a total of 1049 wetlands and this covered an area of approximately 1001 Ha. Most wetlands within the municipality were small, with an average wetland size of approximately 1 Ha. While the condition of wetlands was not specifically evaluated as part of the wetland specialist study, observations made during ground verification suggest that most of the wetlands that remain are in a degraded state. The network of wetland habitats do, however, form part of the system that generates the goods and services as listed above. Wetlands also provide unique goods and services such as storm water attenuation.

Water quality monitoring in streams and rivers within the municipal area is largely undertaken by Umgeni Water. Monitoring results confirm poor to very poor levels of water quality with this important resource classified as unsuitable of human consumption without treatment and largely unsuitable for recreational use. Residents who depend upon or make use of water harvested from these highly polluted riparian areas for drinking, cooking and irrigation purposes may be exposed to severe health risks. Pollution and degradation of water courses also has a significant negative impact on indigenous biodiversity including aquatic organisms, riverine vegetation, animals, birds and insects.

Poor or unavailable solid waste removal services within certain areas also results in significant levels of pollution as residents often treat riparian areas as a convenient area for the disposal of their refuse.

Rapidly expanding development and an increase in densities is resulting in increased storm water run-off. This coupled with the destruction, degradation and reduction of wetlands and inappropriate use of flood plains has significantly increased the risk of flooding, damage to infrastructure and potential loss of life. Preliminary results on the potential effect of Climate Change predict that annual rainfall within this region is likely to remain fairly constant with fewer storm events of a significantly higher intensity and severity. Higher flood peaks (flash floods) can therefore be anticipated increasing the risk for communities living in flood prone areas such as Sobantu, Imbali, Allandale, Rosedale, Oakpark, Townbush Valley and Prestbury. Measures to protect and rehabilitate wetlands, streams and flood plains and well as measures to manage and reduce storm water run-off are necessary to limit potential impacts.

Water quality monitoring in streams and rivers flowing through the municipal area is carried out by Umgeni Water but also by the Municipal Environmental Health Section as well. Almost without exception this monitoring indicates poor levels of water quality with important resources being classified as being unsuitable for human consumption without treatment and to a large extent unsuitable for recreational use. Many residents depend directly on water harvested from these highly polluted streams and rivers for drinking, cooking and irrigation which has a direct, and on occasions, severe health implications. Pollution and degradation of water courses also has a significant negative impact on indigenous biodiversity including aquatic organisms, riverine vegetation, animals, birds and insects.

(iii) CLIMATE AND AIR QUALITY

The climate and local weather in Msunduzi are strongly influenced by topography; the higher lying areas in the north and west of the municipality are cooler and receive more rainfall. Average annual temperature varies between 16.3°C and 17.9°C. Msunduzi falls within a summer rainfall area characterized by dry winters and wet summers with thunderstorms being very common in summer. Average rainfall within the Municipality varies between 748mm and 1017mm per annum.

The Pietermaritzburg city is located in a hollow formed by the valleys of the uMsunduzi River and its tributaries. On clear winter nights katabatic flow occurs resulting in the movement of air from upslope areas down to the city bowl, much like water. This fills the valley floor with cold, dense air creating an inversion that does not allow pollutants to escape. This air movement also brings pollutants from the entire municipality into the valley where it remains trapped by the inversion layer. The majority of industrial development within Msunduzi has been established within this inversion layer, as this land is both flat and in close proximity to both road and rail transport routes. As a result the city suffers short-term peaks in pollution despite relatively few heavy industries. Reported trends in air quality are as follows:

- There has been a decreasing trend in smoke generation over the last 30 years.
- Sporadic ambient monitoring of sulphur dioxide concentrations indicates decreases at two of the six sites while all the other monitoring sites show an increase.
- An Increase of pollution within the Northdale-Willowton basin (Baynespruit Valley) has been noted.
- High ambient benzene concentrations that exceed health standards were recorded. Benzene emissions are usually associated with vehicular emissions.
- The presence of sulphurous compounds (sulphur dioxide and/or hydrogen sulphide) has been suggested as the cause of most of the public's odour complaints.

Within Msunduzi there are four main sources of air pollution:

- An increase in vehicle volumes and traffic congestions in peak hours, particularly in the CBD and many of the arterial routes
- A large majority of industries operating old and dated technologies that have higher emissions than modern alternatives.
- Formal and informal settlements that use coal and firewood for heating and cooking; and
- Burning of sugar cane and brush wood.

(iv) BIODIVERSITY

The topography, geology and other land characteristics in Msunduzi give rise to diverse habitats and species richness. High levels of transformation have however resulted in a significant loss of natural habitat and hence a range of species. A biodiversity specialist study conducted as part of the Status Quo Phase of the EMF identified 20186 ha or 31.7% of the municipal area as having conservation importance. However, only 853.5 ha or 1.35% of the Municipality is formally protected.

A total of 56 animal species, 20 plant species and 8 vegetation types are regarded as being of particular biodiversity significance within Msunduzi. A high number of rare or threatened species are present with at least 50 endemic species occurring. For example at least 28 species of frogs have previously been recorded within the municipal region although it is not certain that all of these still exist here. Most are red data species.

Natural ecosystems deliver a range of free goods and services which have a direct and significant impact on the quality of life of residents and on the development of a sustainable city. These goods and services include: recreation, genetic resources, raw materials, food production, refugia, biological control, pollination, waste treatment, nutrient cycling, soil formation, erosion control, water supply, water regulation, disturbance regulation, climate regulation and cultural opportunities. Indiscriminate and or poorly planned and sited development, illegal dumping, unsustainable utilisation of natural resources and the uncontrolled encroachment of alien invasive plant and animal species all have a significant negative effect on the ability of natural systems to deliver these goods and services.

3.8.3 THE URBAN ENVIRONMENT

(i) CULTURAL HERITAGE

Msunduzi has an extremely rich cultural, architectural, historical and archaeological resource base that collectively makes up the heritage resources of the area. A Cultural Heritage Specialist Study identified and mapped a total of 646 heritage resource points and 32 heritage resource zones within the Msunduzi Municipal area. These consisted of architectural resources, archaeological resources, historical and cultural resources.

Results of the mapping revealed that the majority of heritage resources located within the Msunduzi Municipal area consist of architectural resources, in the form of built structures (mostly buildings). These are concentrated within the Pietermaritzburg CBD and its surrounding suburbs as well as in the Georgetown area of Edendale. A significant number of historical and cultural resources are also present within the Msunduzi Municipality. These consist of places of worship such as churches, mosques and temples, cemeteries, open spaces, areas of political significance and areas of past economic significance, to mention but a few. A general decline in the condition and quality of the area's identified heritage resources is noted.

A number of archaeological sites were also identified in the Msunduzi Municipality as part of the Heritage Resource Study. However, as no systematic archaeological survey of the Municipal area has been undertaken to date, the extent of the Municipalities archaeological resource base is largely unknown.

A significant lack of formally recognised historical and cultural sites of traditional African, Coloured and Indian cultures within the Msunduzi Municipal area is notable, and is a serious gap in the available data.

(ii) URBAN GREENING AND TREES

Maintaining a 'green' built environment is important for both the image of the city and the social and environmental health of residents. There is a need to focus on planting programmes in the CBD to replace storm- damaged and old/ dangerous trees with indigenous alternatives that are hardy and drought tolerant.

(iii) SOLID WASTE POLLUTION

Widespread illegal dumping of domestic and industrial waste as well as indiscriminate littering is widespread in the city. Not only does this have a negative impact on the natural environment (including streams, open spaces, vacant lots, buildings, roads and streets), but it also has a negative social impact as well as direct health implications on residents. The costs of clearing illegally dumped waste is significantly higher than managing this waste at source and on approved landfill and garden refuse sites.

3.8.4 COMMUNITY INVOLVEMENT

The Msunduzi municipality has created opportunities for civil society to participate in its affairs through the IDP process and the LA21 Forum. There are a number of civil society groups and NGO's that are actively involved with issues of water, biodiversity conservation, air quality and climate change. The DWA Catchment Management Forum also promotes society's participation in environmental decision making. Civil society plays an active role in biodiversity conservation through at least nine conservancies and trusts. There is, however, no mechanism or structure to promote collective participation in biodiversity governance in the municipality. Business and industry through the Pietermaritzburg Chamber of Commerce has created the Air Quality and Environment Forum to promote participation in air quality and environmental governance. There are various projects and activities that promote sustainable land management and agriculture in Msunduzi.

3.8.5 ENVIRONMENTAL HEALTH

In terms of Environmental Health and Social Services in the municipality, the Environmental Health [defined as the Municipal Health Services by the National Health Act, 2003 (Act No. 61 of 2003)] entails the following:

- “Water quality monitoring
- Food control
- Waste management
- Health surveillance of premises
- Surveillance and prevention of communicable diseases, excluding immunisations
- Vector control
- Environmental pollution control
- Disposal of the dead; and
- Chemical safety

but excludes port health, malaria control and control of hazardous substances”. The municipality fulfils these functions in terms of the act.

3.9 CLIMATE CHANGE

3.9.1 INTRODUCTION

Communities vary as to their susceptibility to climate change based on a number of variables, including: their socio- economic status, their ability to respond to the risks imposed on them, and the nature of the risks communities are exposed to. Those communities who are directly dependent on resources around them are more likely to be affected by any changes in the availability and distribution of those resources. If climate change affects the availability or distribution of the resources on which the community depends, then the ability of the community to adapt and secure their livelihoods will be compromised. Likewise, less- advantaged and marginalised communities may be at higher risk of exposure to stressors and hazards due to the physical location of these communities. Therefore, those communities living next to a river where they are at greater risk to increased runoff and flooding due to climate change may be at greatest risk. Settlements that fall into this category in the municipality include communities in Edendale as well as informal settlements like Jika Joe.

The uMgungundlovu DM is currently preparing a District Climate Change Study which will be implemented at the local municipal level. The Msunduzi Municipality is also drafting in- house a Climate Change Policy.

3.9.2 ADAPTION

South Africa's primary approach to adapting to the impact of climate change is to strengthen the nation's resilience. This involves decreasing poverty and inequality, increasing levels of education, improving health care, creating employment, promoting skills development and enhancing the integrity of ecosystems. This strategy requires ensuring that local, provincial and national government embrace climate adaptation by identifying and putting into effect appropriate policies and measures.

Adaptation policies and measures include: adequate support for the vulnerable; equitable disbursement of financial assistance, significant investments in new adaptive technologies and techniques in the water, biodiversity, fisheries, forestry and agricultural sectors; early warning systems for adverse weather, pest and disease occurrence; disaster relief preparedness; and significant investment in conserving, rehabilitating and restoring natural ecosystems to improve resilience. Gene banks should also be expanded to conserve critically endangered species that are increasingly vulnerable to climate change.

3.9.3 MITIGATION

South Africa's levels of emissions will peak around 2025 and then stabilize. This transition will need to be achieved without hindering the country's pursuit of its socioeconomic objectives. This can be attained through adequate internal financing and technological assistance, and a carefully aligned domestic policy and regulatory environment. Key contributors to stabilising emissions include: a commitment to undertake mitigation actions; an appropriate mix of carbon pricing mechanisms; policy instruments that support mitigation; an expanded renewable energy programme; an advanced liquid and bio-fuels sector; an effective mix of energy efficiency and demand management incentives; proactive climate exchange programmes in areas such as waste management and street lighting; to promote green building and construction practices; investments in an efficient public transport system; and a robust and transparent monitoring, reporting and verification system. Additional investments in research and development, manufacturing, training and marketing are also critical.

These actions will need to take place in the context of an agreed international framework for mitigation that imposes an absolute constraint on greenhouse gas (GHG) emissions internationally from 2030 to 2050. This will help mitigation to become a key component of policy and planning. By 2030 a substantial proportion of the low-carbon infrastructure should be in place or at an advanced stage of planning, particularly in the energy and transport sectors. South Africa will need to allocate research and development resources strategically to low-carbon technologies, building on existing areas of competitive advantage. This will help the country to establish a vibrant market for low carbon products and services for both use and export to Southern African countries. The country will also need to ensure significant strategic streamlining of carbon-intensive investments.

KEY ISSUES RELATING TO THE NATURAL ENVIRONMENT INCLUDE:

- Clearing of alien- invasive plants as they impact on biodiversity and agricultural land productivity and water quality and supply. It is also a legal requirement as the Municipality is a land owner and is thus required to eradicate all Category 1 invasive species.
- Loss and degradation of key wetlands due to urban sprawl, overgrazing, poor sewerage and waste water management.
- Litter and illegal dumping in and around urban areas.
- Pollution of natural water courses.
- Flood risk heightened due to climate change impacts and degradation of natural environment.
- Seasonally high air pollution levels caused by inversion layer as well as through industry and agriculture emissions.
- Pollution caused by vehicular emissions at peak periods resulting in high levels of carcinogens.
- Compliance with international and national carbon reduction targets.
- The need to mainstream climate change into municipal functions and for the municipality to proactively adapt to the changes brought about by climate change.
- A need for urban greening and indigenous planting programmes in the CBD, new commercial, industrial and residential developments.
- The need to rehabilitate degraded land caused by inappropriate land uses.
- Loss of strategically located agricultural land to urban sprawl.
- The need to identify communities that are at risk of environmental impacts.
- High levels of noise impacting on the social environment.
- Limited institutional capacity within the municipality to deliver on your legal mandate and priority action plans emanating from the Strategic Environmental Management Plan.
- A need for greater public participation in environmental matters through the reinstatement of the LA21 Forum.
- A need for greater public access to environmental policies and plans through media like the internet.
- A need for training of Councillors, officials and the public on principles of sustainable development.

STRENGTHS

- A number of environmental sector plans have been prepared.
- The municipality is blessed with a number of unique environmental resources.

WEAKNESSES

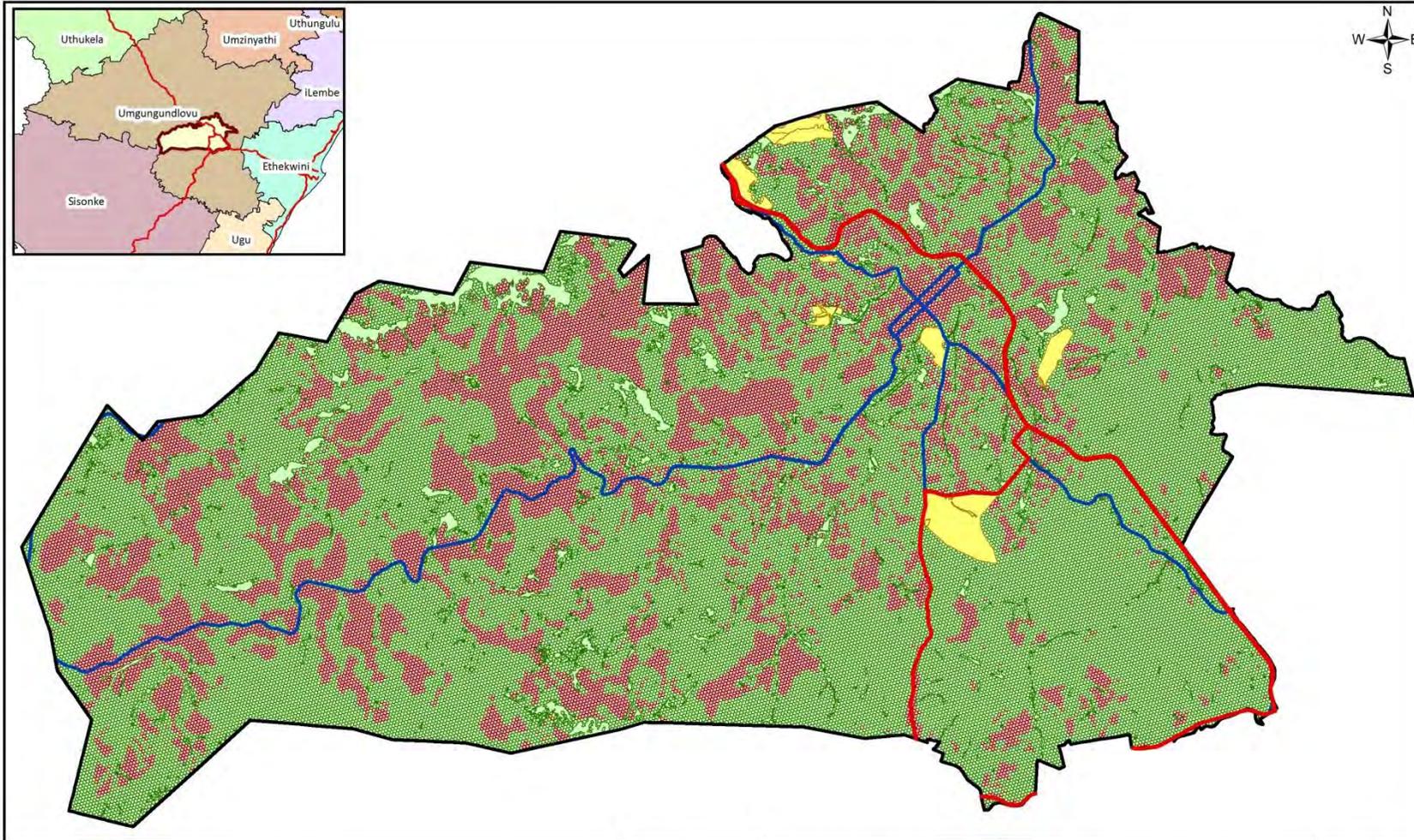
- Illegal dumping and pollution of water courses
- Topography leading to an inversion layer and seasonally high pollution levels.
- Limited institutional capacity to deliver on the legal mandate of the municipality.

OPPORTUNITIES

- Urban greening.
- Recycling and job opportunities that this may generate.
- Training of Councillors, Officials and the public on the principles of sustainable development.

THREATS

- Under-resourced environmental section.
- Loss of key wetlands
- Flood risks heightened due to climate change and man's impact on the environment.
- Loss of good agricultural land to urban sprawl.



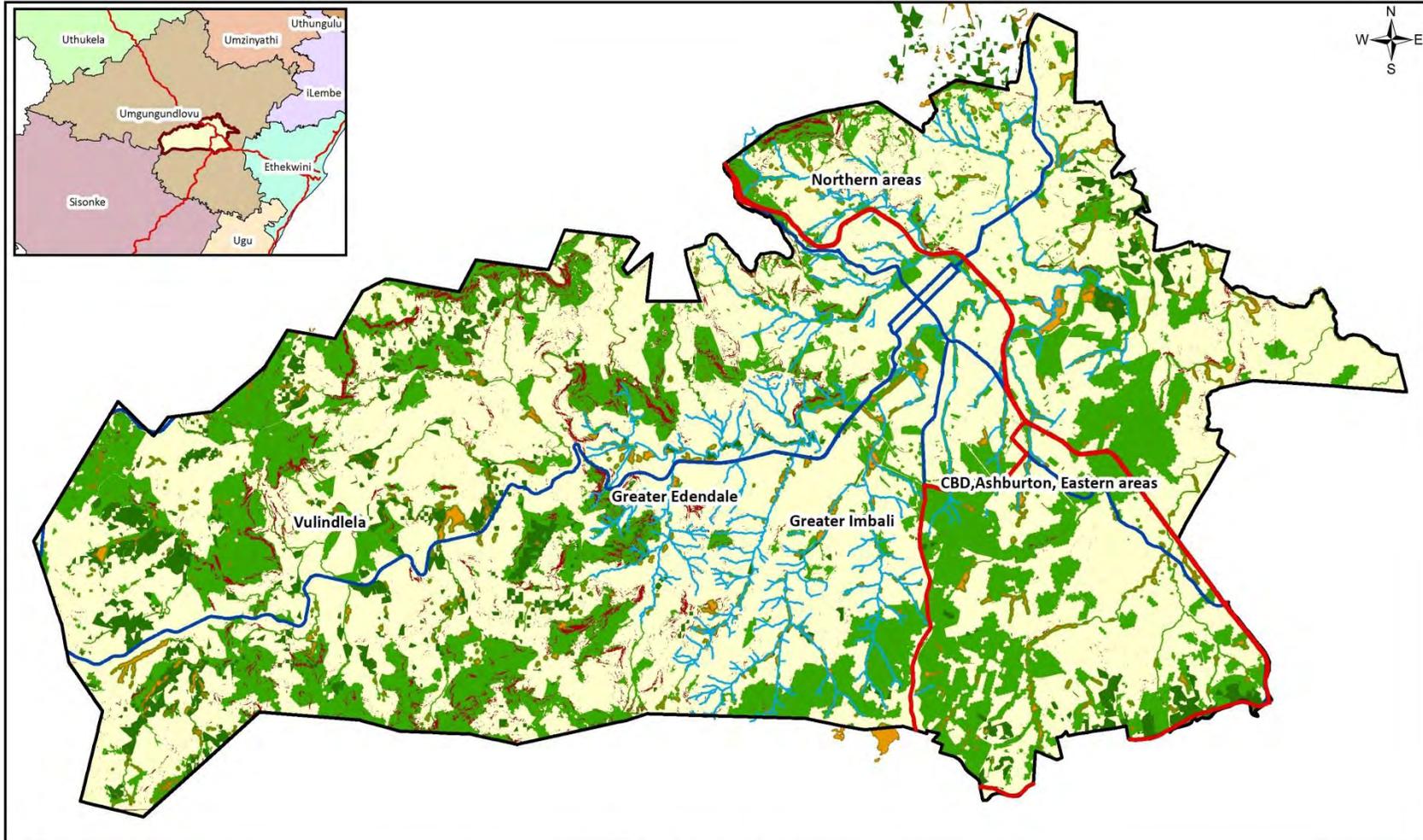
Legend

Available	Municipal Boundary
Conserved	Class 1 Roads
Excluded	Class 2 Roads

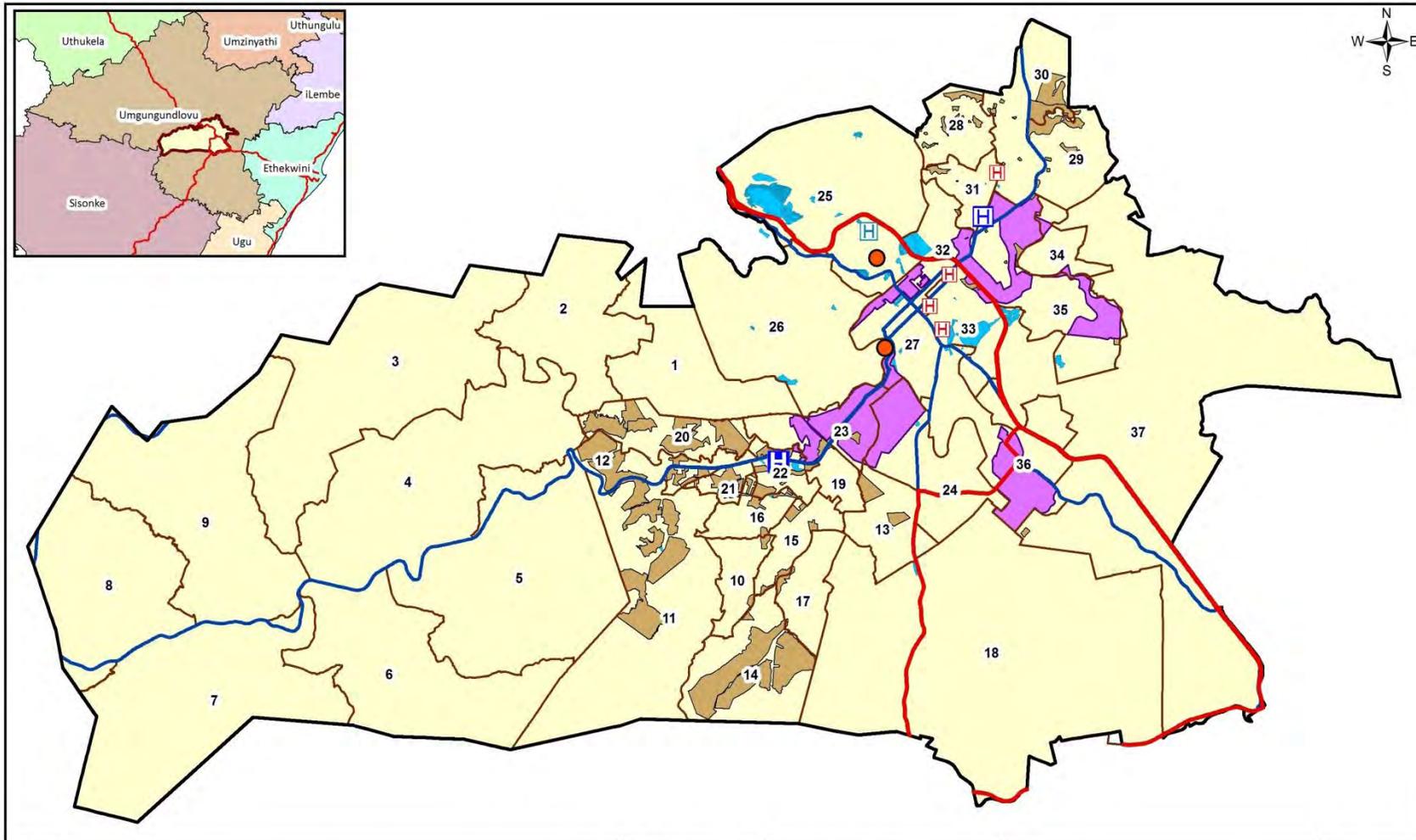
SECTION:	Environmental Management
MAP TITLE:	C-Plan
MAP N 27 :	IDP 8.1
DATE:	15 February 2013
SCALE:	Not to Scale

DISCLAIMER:
 The Municipal GIS Unit is in no way responsible for the accuracy or completeness of data here presented. Therefore in no event will the Municipal GIS Unit be held liable for damages, including loss of profits or consequential damages arising from the use of information herein.

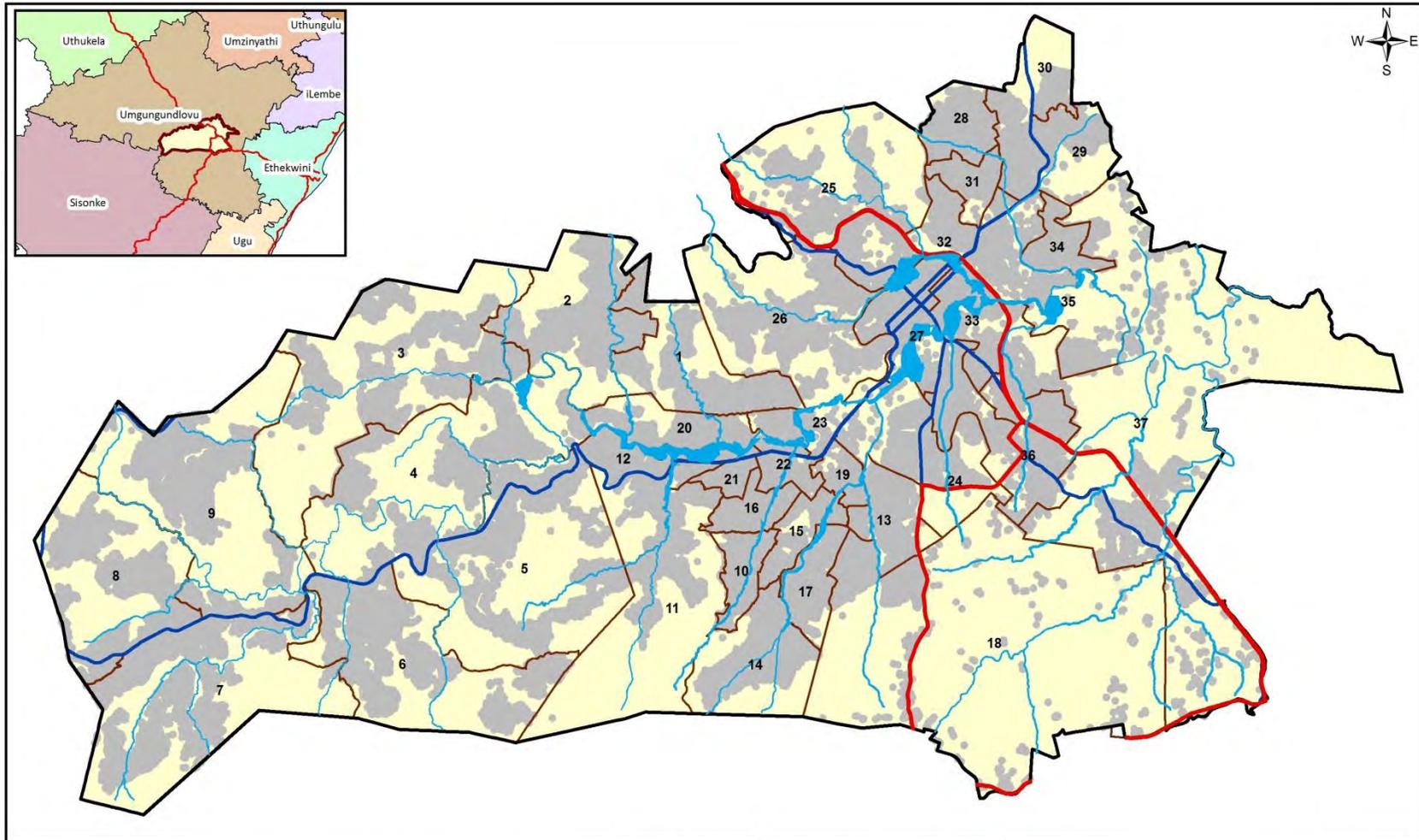




Legend 32m River Buffers Wetland Areas 1:3 and 1:4 Slopes Agricultural Retention Draft Municipal Open Space System Municipal Boundary Class 1 Roads Class 2 Roads	SECTION:	Environmental Management	DISCLAIMER: The Municipal GIS Unit is in no way responsible for the accuracy or completeness of data here presented. Therefore in no event will the Municipal GIS Unit be held liable for damages, including loss of profits or consequential damages arising from the use of information herein.	 CITY OF CHOICE PIETERMARITZBURG M S U N D U Z I
	MAP TITLE:	Development Constraints		
	MAP NUMBER:	28		
	DATE:	15 February 2013		
	SCALE:	Not to Scale		



Legend		SECTION:	Disaster Management	DISCLAIMER: The Municipal GIS Unit is in no way responsible for the accuracy or completeness of data here presented. Therefore in no event will the Municipal GIS Unit be held liable for damages, including loss of profits or consequential damages arising from the use of information herein.	 PIETERMARITZBURG M SUNDUZI	
Regional Hospital	Shopping Malls and Facilities	Municipal Wards	MAP TITLE:			Fire Prone Areas
District Hospital	Industrial Areas	Municipal Boundary	MAP NU			29
Tertiary Hospital	Informal Settlements	Class 1 Roads	DATE:			15 February 2013
Hospital	Class 2 Roads		SCALE:			Not to Scale
Specialised Psychiatric Hospital						



Legend

- Potential Flood Zones
- Municipal Wards
- Class 1 Roads
- Settlement Pattern
- Municipal Boundary
- Class 2 Roads

SECTION:	Disaster Management
MAP TITLE:	Flood Prone Areas
MAP N:	30
DATE:	15 February 2013
SCALE:	Not to Scale

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3.10 DISASTER MANAGEMENT

3.10.1 INTRODUCTION

The Disaster Management Act, (57 of 2002), clearly outlines initiatives that must be undertaken to make sure that organisations of states comply with the act and policy framework on disaster management accordingly. The area jurisdiction of Msunduzi Local Municipality is prone to different types of disaster risks both natural and human made. It is of essence therefore to understand that, natural disaster cannot be prevented but the least that, the municipality can do is to develop strategies to mitigate the effectiveness of such natural disasters. On the other hand human made disasters can be prevented by making sure that, continuous sharing information with the community takes place at all times.

The uMgungundlovu District Municipality has prepared a draft Disaster Management Plan which the Msunduzi municipality has been part of. The municipal department tasked with Disaster Management is in the process of reviewing the Consolidated Disaster Management Framework and Disaster Management Plan in- house.

3.10.2 MUNICIPAL INSTITUTIONAL CAPACITY

(i) DISASTER MANAGEMENT

Disaster Management as a discipline is changing from being reactive to being proactive. To achieve this it is necessary to determine the risks that the communities are faced with, to provide a safe environment and to provide relief assistance to the affected. During the 2011/12 financial year risk analysis workshops were conducted and the raw data processed.

Relief supplies and assistance were given to those affected by storms, fires and other disasters. Relief is in the form of temporary accommodation, food rations and waterproofing and its noted that the number of incidents has decreased over the last two years.

- During the 2011/12 year 176 incidents were attended.
- The cost of the emergency supplies issued to the victims came to R280 296.00 and 410 people were affected.

KEY ISSUES RELATING TO DISASTER MANAGEMENT INCLUDE

- The need for the development of an emergency services communications centre;
- The need for one emergency number for reporting on all emergencies (ie. Fire, traffic, security, disaster);
- Despatch of emergency resources to emergency incidents must be in compliance with national standards relating to emergency response;
- There is a need for disaster response plans for prioritised high risks; and
- The need for the development of a training school for amongst other things, rescue training.

(ii) FIRE SERVICES

The purpose of this unit is as follows:

- Fight or extinguish a fire and rescue of life or property from a fire or other danger;
- Prevent the outbreak and spread of fire and the protection of life or property from fire or other threat; and
- Basic fire and life safety training.

During the 2010/11 financial year a total of 1 704 fires were attended to and 1 455 fires were attended to during the 2011/12 financial year. Average response times in urban areas improved from 10 minutes during 2010/11 to 8 minutes in 2011/12. Average response times for both financial years in rural areas was 25 minutes.

KEY ISSUES RELATING TO FIRE FIGHTING:

- The need for two fire stations in Northdale and Vulindlela to comply with response times in terms of SANS 10090: 2003;
- The replacement of critical fire fighting vehicles and related equipment;
- Increased staffing to SANS 10090: 2003 standards;
- All- weather parking facilities for fire fighting vehicles; and
- Public education on basic fire prevention and life safety with particular focus on residents of informal settlements.

(iii) TRAFFIC SERVICES

The Department helps ensure a safe environment and improve the quality of life through effective Traffic policing combined with efficient use of security officers. Traffic services include:

- Control and regulate all forms of Traffic, promote education and training on road and traffic safety;
- Attend scenes of motor vehicle collisions and assist with traffic control, removal and injured persons and removal of vehicles so that traffic may flow freely again; and
- Eliminate points of congestion, obstruction, hindrance, interference or danger to vehicles and pedestrians.

Other areas of service provision currently requiring attention include by- law enforcement and crime prevention.

The municipality is currently undertaking a study to ascertain the number of traffic personnel require to fulfil their legal mandate.

There were 850 road traffic accidents during the 2010/11 financial year which decreased to 682 during the 2011/12 financial year.

KEY ISSUES RELATING TO TRAFFIC SERVICES INCLUDE:

- Shortage of manpower;
- Reliability of the traffic services fleet; and
- Human resource issues relating to change management, training, staff morale and discipline.

(iv) SECURITY SERVICES

The Security Services Section’s responsibilities include:

- Protection of municipal assets;
- Access control to municipal buildings;
- Protection of municipal forests and nature reserves;
- Serving of municipal notices (i.e. Illegal occupations, illegal dumping);
- Escorting municipal officials on disconnections (i.e. Water and electricity); and
- Enforcing by- laws with regards to illegal trading.

The municipality is also part of the Safe City Pietermaritzburg initiative. Key objectives of this initiative are to provide camera surveillance of certain areas within the Msunduzi municipality so as to encourage a crime free environment for the benefit of Msunduzi communities and to attract investors and promote development, tourism and job creation. Partners in the initiative include:

TABLE 27: Safe City Pietermaritzburg Roleplayers

ROLE PLAYER	RESPONSIBILITY
-------------	----------------

The Msunduzi municipality	<ul style="list-style-type: none"> • The municipality has provided Operational and Capital Budget since 2002; and • The municipality provides response teams for traffic and bylaw infringements.
The SA Police Services	<ul style="list-style-type: none"> • Provides significant Business Skills input at no cost to initiative; • Provides funding for the Royal Agricultural Show public engagements as well as equipment needs; and • Provides funding for SMS Safe City Project DIAL 083676 SAFE.
The National Prosecuting Authority	<ul style="list-style-type: none"> • Provides 24/7 presence in control room; • Provide rapid response to crime incidents detected on screen; • Provide guidance to operators in respect of Criminal Procedures Act requirements; and • Provide daily crime stats for operational purposes.
Business Fighting Crime	<ul style="list-style-type: none"> • Provide dedicated court for all CCTV related cases; • Provide specialised prosecutor for CCTV cases; and • Provide monthly feedback and overview of previous month's criminal cases.

KEY ISSUES RELATING TO SECURITY SERVICES INCLUDE:

- Human Resource issues relating to current levels of skills and training needs.
- Staff suitability for accreditation as Peace Officers;
- Reliability of the municipal fleet.
- Key challenges relating to Safe City include:
 - Obtain capital funding to extend the existing system into new areas of the municipality and to assist the Msunduzi municipality in the enforcement of Traffic and other general laws;
 - Maintain automatic number plate recognition operations in conjunction with the Traffic Department despite a severe manpower shortage in the Department;
 - Increase the number of Bylaw arrests for infringements detected on camera which requires a dedicated Municipal Security Response team;
 - Keeping camera down- time below 1% despite financial constraints;
 - Maintain close cooperation with all Safe City Partners;
 - Maintain a high level of control room vigilance;
 - Investigate possibilities to increase Safe City's income revenue; and
 - Upgrade existing cameras and Control Room technology in order to maintain and grow the required performance levels.

3.10.3 RISK ASSESSMENT

The following classification of hazards has been developed for the municipality. These will require confirmation with the finalisation of the Disaster Management Plan.

TABLE 28: Disaster Risk Priority

Disaster risk priority	Risk type
1	Fires (shack)
2	Fires (veld)
3	Flooding
4	Severe weather conditions
5	Hazardous materials (storage, transportation and usage)
6	Lightning incidents
7	Special events (as an on-going processes)
8	Mission Critical Systems Failure (MCFS)
9	Transportation accidents
10	Building collapse

3.10.4 RISK REDUCTION AND PREVENTION

Prevention and mitigation strategies identified in the District Disaster Management Plan include:

- The development of an early warning system on natural disasters such as floods, hailstorms and droughts;
- Prevent forest fires by having fire breaks;
- LED Programmes;
- Upgrade and maintenance of infrastructure;
- Develop protocols for specific risks;
- Road sidewalk maintenance;
- Upgrade and maintenance of landfill sites;
- Public awareness campaigns;
- Replacement of old vehicles and machinery;
- Establish rehabilitation centres;
- Develop poverty alleviation strategies;
- Develop job creation programmes (ie. Cleaning campaigns)
- Implementation of regular patrols.

Several of these issues are addressed through the IDP's strategic framework.

KEY ISSUES RELATING TO THE DISASTER MANAGEMENT INCLUDE:	
<ul style="list-style-type: none"> • The need for the development of an emergency services communications centre; • The need for one emergency number for reporting on all emergencies (ie. Fire, traffic, security, disaster); • Despatch of emergency resources to emergency incidents must be in compliance with national standards relating to emergency response; • There is a need for disaster response plans for prioritised high risks; and • The need for the development of a training school for amongst other things, rescue training. 	
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • The in- house review of the Consolidated Disaster Management Framework and Disaster Management Plan. 	<ul style="list-style-type: none"> • Ageing infrastructure and equipment to deliver on the legal mandate. • Obtain capital funding to extend the existing system into new areas.
OPPORTUNITIES	THREATS



<ul style="list-style-type: none">• The development of an in- house Disaster Management Plan.• The establishment of two new fire stations bring response times down and extending services to previously un-serviced areas.	<ul style="list-style-type: none">• Human Resource issues relating to current levels of skills and training needs.• Staff suitability for accreditation as Peace Officers.
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PGDS GOAL: GOVERNANCE AND POLICY

3.11 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS

3.11.1 CAPABILITY TO EXECUTE CAPITAL PROJECTS

The following table summarises the annual expenditure on capital projects against the budgeted amounts for the period 2008 to 2012.

TABLE 29: Capital Expenditure against Budgeted Amounts

FINANCIAL YEAR	ACTUAL EXPENDITURE	BUDGETED EXPENDITURE	% SPENT
2008	64 593 237.00	299 116 144.00	21.59
2009	298 093 139.00	334 487 179.00	89.12
2010	154 941 912.16	267 715 691.00	57.88
2011	111 148 753.00	346 509 975.00	32.08
2012	223 563 286.10	478 351 619.00	46.74

The municipality has noted the under expenditure on capital projects and is addressing this through the following interventions:

- Planning for procurement of capital projects is to be done timeously at the start of the financial year;
- Gazetted amounts for grants exist and planning needs to take place ahead of the start of the financial year; and
- Monitoring through the Strategic Management Committee is to ensure that the above takes place.

3.11.2 COST OF FREE BASIC SERVICES TO THE MSUNDUZI MUNICIPALITY

The municipality has some 22 000 automated indigents and has commenced with the registration of indigents for the 2013/14 financial year. It is anticipated that the list of beneficiaries will grow to approximately 28 000.

The following subsidy will apply per month:

TABLE 30: Free Basic Services Subsidies for 2013/14

BASIC CHARGE REMISSIONS	TOTAL COST TO THE MUNICIPALITY (REVENUE FORGONE)
Electricity (R18.45)	R516 880.00
Basic Sewer Charge (R16.00)	R448 000.00
SERVICE CHARGES	TOTAL COST TO THE MUNICIPALITY (REVENUE FORGONE)
Water (R16.50 x 7kl x 28 000)	R3 234 000.00
Refuse (R74.00 x 28 000)	R2 072 000.00
Sewer (R115 x 28 000)	R3 220 000.00
TOTAL	R9 952 000.00 per month
ANNUAL	R119 424 000.00

3.11.3 REVENUE ENHANCEMENT AND PROTECTION STRATEGIES

(i) MUNICIPAL PROPERTY RATES

The Municipality implemented the local Government: Municipal Property Rates Act (MPRA) on 1 July 2008 following the original publication of the valuation roll in February 2008. Key activities since publication have been the processing of objections and queries to the roll, publishing of four supplementary rolls in the first financial year, with a target of three supplementary rolls per year thereafter. The next general valuation is anticipated to be effective on 1 July 2013 and this roll will be used for raising rates for the 2013/14 financial year.

(ii) COUNCIL DEBT REDUCTION

The objective of this programme is to reduce municipal debt by actively reviewing and implementing a council credit control and debt management policy. The implementation of this policy will include the following:

- The consolidation of all debts owing in respect of electricity, water and rates onto one account;
- The consolidation of arrear amounts gives council more leverage to pursue recovery action against non-paying consumers;
- The stratification of the total outstanding debtors into government, commercial, residential and vacant land;

Each category has different collection strategies:

- All debts in excess of R20 000 are handed to newly appointed panel of attorneys for collection;
- Judgement will be taken on all ratepayers that owe more than R20 000 via the high court in terms of the sale in execution process;
- Council properties are being investigated and rates outstanding allocated to respective departments;
- Active attention to government debt by arranging meetings with government officials regularly and disconnecting services for non-payment if necessary; and
- Unallocated debt write-offs.

3.11.4 MUNICIPAL CONSUMER DEBT POSITION

The municipal consumer debt position is summarised in the table below. The 'gross balance' refers to outstanding debts and as can be seen, this figure is increasing annually to the figure of R1,133 billion in 2012 which is worrying. The 'provision' refers to provision for doubtful debtors and this figures includes indigents. There has been an increase in debtors by 75.6% in the past three years and this is a worrying trend, but this mirrors the macro economic trends identified in the economic analysis.

TABLE 31: Consumer Debt Position

	2012	2011	2010	2009	2008
Gross balance	1 133 722 533.00	898 701 828.00	645 381 770.00	502 310 918.00	435 441 042.00
less: provision	-584 042 761.00	-525 990 243.00	-430 578 131.00	-182 000 434.00	-178 592 418.00
Net balance	549 679 772.00	372 711 585.00	214 803 639.00	320 310 484.00	256 848 624.00

3.11.5 REVENUE THROUGH GRANTS AND SUBSIDIES

The following table summarises the unspent conditional grants for the Msunduzi municipality. It must be noted that some grants straddle multiple financial years owing to the fact that municipal and provincial financial years differ.

TABLE 32: Unspent Conditional Grants

	2012	2011	2010	2009	2008
Short-term deposits	561 104 238.00	281 608 001.00	117 920 883.00	93 574 692.00	260 420 761.00
Other investments	-411 656 590.60	-160 298 449.00	22 961 149.00	19 500 399.00	-114 494 136.00
Unspent Conditional Grants	149 447 647.40	121 309 552.00	140 882 032.00	113 075 091.00	145 926 625.00

The following table summarises the grants for the current and two outer-lying financial years. These figures also indicate 'in kind' allocations where the grantor pays service providers directly.

TABLE 33: List of Grants and Transfers

Grant Name	Schedule	2012/2013 R'000	2013/2014 R'000	2014/15 R'000	2015/16 R'000
1. Financial Management Grant	6 & 8	1 500.00	1 550.00	1 600.00	1 650.00
2. Municipal Systems Improvement Grant	6 & 8	800.00	890.00	934.00	967.00
3. Expanded Public Works Programme	6 & 8	1 501.00	0.00	0.00	
4. Equitable Share		338 903.00	354 313.00	373 677.00	393 300.00
5. Municipal Infrastructure Grant	4 & 6	153 399.00	151 312.00	159 271.00	170 390.00
6. Public Transport and Systems	6	45 000.00	100 846.00	30 000.00	12 000.00
7. Intergrated National Electrification Programme	6	5 000.00	143 000.00	0.00	
TOTAL		546 103.00	751 911.00	565 482.00	578 307
8. Rural Households Infrastructure Grant (Allocations in kind)	7	4 500.00	8 000.00	5 000.00	10 000.00
9. Neighbourhood Development Partnership	7	700.00	300.00	500.00	

Grant Name	Schedule	2012/2013	2013/2014	2014/15	2015/16
(Allocation in kind)					
TOTAL		5 200.00	8 300.00	5 500.00	10 000.00
10. Public Works		10 963.00	21 553.00	22 581.00	
11. Airport Development		19 315.00	4 000.00	4 300.00	
12. Human Settlements - Provincial		9 000.00	26 020.00	25 518.00	
16. Provincialisation of Libraries - Arts and Culture		0.00	0.00	0.00	
17. Health		2 537.00			
19. Sport and Recreation - KZN Dept. of Sports and Recreation		2 100.00	0.00	0.00	
Corridor Development			12 500.00	0.00	0.00
TOTAL		43 915.00	64 073.00	52 399.00	0.00

3.11.6 PRESERVATION OF MUNICIPAL INFRASTRUCTURE ASSETS (O & M)

The following table summarises the Operations and Maintenance costs spent per financial year as well as the percentage this is of the total expenditure. It must be noted that these figures are fairly low and below the Treasury norm of 10%. This trend is being addressed in the future financial years through the 2013/14 budget.

TABLE 34: Repairs and Maintenance Costs

YEAR	AMOUNT	% OF TOTAL EXPENDITURE
2008	60481535	4.01
2009	77379164	3.71
2010	65924285	2.40
2011	57394116	2.04
2012	39509685	1.49

3.11.7 CURRENT AND PLANNED BORROWING

The municipality has taken a decision not to take any new external loans since 2010. The following table summarises the status of borrowing as at 30 June 2012 which totalled an amount of R619,538,346.00.

TABLE 35: Status of Borrowing

BORROWING SOURCE	AMOUNT
DBSA	609 430 734.00
RMB/INCA	7 748 173.00
RMB/HULLETS	2 359 439.00
As at 30 June 2012	619 538 346.00

3.11.8 MUNICIPAL CREDIT RATING

The following table summarises the municipal credit rating of the municipality from 2008 to 2012.

TABLE 36: Municipal Credit Rating Status for 2008 to 2012

	2012	2011	2010	2009	2008
Short term	A3	A3	A3	A1-	A1-
Long term	BBB	BBB	BBB	A	A

In terms of these gradings, the following is noted:

- An A3 grade is a “satisfactory” grade which indicates that there is satisfactory liquidity and other protection factors qualify issues as to investment grade. However, risk factors are larger and subject to greater variation.
- A BBB rating relates to claims paying ability rating scale. A ‘BBB’ rating indicates adequate claims paying ability. Protection factors are adequate, although there is considerable variability in risk over time due to economic and/ or underwriting conditions.

3.11.9 EMPLOYEE- RELATED COSTS TO TOTAL EXPENDITURE (INCLUDING COUNCILLOR ALLOWANCES)

The following table summarises the employee- related costs for the municipality in terms of actual and budgeted expenditure.

TABLE 37: Employee (including Councillor allowances) per financial year 2008 – 2012

	2012	2011	2010	2009	2008
Employee Related Costs					
Budget	655 865 064.00	637 819 684.00	639 159 070.00	533 500 172.00	504 317 877.00
Actuals	666 197 730.00	634 105 509.00	631 560 166.00	580 172 075.00	500 859 238.00
% Spent	101.58	99.42	98.81	109	99.31-
Remuneration of Councillors					
Budget	35 373 811.00	19 355 784.00	19 502 202.00	18 417 566.00	17 890 060.00
Actuals	31 426 756.00	18 417 917.00	19 383 701.00	19 164 676.00	15 467 145.00
% Spent	88.84	95.15	99.39	104	86
Total Employee- Related Costs					
% Spent	26.29	23.24	23.75	28.72	34.27

The Treasury norm for employee costs is 30% and the Msunduzi municipality is well within this normative figure.

3.11.10 SUPPLY CHAIN MANAGEMENT (SCM)

The Msunduzi Supply Chain Management (SCM) Unit is a support function for all business units within the Council to ensure provision of efficient, transparent, fair, equitable and cost effective procurement services

hence assisting them to implement their service delivery priorities. In terms of the Municipal Finance Management Act SCM regulations, the SCM unit is established to implement the SCM policy adopted by Council. It operates under the direct supervision of the Chief Financial Officer (CFO) or an official to whom this duty has been delegated in terms of Section 82 of the Act. Core functions include demand management, acquisition management, logistics management, disposal management, SCM risk management, and performance management.

The SCM Policy was adopted by Council on 29 September 2011 in terms of the SCM Regulations 3 (1)(a) and implemented immediately thereafter. Further review of the SCM policy was done in December 2011 to further align the policy to the Preferential Procurement Regulations (2011) issued in terms of Section 5 of the Preferential Procurement Policy Framework Act (5 of 2000). The SCM policy was again reviewed in September 2012.

An SCM Implementation Plan is developed and implemented annually with quarterly reports on implementation being submitted to Council.

The municipality has the following committees established and functional with appointments being valid for one financial year:

- Bid Specification Committee (BSC)- every Thursday at 09h00;
- Bid Evaluation Committee (BEC)- every Tuesday at 14h00; and
- Bid Adjudication Committee (BAC)- every Thursday at 14h00.

The Bid Committees latest appointments were done for the period 1 January 2013 to 31 December 2013.

3.11.11 LONG- TERM FINANCIAL PLAN (LTFP)

(i) INTRODUCTION

Given the purpose of the Municipality and the service delivery mandates and objectives as summarised in Section 2, the Municipality developed a LTFP to give effect to the above imperatives and challenges but in a sustainable manner and without reverting/deteriorating into a state of financial problems again.

The LTFP will be reviewed on an annual basis, and ideally all future budgets and financial planning processes must be aligned to the LTFP. In doing so, the LTFP should also be updated with at least the following information:-

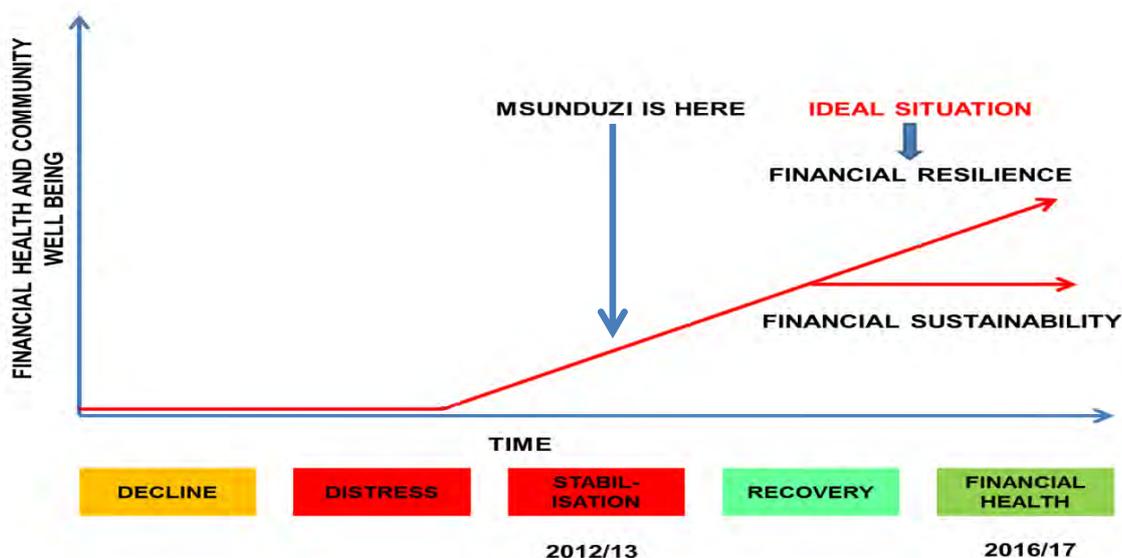
- Any direct change in financial status or internal factors, other than previously predicted, which may influence the financial status and viability of the Municipality;
- Any changes in the economic and socio economic environment, other than previously predicted, which may influence the financial status of the Municipality;
- Any changes in the revenue base or composition which may have an impact on the financial viability of the Municipality;
- Any changes in the National or Municipal priorities as previously identified; and
- Any factors which may have an impact on the ability to implement previously identified projects.

The Msunduzi LTFP takes cognisance of the following additional factors:

- ***A collaborative and visionary process.*** The LTFP does not just forecast the status quo into the future but considers different possible scenarios and involves all stakeholders, elected officials, line departments, and the public to help identify financial issues, develop consensus strategies, and ensure a successful implementation.

- **A combination of technical analysis and strategising.** Long-term forecasts and analysis are used to identify long-term imbalances and financial strategies are developed to counteract these imbalances or inequities.
- **An anchor of financial sustainability and policy development.** The plan develops big-picture and long-term thinking among elected and appointed Officials and also aims to ensure alignment and credibility of the IDP.
- **Long term in nature.** The plan should cover between five and ten years but some components take a longer view. For example, the plan may include a 20-year forecast of infrastructure needs. In this regard the key is to match this time horizon with the financial strategies of the Municipality.
- **Aligned to the Financial Recovery Plan.** The LTFP is not intended to replace the FRP but to rather supplement the FRP and the MTREF Budget of the Municipality.

FIGURE 13: Long- term Financial Plan



Given the above, Msunduzi therefore needs to move from a point of financial problems to ensure that it attains complete financial health thereby improving service delivery to the Community it serves.

This can only be done in the medium to long term and the measure of success for Msunduzi in terms of the LTFP would be for Msunduzi to ensure that the Council's long term financial performance and position is sustainable. This will be achieved when planned long-term service delivery and infrastructure levels and standards are met:

- Without unplanned or sporadic increases in rates and tariffs; and /or
- There is no disruption or cuts to services or service delivery due to lack of infrastructure management and old or ageing infrastructure.
- From a policy perspective the LTFP is aimed at ensuring that the Municipality has sufficient and cost-effective funding in order to achieve its long term objectives through the implementation of the medium term operating and capital budgets. The purpose of this LTFP is therefore to:-
- Ensure that all long term financial planning is based on a structured and consistent methodology in order to ensure the long term financial sustainability of Msunduzi;
- Identify assets (including human resources) investment requirements and associated funding sources to ensure the future sustainability of Msunduzi;
- Identify revenue enhancement and cost saving strategies in order to improve service delivery at affordable rates and tariffs; and
- Identify new revenue sources as funding for future years.

(ii) OBJECTIVES AND PRIORITIES OF THE MUNICIPALITY

The key strategic outcomes of Msunduzi that have been articulated in the 2012/13 IDP, considered and encapsulated in the LTFP includes:

- **Plan 1:** Build a strong institutional and financial base and sustainability;
- **Plan 2:** Improve quality living environments through basic access to water, sanitation, electricity, waste management, roads and disaster management;
- **Plan 3:** Provide safe, healthy and secure environment (environmental health and public safety);
- **Plan 4:** Create an environment for economic growth and development to enhance the Municipal contribution to job creation and sustainable livelihoods through a Local Economic Development Plan;
- **Plan 5:** Build a cohesive system of governance that translates deepening democracy into a meaningful sense to public participation; and
- **Plan 6:** Ensure integrated, sustainable spatial planning and development.

The above outcomes are guided by the following principles that also underpin the LTFP to ensure alignment and consistency to all planning processes:

- **Ubuntu:** Humanity, I am what I am because of who we are
- **Hard working:** Passionate and committed to one's work
- **Competence:** Having requisite skills, knowledge behaviour and appropriate attitude in executing one's work effectively and efficiently
- **Integrity:** To maintain and demonstrate good governance honesty

(iii) CURRENT CHALLENGES WITHIN THE MUNICIPALITY

Given the above service delivery and policy imperatives, it would be amiss not to mention the current challenges within Msunduzi, as the LTFP will also be guided by these. However, the LTFP attempts to address these challenges in a holistic and integrated manner to ensure that service delivery is improved but more importantly sustained over time.

- **Organisational Structure and Human Resource Matters:** The current structure was approved in 2008 and contains 4 641 approved posts of which 2 606 (60%) were filled as at the end of 30 June 2011. However, it should be noted that only 3 047 (62%) of the approved positions were funded in the 2010/11 financial year and that additional provisions may need to be made for other critical posts identified. The Municipality is in the process of starting to address the funding through the 2012/13 MTREF budget.
- **Governance:** The area of governance and oversight within Msunduzi needs to be strengthened for improved decision making and to ensure a smooth transition to institutionalise the recovery efforts arising from the Intervention, the implementation of the FRP and this LTFP, once approved.
- **Infrastructure and Asset Management:** Infrastructure Services are provided through Sub Units for Building and Facilities Management; Electricity; Fleet; Landfill; Project Management Unit; Roads and Transportation; and Water and Sanitation but there are huge backlogs and capacity constraints.
- **Information Communication and Technology:** The Information Communication and Technology (ICT) Department is responsible for inter alia, the services of Information Communications and Technology for the entire Municipality. This includes Desktop Support, Hardware Support, Computers and Equipment Purchase, Maintenance and Management of all Systems in the Municipality. These functions/services will need to be reviewed in light of the strategic direction of the Municipality as the current arrangements within ICT will not enable optimal service delivery in the future, especially.
 - Considering that there are 36 legacy systems operating in the Municipality that will need to be updated and integrated into an Enterprise Resource Planning (ERP) System relevant to the needs of Msunduzi.
 - **Economic Development:** The Economic Development Department is seen as the key driver for the development and refinement of the IDP, land surveys, planning and environmental management in the Municipality but planning in the Municipality needs to be further aligned to the National, Provincial and Local imperatives.
 - **Audit Outcome for the 2009/10 and 2010/11 Financial Years:** For the 2009/10 and 2010/11 financial years the Municipality received qualified and unqualified (with emphasis of matter) audit opinions respectively and a detailed analysis was undertaken of the matters raised by the Office of the Auditor-General but not all areas have been addressed. The Municipality is in the process of addressing the audit outcomes.

- **Powers and Functions:** It should be noted that a number of services are being rendered at significant deficits and this is due to inappropriate costing of services, inefficiencies in operations, tariff structures, poor management of Staff, etc.
- The operating model has not been reviewed since the establishment of the Municipality and will require review to ensure provision of core municipal services and funded mandates.
- **Distribution Losses:** According to the Audited 2010/11 Annual Financial Statements, the Municipality recorded significant electricity and water distribution losses, amounting to R82 million and R75 million in the financial years 2009/10 and 2010/11 respectively.
- **Financial Challenges:** Msunduzi has financial challenges that arise from its institutional arrangements, operations and administration. Of significance are its declining collection ratios, reducing cash balances and increase in gross debtors.
- **Backlogs in Service Delivery and Infrastructure:** As per the status quo above.

The Municipality quantified the backlogs for access to new infrastructure and the refurbishment of existing infrastructure and this is set out below.

TABLE 38: New and Refurbishment of Infrastructure Costs

Asset	Total Backlog for Access to New Infrastructure	Annual Funding Required to Address the Total Backlog	Annual Funding Required to Address Existing Infrastructure Refurbishment	Total Annual Funding Required
Water Distribution	R396,5 m	R89,0 m	R145,0 m	R234,0 m
Sanitation	R1 073,0 m	R189,9 m	R52,4 m	R242,3 m
Roads, Stormwater and Transportation	R3 798,0 m	R106,0 m	R728,5 m	R834,5 m
Waste Management	-	R0,8 m	-	R0,8 m
Landfill Site	-	-	R5,6 m	R5,6 m
Electricity Distribution	R372,5 m	R36,3 m	R56,4 m	R92,7 m
Fleet/ Vehicles	R300,0 m	-	R105,0 m	R105,0 m
Total	R5 940,0 m	R436,7 m	R1 078,2 m	R1 514,9 m

In summary, the Municipality has determined that the total backlog for access to new infrastructure amounts to approximately R5.9 billion. The Municipality highlighted that approximately R436 million is required to address the backlog in an incremental manner, whilst the annual funding required to address existing refurbishments amounts to R1 billion. In total approximately R1.5 billion will be required annually to address these challenges.

Again, the Municipality should undertake a detailed exercise to confirm the service delivery backlogs and future IDP's and Budgets should cater for these on a prioritised basis. It should be noted that these backlogs are unlikely to be resolved in the short term given Msunduzi's financial and institutional challenges and this should at least be communicated to Communities or alternate funding sources should be investigated.

Going forward the Municipality must therefore ensure that the 2012/13 and all future IDP's includes a realistic financial plan (this LTFP updated on an annual basis after approval), covering a longer term period, to indicate how and when backlogs and other projects will be financed whilst working towards achieving financial sustainability.

This LTFP attempts to make provision for funds to be available to address some of the backlog in the medium to long term.

(iv) KEY DRIVERS FOR THE LTFP

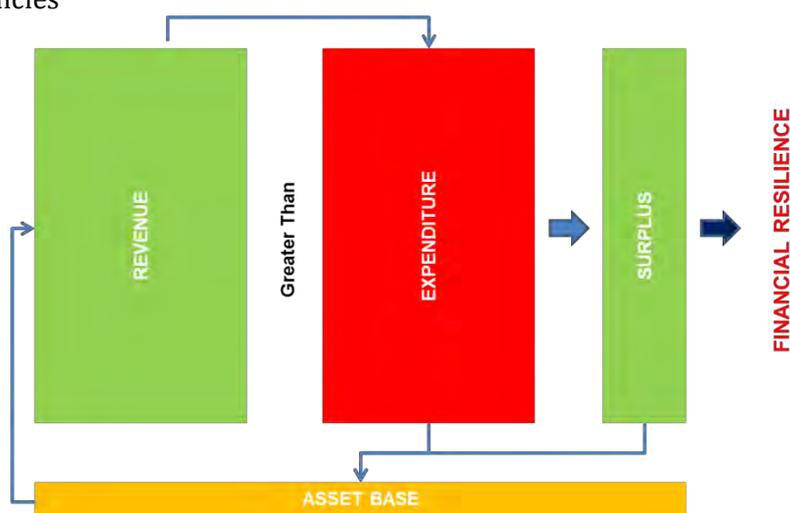
An analysis of the Municipality’s balance sheet reveals a significant number of infrastructure assets such as roads, storm water drainage, water and sewer networks, electricity networks, buildings, etc. to the value of R6.4 billion as at 30 June 2011.

Due to the nature of these assets and the utilisation thereof, they require regular maintenance before eventually being renewed or replaced and it is therefore important that Msunduzi implements appropriate strategies so that the cost of these asset maintenance and renewal programmes is fairly and equitably funded between current and future users. This processes known as intergenerational equity must ensure that each generation ‘pays their way’ and meet the cost of the services and community assets they consume.

To ensure that Council’s long term strategies are effective it is important to be able to measure performance against such strategies and in the interests of intergenerational equity it is also important that current users pay for services consumed in such a manner that at least a *surplus* is generated to fund replacement or renewal of assets in the future but that is consumed today. In addition, a surplus is critical to fund expansion of service delivery through access to new infrastructure.

The Municipality’s long term financial sustainability is in effect dependent upon ensuring that on average its expenses are less than its associated revenues and that adequate funds are directed at maintaining, growing and enhancing the asset base of the Municipality, in particular the revenue generating assets of the Municipality. Interdependencies are illustrated below:

FIGURE 14: Interdependencies



Therefore and to give effect to the LTFP, the following key ratios have been specifically selected to drive the future strategies, policies, operations and planning of the Municipality.

The Long Term Financial Plan is drafted with the following framework and outcomes in mind:

- Remain consistent with the Municipality’s current IDP and Priorities;
- To increase current service levels and standards;
- To increase Municipal credit rating without compromising its sustainability or the viability of its asset base;
- To provide for an asset replacement program over the ten year period to maintain the Municipality’s infrastructure at acceptable service standards, with no large backlog of services To create a surplus in the medium term (2012/13 MTREF Budget), restructure existing loans and in the long term (2015/16 MTREF Budget) externally borrow monies to fund new and upgrade assets rather than purely grant funding, noting that the Municipality will need to have sufficient cash to make payments when due;
- To increase revenue collection and revenue base;

- To optimise internal operations with a view to focus on increasing and sustaining its asset base and service delivery Departments;
- The Plan is a moving document and will be reviewed on an annual basis and updated on an on-going three to five year basis moving forward and the Plan will be updated to incorporate any future Council decisions on policy, priorities, new initiatives or strategic direction; and
- Ensure that all surplus and reserves are cash- backed.

(v) FINANCIAL STRATEGIES OVER THE LONG TERM

The Municipality has various strategies at its disposal to effect the changes needed for viability and sustainability of the Municipality but not all could be considered due to its' limited cash flow and institutional capacity.

Further and due to the long term nature of some of the strategies identified, the focus in the short term adopted the Pareto Principle (20% of activities that will contribute 80% to the successful implementation of the Plan) ensuring that the strategies adopted will have the greatest impact and that can be done within the financial and human resources capacity and capability at Msunduzi.

It should be noted that any other strategies not immediately addressed in this Plan should still be addressed in the long term and should not be ignored to enable a holistic and integrated and multi-pronged change to the financial and service delivery success of Msunduzi.

The strategies had to therefore ensure that the objective of a financial and service delivery turnaround can be achieved in the shortest possible timeframe and that they at least addressed the following: -

- Reduction in expenditure on non-essentials and non-core activities and optimising current spending within the Municipality and ensuring growth, job creation and value for money;
- Increasing revenue through improved collections and billing efficiencies;
- Enhancing and sustaining the asset and revenue generating base of Msunduzi through proper asset management; and
- Ensuring proper administrative and governance arrangements in place to manage and address the key financial and service delivery challenges of the Municipality.

Given the above and noting that several strategies have been developed and implemented during the intervention process but the impact of these have not fully materialised, the question that needs to be asked is whether stabilisation or recovery has been reached at Msunduzi and what impact this Plan will have on the Municipality to place it on a revised or new trajectory.

Indeed, and relative to where the Municipality was twelve months ago, it can be concluded that a degree of stabilisation has been reached, but the nature of stabilisation and institutionalisation that has taken place is not anywhere near where it can be described as being sustainable or good enough to be at a point of irreversibility, noting that it would take at least approximately three to five years for the Municipality to fully implement and benefit from this LTFP.

This Plan is therefore critical to achieve the objective of viability and sustainability, as originally envisaged. Further, and as informed by the initial assessments, the following overarching strategies to address the challenges faced by the Municipality are therefore contained in the Plan:-

The combined impacts of these strategies are intended to address the core and underlying problems, which precipitated the decline in the first instance.

Successful implementation will also require greater political oversight and efficient and effective governance arrangements to drive and sustain the implementation of the service delivery mandate and Community expectations of the Municipality. These strategies are also intended to respond to both basic and complex challenges facing the Municipality.

It is also emphasised that the initial decision of the Demarcation Board pronouncing that Msunduzi become a Metropolitan Municipality must also be managed going forward.

It is important to drive this process to conclusion and to ensure that all the conditions necessary for this status to be realised is indeed achieved.

Achieving a Metropolitan Status will also unlock additional revenue streams, such as sharing in the distribution of the national fuel levy, for the Municipality and further assist the Municipality on its path to recovery and sustainability.

The adoption by Council of the guiding principles and strategies set out in the LTFP and its successful implementation will ultimately be a major step towards achieving the above goal and driving the Municipality towards its potential Metropolitan Status.

(vi) KEY CHALLENGES TO THE LTFP

The LTFP proposes significant changes, particularly with regard to service delivery functions, financial administration, budgeting, financial discipline and governance. There will be a need for a regular review of the risks identified to ensure that as additional risks arise, timely mitigation strategies can be adopted and instituted. The following table summarises risks identified in the LTFP:

TABLE 39: Key Challenges to the LTFP

RISK	DESCRIPTION
Non-implementation of Plans	There are numerous plans and strategies developed over the years, which have not been implemented and a key risk is that implementation of strategies may still not take place. In order to mitigate this risk, the alignment and implementation of this LTFP should be regularly reported to Council.
Finalisation of Structure and Appointment of Key Personnel	Msunduzi should ensure that the “operating model” of the Municipality is finalised as soon as possible and that the new structure reflects the future business of the Municipality and that key appointments are filled as soon as possible to ensure ownership and accountability of the LTFP at least at Leadership level.
Poor Accounting and Record Keeping	A key risk is that the outcomes of this LTFP may not be measured accurately because of poor accounting processes and the delay in the timeous updating of accounting records. Processes to update the accounting records regularly and to ensure that they remain up-to-date are required in order to mitigate this risk and the implementation of a new/updated Financial System may also go a long way to mitigate this.
Change Management	From a change management perspective, urgent action is required to address some of the poor practices that may have occurred for many years and there is a need to strictly enforce new policies and procedures.
Community and Stakeholders	There is a risk that there may be Community and Ratepayer resistance to certain aspects of the LTFP, such as budget cuts and the need to increase tariffs. This risk can be managed by effective, improved communication by Councillors, Officials of the Municipality and the Community. The Municipality must communicate effectively with the Community on all aspects of the Plan and provide regular feedback on progress, including the submission of this Plan to the Provincial Legislature.

(vii) MONITORING AND EVALUATION

Finally, Msunduzi’s financial sustainability and resilience has been planned through modelling over ten years, the focus being on its financial performance, financial position, and statement of cash flows, as attached herewith.

The LTFP is based on a number of parameters and assumptions based on Msunduzi’s current position and challenges, and which have been developed to reflect a stabilisation and sustainable financial position over the planned period, also taking into account Msunduzi’s drive for a Metropolitan status.

This has been done to ensure that there is adequate resources and capacity to fund Operating and Capital Expenditure. The plan also seeks to address short term challenges and to achieve long term financial sustainability, while maintaining user charges/ tariffs within acceptable levels so as not to undermine the local economy.

This LTFP will therefore have little or no value if it is not implemented and institutionalised holistically as the various components are integrated and cannot be implemented in isolation of each other even though certain aspects may only be implemented in the medium to long term.

<p>KEY ISSUES RELATING TO FINANCIAL VIABILITY AND MANAGEMENT:</p> <ul style="list-style-type: none"> • The gradual increase of debtor's outstanding debt remains a potential risks to the Municipality's working capital hence the possible of service delivery delays. • The prevalent indigent status has a negative impact on municipal revenue base. • Lack of forward planning particularly on capital budget expenditure negatively impacts on the reduction of the service delivery backlogs. 	
<p>STRENGTHS</p> <ul style="list-style-type: none"> • After a period of financial strain, decline and distress, the municipality is now entering a period of stabilisation and recovery. • The implementation of the Long- Term Financial Plan for the municipality. 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • A limited rates base and high levels of demand for services. • A growing number of debtors. • Under spending against operations and maintenance budgets.
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • The municipality has been assessed by Treasury and now has a 1:3 ratio indicating that the municipality is building up reserves and becoming more financially sound. 	<p>THREATS</p> <ul style="list-style-type: none"> • The gradual increase of debtor's outstanding debt remains a potential risks to the Municipality's working capital hence the possible of service delivery delays. • The growing number of indigent households and the financial strain this places on the municipal budget. • The lack of forward planning in terms of procurement for services in relation to the capital budget. • Under- expenditure against some conditional grants.

PGDS GOAL: HUMAN RESOURCE DEVELOPMENT

3.12 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

3.12.1 MUNICIPAL TRANSFORMATION

Serious financial challenges within the Msunduzi Municipality necessitated an intervention in terms of section 139 of the MFMA. The financial crises came to be because of poor controls, rampant corruption amongst senior staff, failure to prepare the mid-year Adjustments Budget and the 2010/11 Budget in time. By mid- March 2010 when the Provincial Intervention Team (PIT) was appointed, the budget deficit for the budget 2009/10 was estimated at R162 million.

The administration period saw the suspension and in some instances the resignation of section 57 managers as well as the Municipal Manager and the CFO. The Provincial intervention Team drafted four Turn Around strategies consisting of a financial Strategy, an infrastructure Development Strategy, a community Services Strategy and a good governance Strategy. These strategies were developed to stabilise the affairs of the Msunduzi municipality. The 2011/12 financial year saw the lifting of the intervention and the appointment of the Municipal Manager, the Chief Financial Officer and the Deputy Municipal Manager: Infrastructure Services. The posts of Deputy Municipal Manager; Development Services and Community Services have been advertised.

A Policy Development specialist was seconded to the Municipality from COGTA to assist with the development and review of 26 Organisational Development related Policies. The Policies are currently being workshopped at the portfolio committee as part of the consultative process preceding approval. During the latter part of 2011/2012 an OD specialist was further seconded to the municipality, from COGTA, to review the current organisational structure and align capacity to improve service delivery. The 3 tier structure was developed and has been tabled for Council approval. Consultation with the Business Units preceded in June of 2012 extending the review and beyond level 3.

3.12.2 ORGANISATIONAL DEVELOPMENT

(i) INSTITUTIONAL ARRANGEMENTS

Approval of key operational matters within the municipality follows the following approval process, namely Strategic Management Committee (SMC), Portfolio Committees, EXCO, to Council.

(ii) POWERS AND FUNCTIONS

The powers and functions of the Msunduzi municipality are summarised as follows:

TABLE 40: Powers and Functions of the Msunduzi Municipality

LEGISLATIVE MANDATE	DESCRIPTION
Constitution of SA: Chapter 7:	<p>Local Government, especially sections 151, 152 and 153. Also Schedule 4, Part B and Schedule 5 Part B.</p> <p>152. The objectives set out in the Constitution for local governments are to:</p> <ul style="list-style-type: none"> • Provide democratic and accountable government; • Ensure the provision of sustainable services to local communities; • Promote social and economic development; • Provide a safe and healthy environment; • Encourage involvement of community organisations in local governance.

LEGISLATIVE MANDATE	DESCRIPTION
	<p>Schedule 4B identifies the following functions for the municipality:</p> <ul style="list-style-type: none"> • Air pollution • Building regulations • Child care facilities • Electricity reticulation • Fire fighting services • Local tourism • Municipal airports • Municipal planning • Municipal public transport • Municipal public works (internal) • Storm water management • Trading regulations • Water and sanitation services <p>Schedule 5B identifies the following functions for the municipality:</p> <ul style="list-style-type: none"> • Billboards and display advertisements • Cemeteries, funeral parlours, crematoria • Cleansing • Control of public nuisances • Licensing of dogs • Licensing & control of food undertakings • Local amenities • Local sports facilities • Markets • Municipal parks and recreation • Municipal roads • Noise pollution • Public places • Refuse removal; solid waste disposal • Street trading • Street lighting • Traffic and parking • Municipal Pound <p>The Msunduzi local government is responsible for the complete authority over functions listed in the table above. Delegation of this authority is in respect of Municipal Pound, Airport and Tourism.</p>
Municipal Structures Act:	The Msunduzi municipality is a Category B municipality in terms of Section 7, with a collective executive system and a ward participatory system Section 9(b).
The White Paper on Developmental Local Government:	<p>The White Paper on Developmental Local Government lists three key outcomes:</p> <ul style="list-style-type: none"> • Provision of basic household infrastructure and services; • Creation of liveable, integrated cities, towns and rural areas; • Promotion of local economic development.

There are two wings to Msunduzi local government’s responsibilities. The first is concerned with large-scale functions such as the planning and promotion of integrated development planning, land, economic and environmental development. The second is concerned with the provision of specific services, such as housing, water and electricity.

1. PLANNING AND PROMOTION OF INTEGRATED DEVELOPMENT

1.1 Planning and promotion of the Integrated Development Plan (IDP)

The IDP is a single strategic plan that guides all decisions and programmes related to managing and developing the municipality. This includes municipal as well as private sector and provincial programmes and plans.

1.2 Planning and promotion of land development

The Municipal Systems Act requires that the municipalities' IDP includes guidelines for land management and development. This means the municipality must provide a system for making decisions regarding land development, development applications, land use and land-use change.

1.3 Planning and promotion of economic development

The Msunduzi Local government is responsible for providing an environment that encourages economic growth by focusing on basic community needs as well as promoting social and economic development. In other words, its role is to provide an enabling environment, rather than being responsible for economic growth and job creation.

1.4 Planning and promotion of environmental development

This function includes the regulation of air and noise pollution, as well as services such as storm water management, water and sanitation, and recreational facilities. The Msunduzi Municipality is required by the National Environmental Management Act to incorporate environmental strategies handed down by the province and to produce an integrated waste management plan.

2. SERVICE DELIVERY

2.1 Housing services

The Municipality does take on aspects of this function, which includes finding land and beneficiaries for low-cost housing, developing housing projects, infrastructure, and renting and owning houses.

2.2 Water services

The Msunduzi Municipality is responsible for water supply from bulk supplier to the Local Community, inclusive of the management and maintenance of water and wastewater reticulation systems. Attention has been given to providing a free basic water and sanitation service to the poor.

2.3 Electricity Distribution services

2.4 Roads and transport services

The Msunduzi Local municipality is responsible for providing and maintaining local streets as stated in Schedule 5B of the Constitution. The provincial government also funds municipalities to carry out provincial road repairs. Although a transport plan is a key part of the IDP for the municipality, creating an adequate plan can be difficult due to a lack of resources.

2.5 Solid waste services

The municipality is responsible for cleansing, refuse removal, dumps and solid waste disposal. Although not specified, this function does involve minimising waste and recycling.

2.6 Community Development services

The community services provided by Msunduzi local municipality include community halls, sport and recreational facilities, public toilets, libraries, Art Gallery and public pools, cemeteries and crematoria.

2.7 Emergency services

Fire-fighting remains a function of the municipality and the local governments is required to prepare disaster recovery plans.

2.8 Public safety services

The functions of municipal public Safety services are road traffic policing, policing of municipal by-laws and the prevention of crime. Public works

2.9 Public Works

Though municipal public works is listed as a function, it can be seen more as an internal support service geared towards construction and maintenance of public infrastructure and facilities.

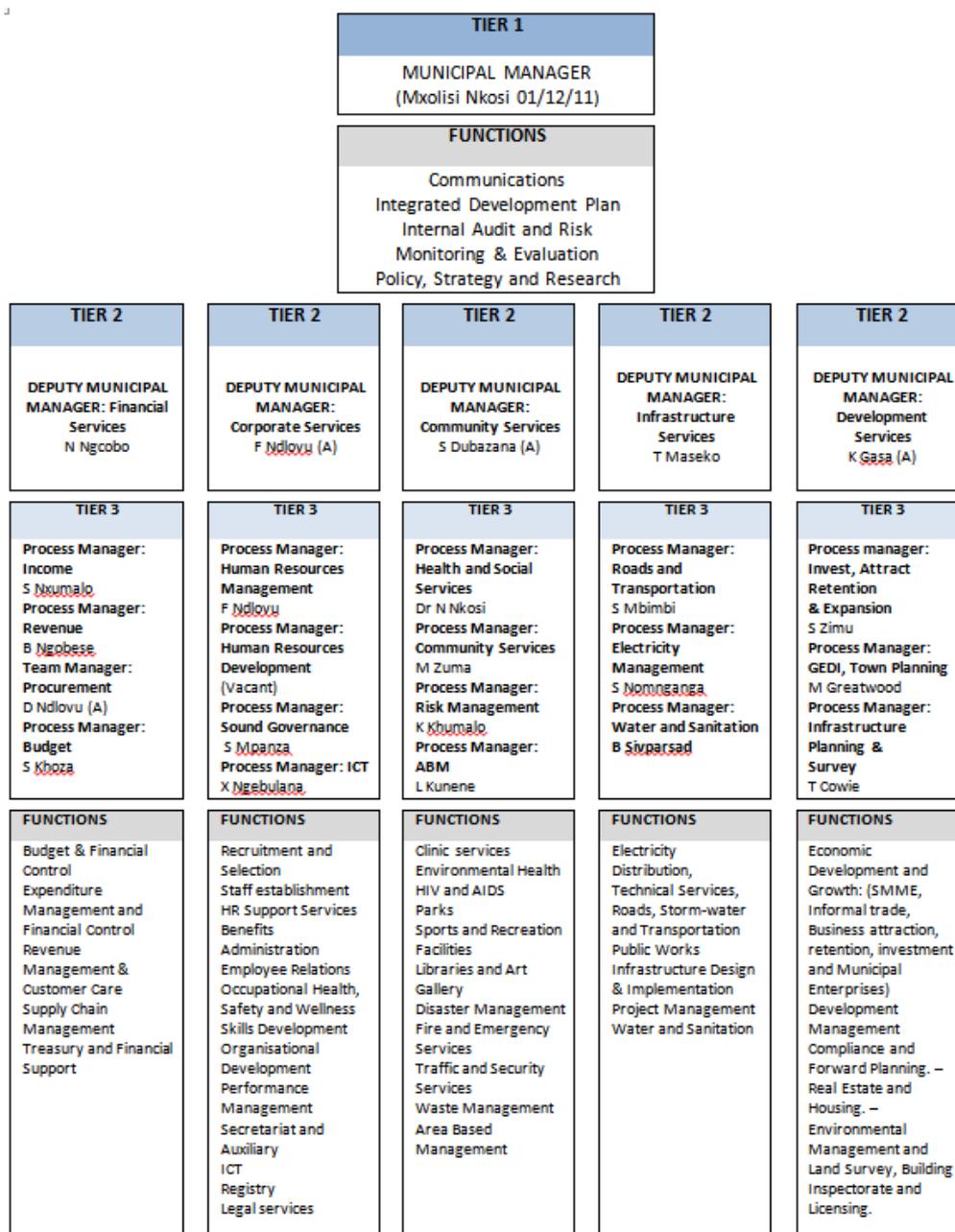
(iii) ORGANISATIONAL STRUCTURE/ ORGANOGRAM

There are five Business Units in the municipality that mirror the committee portfolios and report to the Municipal Manager. These Business Units, each headed by a Deputy Municipal Manager, ensure that services are delivered to the people of the Msunduzi Municipality and are structured as follows:

- Infrastructure services;
- Community services;
- Economic Development;
- Financial Services; and
- Corporate services.

The municipal manager and his team of executive managers hold weekly meetings to discuss key strategic service deliverables, and to offer guidance on achieving IDP goals. The administrative component is aligned with the five National Key Performance Areas; *Financial Viability and Management, Local economic Development, Basic service delivery and Infrastructure development, Good Governance and Public Participation, Institutional Development and Transformation, Environmental Planning and Social Services.*

FIGURE 15: Top Administrative Structure of the Msunduzi Municipality



The new organogram will be adopted by Council before the start of the 2013/14 financial year. It aligns to the IDP and its Key Performance Areas.

(iv) MUNICIPAL INSTITUTIONAL CAPACITY AND STATUS OF CRITICAL POSTS

(a) MUNICIPAL MANAGER AND SECTION 56 POSTS

The status of the filling of the Municipal Manager and Section 56 posts is as follows:

- Municipal Manager- Filled
- Chief Financial Officer- Filled
- Deputy Municipal Manager Infrastructure-filled
- The other 3 Deputy Municipal Manager post have been advertised and are to be filled shortly

(b) FILLING OF VACANT POSTS

The municipal Strategic Management Committee (SMC) annually considers priority vacant posts for filling. This is aligned with the budgeting process so that funds are committed for the new officials.

(v) HUMAN RESOURCE DEVELOPMENT

(a) EMPLOYMENT EQUITY

In the past the staff components of the municipality did not fully reflect the demographics of the municipal area and the approved Equity Plan had to be activated to address the imbalances created by the apartheid employment policies. To date the municipality has complied with the required provisions of the Employment Equity Act.

TABLE 42: Employment Equity within the Msunduzi Municipality

Employment Category	Race										Total
	African		Coloured		Indian		White		Total		
	M	F	M	F	M	F	M	F	M	F	
SOC 100 Legislators	214	135	11	7	27	11	21	17	273	170	443
SOC 100 Directors and Corporate Managers	4	1	1	0	3	0	3	0	11	1	12
SOC 200 Professionals	13	10	5	1	37	6	19	5	74	22	96
SOC 300 Technicians and Trade Workers	119	67	27	3	74	25	33	11	253	106	359
SOC 400 Community and Personal Service Workers	270	104	35	11	108	25	23	10	436	150	586
SOC 500 Clerical and Administrative Workers	47	105	8	19	41	53	8	11	104	188	292
SOC 700 Machine Operators and Drivers	73	7	0	0	6	0	2	0	81	7	88
SOC 800 Labourers	898	327	23	1	74	11	5	1	1000	340	1340
Apprentices	25	11	0	0	0	0	0	0	25	11	36
TOTALS	1663	767	110	42	370	131	114	55	2257	995	3252

(b) WORKFORCE CAPACITY DEVELOPMENT

Section 68 (1) of the Municipal Service Act (2000) required municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

The Municipality through Human Resources Development Unit under the Corporate Services Department is the custodian or champion for skills development on behalf of the Municipality. Various training interventions are conducted through different levels in the organisation. There are training programmes that are attended to equip the employee in order to improve the quality and standard of service delivery. The Workplace Skills Plan is developed along the LGSETA guideline. Almost what is due to the municipality in terms of the training rebates is collected on an annual basis in full. Whilst the Human Resources Development Unit is tasked to improve the competency of our employees the unit is also responsible to work in partnership with various departments and training providers and communities to improve the level of skills, knowledge and behaviour of our employees and citizens to be active participants in the city and the economic development and growth of the city.

TABLE 43: Total Number of Employees that received Training

Employment category	African		Coloured		Indian		White		Total		Total
	M	F	M	F	M	F	M	F	M	F	
SOC 100 Legislators	9	6	1	0	0	1	3	0	13	7	20
SOC 100 Directors and Corporate Managers	0	0	0	0	0	0	0	0	0	0	0
SOC 200 Professionals	7	4	2	0	11	0	2	2	22	6	28
SOC 300 Technicians and Trade Workers	17	6	2	1	7	3	3	0	29	10	39
SOC 400 Community and Personal Service Workers	31	11	4	1	8	2	2	1	45	15	60
SOC 500 Clerical and Administrative Workers	22	30	4	9	17	14	3	4	46	57	103
SOC 700 Machine Operators and Drivers	31	2	0	0	1	0	0	0	32	2	34
SOC 800 Labourers	162	79	4	0	22	4	1	0	189	83	272
Apprentices	25	10	0	0	0	0	0	0	25	10	35
TOTALS	304	148	17	11	66	24	14	7	401	190	591

The Municipality has several well developed capacity development programmes and systems in place, namely:

- Annual Workplace Skills Plan
- Learnership and Apprentices Schemes
- Study Assistance
- Internship
- Adult Basic Education Programmes
- Management Training Programmes
- Councillor training Programmes
- Community Training

The Annual Workplace Skills Plan was adopted on 30 June 2012 and is in place, and the reviewed plan will be adopted by 30 June 2013.

(c) HUMAN RESOURCE STRATEGY

The Human Resource Strategy is currently not in place. The municipality is currently addressing this with the assistance of COGTA and it will be aligned to the new organogram and the reviewed IDP.

(d) RETENTION AND ATTRACTION STRATEGY

The municipality has developed and adopted a policy on Staff Retention and Attraction to address the scarce skills phenomenon. It is the belief of the municipality that through recruitment, the application of the staff Retention and Attraction Policy will contribute towards assisting the municipality to meet its objectives as expounded in the IDP.

Besides remuneration linked to a market rate of a particular post, the Municipality also has scarce skills development strategies. Employees and non- employees are contracted to learnerships on scarce skills training, bursaries are granted in key disciplines (ie. Architecture, town planning, quantity surveying,

engineering, land surveyors, professional valuers, etc.). Coaching and mentoring, job satisfaction surveys and career- pathing are all part of the Policy.

(vi) WORKPLACE SKILLS PLAN (WSP)

The WSP is a plan developed every year by the Msunduzi Municipality that describes the training and development strategy and assists the Organisation to meet its overall objectives and targets. The WSP of the municipality must relate to the key municipal Integrated Development Plan objectives and to the priority training areas identified in the sector skills plan.

The process of compiling the Work Place Skills Plan will start in March 2013 when all the Strategic Business Unit Managers are approached and are requested to complete Personal Development Plans (PDP's) for their subordinates. The training needs that are identified in these PDP's are used to compile the Work Place Skills Plan for 2013/2014.

Organisations that have more than 50 employees must consult on the process of developing the Workplace Skills Plan in a Training and Development Committee. Where a workplace is unionised, trade union and management structures must be represented on this Committee as their signature is required to verify that consultation on the development of the workplace skills plan has taken place. It is essential to obtain buy-in in the process, initially at Council Level and then throughout the Organisation. The Human Resources Development Sub- Committee, which is a sub- committee of the Local Labour Forum, plays a crucial role in this respect. The Skills Development Unit will present the Workplace Skills Plan 2013/ 2014 and the Annual Training Report 2012 / 2013 to the Municipal Manager, The Chairperson of the Corporate Services Portfolio Committee and the Union Leadership for signing before 20 June 2013 as the reports must reach the Local Government SETA by the 30 June 2013.

Process for Preparing the WSP:

The plan to address the skills needs is developed from the information gathered and input received from departments and committees (Training and EE Committees), taking into account the LGSETA requirements.

The Skills Development Facilitator:

- Studies and adheres to the LGSETA requirements and guidelines on the format and content of the WSP and the process for approval and submission;
- Develops draft criteria for the approval of the WSP, in consultation with municipal management (e.g. alignment with EE, consultation and approval processes);
- Collates the input (prioritised training needs as identified by the audit conducted in the different departments into the municipality's WSP and completes the documentation for the WSP as required by the LGSETA;
- Submits the draft WSP to management and stakeholders for comment and recommendations, revises the draft WSP on the basis of the comments and recommendations received;
- Prepares the final WSP and submits to Council for approval and to all stakeholders for their signatures; and
- Submits the completed WSP to the provincial LGSETA by 30 June.

KEY ISSUES RELATING TO MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT:

- The development of a cohesive organisational structure;
- Changing the organization’s culture to a performance driven culture;
- Attracting and retaining critical and technical skills;
- A serious infrastructure backlog (information, communication technology infrastructure and information systems applications);
- Uncoordinated and disintegrated systems development;
- Out-dated processes and systems; and
- The development of a more customer focused organisation (Incorporation of Batho Pele principles).

<p>STRENGTHS</p> <ul style="list-style-type: none"> • Reviewing of the organogram. • The development of a more customer focused organisation (Incorporation of Batho Pele principles). 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Human Resource Strategy not in place. • Outdated processes and systems.
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • The development of a cohesive organisational structure. • Changing organisational culture to be performance driven. 	<p>THREATS</p> <ul style="list-style-type: none"> • Low morale in staff. • Shortages of key skills. • Fraud and corruption. • Uncoordinated and disintegrated systems development.

3.13 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

3.13.1 ROLL- OUT OF NATIONAL AND PROVINCIAL PROGRAMMES

(i) OPERATION SUKUMA SAKHE

The origin of Masisukuma Sakhe, which is the motto on the crest of the Provincial Government of KwaZulu-Natal, is taken from the Prophet Nehemiah 2:18, where Nehemiah yearns to rebuild a city that has been destroyed. Operation Sukuma Sakhe then is a call for the people of KwaZulu-Natal to be determined to overcome the issues that have destroyed the communities such as poverty, unemployment, crime, substance abuse, HIV & AIDS and TB.

Serious attempts were made to ensure that all developmental needs as expressed by members of public, including ward committees, CBOs and NGOs as well as business and other stakeholders are captured and analysed accordingly. Currently the Sukuma Sakhe campaign is intended to create a platform for members of communities to convey their needs in the presence of almost all line function departments. The idea here is to list all individual needs where possible with reference to specific departments in order to address their needs as a collective. It was also expected that some of the community needs would have been collected through the CBP process, and once all those wards that are piloted, would feed-in their needs through the IDP review process, all the needs expressed by various stakeholders were captured and would be made available.

In the Msunduzi municipality, War Rooms have been established in each of the 37 wards and are aligned to the ward councillor’s office, and the Chairperson of each of these War Rooms is an ordinary member of ward. For the initiative to succeed, there is a need for good public participation. The project has been very successful with only one ward being problematic. All government departments are represented in the monthly meetings. If it is found that a War Rooms cannot cope with the demand from the community, “MBO” is invoked and government descends on area to address needs- this has taken place in Ward 23 this happened.

Monthly Sukuma Sakhe task team meetings take place in the Municipality, and all relevant Staff at a level 4 participate to address key issues identified by ward level War Rooms. A further structure that exists in the uMgungundlovu District Task Team which consists of Government Departments and the local municipal task team chair people.

Sukuma Sakhe is an important initiative and offers an ideal opportunity for ward level communities to identify projects that can be fed into the IDP. The synergies that have been created in the Msunduzi municipality in terms of linkages to the Area Based Management structures is also important and has led to the success of the initiative.

(ii) BATHO PELE

The term Batho Pele means 'People First' and in this context, Batho Pele means putting other people first before considering your own needs. The Batho Pele principles are summarised as follows:

TABLE 44: Batho Pele Principles

PRINCIPLE	DESCRIPTION
CONSULTATION	Citizens should be consulted about the level and quality of the public services they receive and, wherever possible, should be given a choice about the services that are offered
SERVICE STANDARDS	Citizens should be told what level and quality of public services they will receive so that they are aware of what to expect.
ACCESS	All citizens should have equal access to the services to which they are entitled.
COURTESY	Citizens should be treated with courtesy and consideration.
INFORMATION	Citizens should be given full, accurate information about the public services they are entitled to receive.
OPENESS AND TRANSPARENCY	Citizens should be told how national and provincial departments are run, how much they cost, and who is in charge.
REDRESS	If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when the complaints are made, citizens should receive a sympathetic, positive response.
VALUE OF MONEY	Public services should be provided economically and efficiently in order to give citizens the best possible value for money.
ENCOURAGING INNOVATION AND REWARDING EXCELLENCE	Innovation can be new ways of providing better service, cutting costs, improving conditions, streamlining and generally making changes which tie in with the spirit of Batho Pele. It is also about rewarding the staff who "go the extra mile" in making it all happen.
CUSTOMER IMPACT	Impact means looking at the benefits we have provided for our customers both internal and external – it's how the nine principles link together to show how we have improved our overall service delivery and customer satisfaction. It is also about making sure that all our customers are aware of and exercising their rights in terms of the Batho Pele principles.
LEADERSHIP AND STRATEGIC DIRECTION	Good leadership is one of the most critical ingredients for successful organisations. Organisations who do well in serving their customers can demonstrate that they have leaders who lead by example, who set the vision, and ensure that the strategy for achieving the vision is owned by all and properly deployed throughout the organisation. They take an active role in the organisation's success

The Batho Pele vision for the Msunduzi municipality can be summarised as follows:

"To continually improve the lives of the people of Msunduzi within an evolving developmental context by a transformed culture and ethos of public service, which is representative, coherent, efficient, effective, accountable, consultative and responsive to the needs of all"

There are broadly three phases to the roll- out of a Batho Pele system in an organisation and the Msunduzi Municipality finds itself in the first phase of this process. These phases are summarised below.

TABLE 45: Batho Pele in the Msunduzi municipality

PHASES	DESCRIPTION OF ACTIVITIES PER PHASE
1	The development of an awareness campaign around the key elements of Batho Pele, name tags to all staff members so that the public can identify the officials serving them, names and designation on office doors so that the public can easily find the relevant officials. The establishment of a Batho Pele forum which is to be launched in February 2013.
2	The workshopping of municipal employees to educate them on Batho Pele principles as well as to educate them on the functionings of the municipality so that they can answer queries from the community. Image and conduct of employees is also important. A municipal Service Charter is also developed in this phase which ties to the IDP, SDBIP and PMS system.
3	The evaluation of municipal entities in terms of the Batho Pele principles on a regular basis. Participating in the Premier's Department initiatives and evaluations.

3.13.2 INTERGOVERNMENTAL AND INTERNATIONAL RELATIONS STRUCTURES

(i) INTERGOVERNMENTAL STRUCTURES

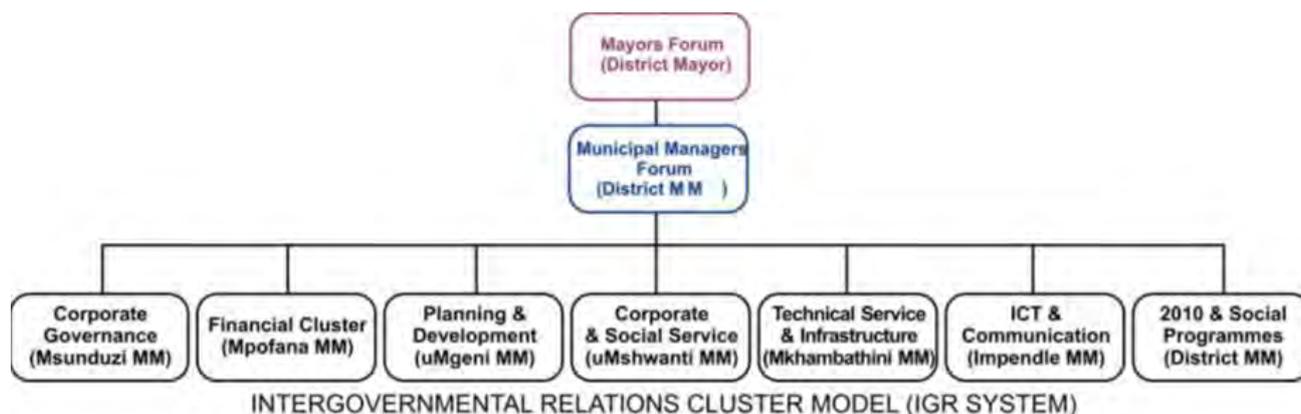
The following table summarises structures that the Msunduzi municipality participates in:

TABLE 46: Intergovernmental Structures

STRUCTURE	DESCRIPTION
National	The municipality remains a member of the South African Cities Network (SACN) and has recently participated in the "Rural Interdependencies Study" project with SACN.
Provincial	The municipality has received support for the implementation of Organizational Performance Management from the Provincial Department of Cooperative Governance and Traditional Affairs. The Municipal Manager participates in the MUNIMEC and Technical MUNIMEC forums.
Municipal Entities	The municipality has one municipal entity called Safe City which is dedicated to making the City of Pietermaritzburg a better place in which to live, work and play. The project has a number of elements, including: <ul style="list-style-type: none"> • The monitoring of crime through 70 CCTV cameras in the City; • An SMS programme which encourages citizens to report suspicious behaviour and activities; • c-SAFE, a panic alert system accessible from your cell phone.
District IGR	At a District level, the municipality has participated in the District Municipal and Technical Forum which is chaired by the District Mayor, Councillor Yusuf Bhamjee. In addition, the municipality has partnered with the District on issues related to waste management.

Many endeavours are made to make the Intergovernmental Relations a reality and the following clusters are in existence at the district level.

FIGURE 16: District Level Intergovernmental Structures



The finalisation of this model seeks to streamline these structures in order to improve communication internally and externally, whilst bringing on board sector departments in a more practical and realistic manner. This is to ensure that departments and other key stakeholders do not merely pay lip service to the IDP process.

The Cluster Model has led to the establishment of shared services in the District, which also lead to better utilisation of resources. Shared services are now used in the fields of Internal Audit, Performance Management, Integrated Development Planning and Information and Communications Technology. This approach is having the effect that the uMgungundlovu family of Municipalities in the District are all benefitting from the scarce resources and expertise available within the District.

(ii) INTERNATIONAL STRUCTURES

It goes without saying that there is increased local and global competitiveness between cities, a phenomenon which has increased through the period of the global recession, which impacts directly on the Msunduzi municipality's ability to attract investment. To address this, the Msunduzi municipality has fostered 'twinning' initiatives with the cities of Hampton, Virginia Beach and Atlanta in America; Zhengzhou and Guangzhou in China; Wuhan in Taiwan, and Lincoln in the United Kingdom.

Such initiatives have benefitted all cities involved and lessons have been shared and learnt. The Msunduzi municipality is also looking to foster similar relationships with cities across the African continent thereby realising the objectives expounded by the African Union (AU), the New Partnership for African Development (NEPAD) as well as cross-border challenges facing the South African Development Community (SADC).

3.13.3 STRUCTURES CREATED WITHIN THE MSUNDUZI MUNICIPALITY

(i) COUNCIL

Councillors are elected by the local registered voters (ratepayers) to serve a predetermined term of office on the local council as representatives of their respective constituencies. The Msunduzi Council has a total of 73 seats with 37 of these seats being allocated to ward councillors who are elected by the wards they represent, while 36 seats are allocated to political parties in proportion to the number of votes cast for them.

There are eight members on EXCO and two of these are currently vacant.

(ii) COMMITTEES

The following table reflects the committees of Council and their respective purposes, as well as the frequency of meetings during the 2012/13 financial year.

TABLE 47: Municipal Committees and frequency of meetings in 2012/13 financial year

COMMITTEE NAME	FUNCTIONS	NUMBER OF MEETINGS
COUNCIL	<ul style="list-style-type: none"> • Political oversight 	1 meeting per month
EXCO	<ul style="list-style-type: none"> • Deals with matters delegated to it by Council and legislation. 	4 meetings per month
FINANCE COMMITTEE	<ul style="list-style-type: none"> • Financial management oversight 	2 meetings per month
ECONOMIC DEVELOPMENT COMMITTEE	<ul style="list-style-type: none"> • All matters requiring attention arising from the provisions of the relevant legislation. 	2 meetings per month
CORPORATE SERVICES COMMITTEE	<ul style="list-style-type: none"> • Council & Committee Support to Political Offices • Legal Services and Legislative Compliance <ul style="list-style-type: none"> ○ Corporate and Legal ○ By Laws ○ Delegation Management ○ Policies, Processes and Procedures • Human Resource Management <ul style="list-style-type: none"> ○ Performance Management ○ Labour Relations ○ Recruitment and Selection ○ Occupational Health ○ Job Evaluation ○ Training and Development ○ Employee Relations • Information Management <ul style="list-style-type: none"> ○ Management Information Systems ○ Information Centre ○ Printing ○ Information, Systems Technical Support 	2 meetings per month
COMMUNITY SERVICES COMMITTEE	<ul style="list-style-type: none"> • Regional Community Services Provision <ul style="list-style-type: none"> ○ Airport ○ Health Services and Clinics ○ Libraries ○ Cemeteries and Crematoria ○ Environmental Health • Community Services Provision Management <ul style="list-style-type: none"> ○ Parks, Conservation and Environment ○ Sport and Recreation ○ Market ○ Forestry ○ Municipal Public Works ○ Tatham Art Gallery • Public Safety and Disaster Management <ul style="list-style-type: none"> ○ Traffic Services ○ Licensing ○ Public Safety and Security 	2 meetings per month
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	<ul style="list-style-type: none"> • Fire and Rescue Services • Disaster Management 	2 meetings per month

COMMITTEE NAME	FUNCTIONS	NUMBER OF MEETINGS
INFRASTRUCTURE SERVICES COMMITTEE	<ul style="list-style-type: none"> • Municipal Infrastructure Planning, Funding, Maintenance and Development Management <ul style="list-style-type: none"> ○ Municipal Infrastructure Grants ○ Municipal Infrastructure Planning ○ Fleet Management ○ Mechanical Workshops ○ Asset Management and Maintenance • Electricity Distribution Management <ul style="list-style-type: none"> ○ Administration • Housing and Human Settlement Development Management <ul style="list-style-type: none"> ○ Housing ○ Town Planning ○ Valuations and Real Estate ○ Maintenance ○ Planning ○ Networks ○ Connections • Water Distribution and Sanitation Management <ul style="list-style-type: none"> ○ Administration ○ Maintenance ○ Planning ○ Networks ○ Connections ○ Sanitation • Water Management <ul style="list-style-type: none"> ○ Waste Removal ○ Refuse Collection ○ Landfill Site • Roads and Storm water <ul style="list-style-type: none"> ○ Administration ○ Maintenance ○ Planning 	2 meetings per month
AUDIT COMMITTEE	<ul style="list-style-type: none"> • An independent audit committee fulfils a vital role in corporate governance. The audit committee is vital to, among other things, ensure the integrity of integrated reporting and internal financial controls and identify and manage financial risks 	

(iii) IDP REPRESENTATIVE FORUM

The IDP Representative Forum consists of the following role- players with the listed functions:

TABLE 48: IDP Representative Forum Role- players and Functions

ROLE PLAYERS	<ul style="list-style-type: none"> • EXCO members; • Councillors; • Traditional leaders; • Ward Committee Chairpersons; • Senior Municipal Officials; • Stakeholder representatives of organised groups; • Advocates of unorganised groups; • Resource persons; • Other community representatives; • National and Provincial Departments regional representatives; • NGO's; and • Parastatal organisations.
FUNCTIONS	<ul style="list-style-type: none"> • Represent the interest of the municipality's constituency in the IDP process; • Provide an organisational mechanism for discussion, negotiation and decision making between the stakeholders inclusive of municipal government; • Ensure communication between all the stakeholder representatives inclusive of municipal government; and • Monitor the performance of the planning and implementation process. • To institutionalise participation in integrated development planning • Membership to ensure geographical and social representation • Members to have mandate to represent the interests of their constituents in the integrated development planning process • Provide an organisational mechanism for discussion, negotiation and decision-making between the stakeholders and municipal government • Ensure communication between all stakeholders representatives and the Msunduzi Municipality • Monitor performance of the planning process • Represent interests and contribute knowledge and ideas in the planning process by: <ul style="list-style-type: none"> • Participating in the IDP Rep Forum to: • Inform interest groups, communities, organisations on relevant planning activities and outcomes • Analyse issues, determine priorities, negotiate and reach consensus • Participate in designing project proposals and / or assess them • Discuss and comment on the draft integrated development plan • Comment on and discuss alignment of annual business plans and budget with integrated development plan • Conducting meetings / workshops with groups, communities or organisation

(iv) IDP STEERING COMMITTEE

The IDP Steering Committee consists of the following role- players with the listed functions:

TABLE 49: IDP Steering Committee Role- players and Functions

ROLE PLAYERS	<ul style="list-style-type: none"> • The Mayor • The Deputy Mayor • The Executive Committee Members • The IDP Champions (elected from the different party caucuses) • City Manager (or alternate) (chair) • Strategic Executive Managers (SEMs) • Two representatives from IMATU and SAMWU • <u>Municipal Manager’s Coordinating Committee (IDP Broad Planning Technical Committee)</u>
FUNCTIONS	<ul style="list-style-type: none"> • Provide terms of reference for all reviewing and planning activities • Commission IDP planning studies, programs and projects • Process, summarize and document outputs from subcommittees, teams etc. • Recommend amendments to the contents of the IDP • Prepare, facilitate and document meetings and workshops • Ensure alignment and participation in the determination and prioritization of plans and programs in the spirit of cooperative governance

(v) MUNICIPAL MANAGER’S COORDINATING COMMITTEE

The Municipal Manager’s Coordinating Committee consists of the following members with the following functions:

TABLE 50: Municipal Manager’s Coordinating Committee Role- players and Functions

ROLE PLAYERS	<ul style="list-style-type: none"> • City Manager • Managers: MM Office, Speaker, Mayor, Budget Office, SCM, PMS, Planning, PMU and IDP. • Admin Support
FUNCTIONS	<ul style="list-style-type: none"> • Prepare the IDP review process plan • Identify resources people • Coordinate and manage the components of the planning process, including: <ul style="list-style-type: none"> ○ Stakeholders meetings ○ Meeting deadlines ○ Horizontal and vertical aligns ○ Compliance with national and provincial requirements

(vi) WARD COMMITTEES

Section 74 of the Municipal Structures Act, and regulation 5 of the Government Gazette No. 27699 Ward Committee, state that Ward Committees may have powers and functions delegated to them (which are essentially advisory in nature) in terms of S59 of the Municipal Systems Act, these are:

- To serve as an official specialized participatory structure in the Msunduzi Municipality.
- To create formal unbiased communication channels as well as a co-operative partnership between the community and the Council.
- Advise and make recommendations to the Ward Councillor on matters of policy affecting the Ward.
- Assisting the Ward Councillors in identifying the challenges and needs of residents.
- Dissemination of information in the Ward concerning municipal affairs such as the budget, integrated development planning, performance management systems, service delivery options and municipal properties.
- Receive queries and complaints from residents concerning municipal service delivery, communication with Council and provide feedback to the community on Council’s response.
- Ensure constructive and harmonious interaction between the municipality and community through the use and co-ordination of ward residents meetings and other community development forums,
- And Interact with other organizations and forums on matters affecting the ward.

A ward committee may also make recommendations on any matter affecting its ward to the ward councillor or through the ward councillor to the local council. The Msunduzi municipality has 37 functional ward committees which meet on a frequent basis. One meeting per month is scheduled per ward committee.

(vii) TRADITIONAL LEADERSHIP

Well before the promulgation of the KwaZulu- Natal Traditional Leadership and Governance Act (5 of 2005) the municipality spearheaded participation and the role of amakhosi within the Msunduzi municipality. The Municipal Structures Act states that “Traditional Authorities that traditionally observe a system of Customary Law in the area of the municipality may participate in the proceedings of Council of that municipality, and those Traditional Leaders must be allowed to attend and participate in any meeting of Council”.

In order for legislative compliance, the Speaker has had meetings with the Amakhosi falling under the jurisdiction of the Msunduzi municipality. The initiative was well received by Council and the following issues were highlighted in order to build on this relationship:

- Amakhosi be invited to all meetings of the municipality and participate in discussions. Amakhosi have been allocated to Council’s standing committees in order to be actively involved in the discussions happening in those meetings. They will also be attending EXCO and Full Council meetings.
- The provision of an office for Amakhosi at the City Hall and supporting staff.
- Providing financial support for programmes and projects.

3.13.4 STATUS OF MUNICIPAL POLICIES

The following table summarises the policies developed by the Msunduzi municipality:

TABLE 51: Msunduzi Municipal Policies

MUNICIPAL POLICY	COMPLETED %	REVIEWED %	DATE ADOPTED BY COUNCIL
Employment Equity	100%		Draft
Allocation Policy	100%		Draft
Access to Personal Files	100%		Draft
Disciplinary Code and Procedures	100%		Collective Agreement
Diversity Policy	70%		Draft
Employee Wellness	100%		Draft
Transfer Policy	100%		Draft
Grievance Procedures	100%		Collective Agreement
HIV/AIDS	100%		15/11/1995
Leave	100%		Draft
Fleet Management Policy	100%		16/08/12
Official Transport to Attend Funerals	90%		Draft
Official Working Hours and Overtime	100%		Collective Agreement
Overtime	100%	Draft in progress	30/06/2010
Individual Performance Management	100%		27/01/2013
Organisational Performance Management	100%		26/09/2012
Selection and Recruitment	100%		Draft
Sexual Harassment	100%	100% (Draft)	2006
Training and Development	100%	100% (Draft)	09/12/05
Assessment	100%		06/04/06

MUNICIPAL POLICY	COMPLETED %	REVIEWED %	DATE ADOPTED BY COUNCIL
Smoking	100%		16/01/2006
Scarce Skills	100%	90% (Draft)	2008
Parking Policy	100%		Draft
Internship	100%	100% (Draft)	07/10/04
Learnership	100%	100% (Draft)	09/12/05
External Bursary	100%		Draft
Adult Basic Education and Training	100%	100% (Draft)	07/10/04
Work Exposure Policy	100%		Draft
Induction Policy	100%		Draft
Abscondment Policy and Procedure	100%	100% (Draft)	15/03/2011
Alcohol and Drug Abuse Policy	100%	100% (Draft)	25/03/2011
Bee and Wasp Stings Policy	100%	100% (Draft)	21/02/2006
Management of Heat Stress policy	100%	100% (Draft)	18/03/2011
Post Exposure Protocol	100%	100% (Draft)	26/03/2007
Procedure for Injury on Duty	100%		16/02/2006
Procedure for Management of PTB in Health Care Workers	100%		21/07/2008
Personal Protective Equipment	100%		Draft
Acting Policy	100%		Draft
ICT Capacity Plan Policy	100%		24/01/2013
ICT Disaster Recovery Policy	100%		24/01/2013
ICT Security Policy	100%		24/01/2013
ICT Monitoring Policy	100%		24/01/2013
ICT Network Operations Policy	100%		24/01/2013
ICT Patch Management Policy	100%		24/01/2013
Internet Access Policy	100%		24/01/2013
Risk Management	100%		
Whistle Blowing Policy	100%		Draft
Anti- fraud and Corruption	100%		Draft

3.13.5 INTERNAL AUDIT UNIT AND THE AUDIT COMMITTEE

(i) INTERNAL AUDIT UNIT

The municipality has an Internal Audit Unit which provides an independent, objective assurance and consulting activity designed to add value and improve the municipality's operations. It helps the municipality accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

In terms of the International Standards for the Professional Practice of Internal Auditing, determining whether risk management processes are effective is a judgment resulting from the Internal Auditor's assessment that:

- Institutional objectives support and align with the Institution's mission;
- Significant risks are identified and assessed;
- Risk responses are appropriate to limit risk to an acceptable level; and
- Relevant risk information is captured and communicated in a timely manner to enable the Accounting Officer / Authority, Management, Risk Management Committee, Audit Committee and other officials to carry out their responsibilities.

Other responsibilities of Internal Auditing in risk management include:

- Providing assurance that the risk management culture in the Institution is an appropriate one;
- Providing assurance that the risk register is an appropriate reflection of the risks facing the Institution;
- Providing assurance that risk management is carried out in a manner that benefits the Institution; and
- Providing assurance that the risk management strategy, risk management implementation plan and fraud prevention plan have been effectively implemented within the Institution.

The capacity to fulfil the mandate of the unit is strained due to the vacancy of key posts within the unit. It is hoped that the process to fill key identified posts will resolve this problem.

The Internal Audit Charter was adopted in 2009 and has subsequently been reviewed and will be tabled at EXCO before the end of the 2012/12 financial year.

(ii) AUDIT COMMITTEE

The municipality has an established Audit Committee with five Council approved member posts. Currently the unit has three members and is in the process of filling the remaining two posts

The high level responsibilities of an Audit Committee include the following:

- To derive optimal benefits, risk management ought to be conducted in a systematic manner, using proven methodologies, tools and techniques.

The responsibilities of the Audit Committee with respect to risk management should be formally defined in its charter. The Audit Committee should provide an independent and objective view of the Institution's risk management effectiveness.

The risk management responsibilities of the Audit Committee are as follows:

- Reviewing and recommending disclosures on matters of risk in the annual financial statements;
- Reviewing and recommending disclosures on matters of risk and risk management in the annual report;
- Providing regular feedback to the Accounting Officer / Authority on the adequacy and effectiveness of risk management in the Institution, including recommendations for improvement;
- Ensuring that the internal and external audit plans are aligned to the risk profile of the Institution;
- Satisfying itself that it has appropriately addressed the following areas:
 - Financial reporting risks, including the risk of fraud;
 - Internal financial controls; and
 - IT risks as they relate to financial reporting.

Furthermore, in discharging its oversight responsibilities relating to risk management, the audit committee:

- Gains thorough understanding of the risk management policy, risk management strategy, risk management implementation plan, and fraud risk management policy of the institution to enable them to add value to the risk management process when making recommendations to improve the process;

- Reviews and critiques the risk appetite and risk tolerance, and recommends this for approval by the Accounting Authority / Officer;
- Reviews the completeness of the risk assessment process implemented by management to ensure that all possible categories of risks, both internal and external to the institution, have been identified during the risk assessment process. This includes an awareness of emerging risks pertaining to the institution.
- Reviews the risk profile and management action plans to address the risks;
- Reviews the adequacy of adapted risk responses;
- Monitors the progress made with the management action plan;
- Reviews the progress made with regards to the implementation of the risk management strategy of the institution;
- Facilitates and monitors the coordination of all assurance activities implemented by the institution; and
- Reviews the process implemented by Management in respect of fraud prevention and ensured that all fraud related incidents have been followed up appropriately.

The Audit Committee Charter was adopted in 2009 and has subsequently been reviewed. It will be tabled at EXCO before the end of the 2012/13 financial year.

(iii) RISK MANAGEMENT

The Accounting Officer and Council are required by the Municipal Finance Management Act (53 of 2003) to establish and maintain appropriate risk management systems. Risk Management Practices requires the Accounting Officer and Council to manage the strategic and operational risks of the municipality. The risk management system must provide for mitigating strategies and control activities against the risks within the municipality from unacceptable likelihood and impact. It is expected that a municipality's risk management system identifies strategic and operational risks and assign responsibility to appropriate officials within the municipality. The Audit Committee's role in relation to risk is to support the Accounting Officer and Council.

The municipality has appointed the Deputy Municipal Managers as Risk Management Committee under the chairperson of the Chief Financial Officer. The terms of reference for the Risk Management Committee are embedded in the Risk Management Policy which has been reviewed and restructured and has been adopted by Council.

A risk assessment is done on annual basis and as we embark on new initiatives and programmes any emerging risks that could have a negative impact on the municipality's ability to achieve its strategic objectives. The Council is ultimately responsible for risk management supremacy with Exco and Audit Committee playing a very crucial oversight role as a function that is delegated to them and legislated. The status of strategic and operational risks are reported and monitored on regular basis by Internal Audit Unit and Risk Management Committee who give feed back to the Accounting Officer and Audit Committee.

Continual improvement of Integrated/Enterprise Wide Risk Management which is being introduced has commitment of the Strategic Management in the municipality, and has enabled an increased level of risk management maturity to be achieved in the municipality.

The following are significant risks that are facing the municipality. The municipality is fully aware of the root causes and have been able to put in place mitigating strategies within the SDBIP for 2012/13.

TABLE 52: Risk and Mitigation Strategies

RISK	ROOT CAUSE	MITIGATION STRATEGIES	RESPONSIBILITY
Frequent electricity outages resulting to litigation & business contraction	<ul style="list-style-type: none"> • Conductors/Cable faults on secondary network • Primary infrastructure ageing • Obsolete switchgears 	<ul style="list-style-type: none"> • Notwithstanding financial constraints the municipality has programmes in place to replace old infrastructure with new infrastructure, refurbishment & replacing programme is in 	<ul style="list-style-type: none"> • DMM of Infrastructure Services • Process Manager of Electricity

RISK	ROOT CAUSE	MITIGATION STRATEGIES	RESPONSIBILITY
impacting on economic growth within the municipality	<ul style="list-style-type: none"> illegal connections old substation buildings theft of infrastructure 	<p>place, security measures and replace copper conductors with aluminum, installation of new switchgear (Network Upgrade).</p> <ul style="list-style-type: none"> The R90 million programme to deal with electricity interruptions is gorging ahead over the next twelve months. 	
Electricity Losses	<ul style="list-style-type: none"> Low society moral fiber and crime rate (theft). High rate of unemployment. 	<ul style="list-style-type: none"> Accelerate electrification of informal settlements areas. Continuous campaigns to uproot illegal connections. 	<ul style="list-style-type: none"> DMM of Infrastructure Services Process Manager of Electricity
Huge debtor's book & low collection rate which impends solvency & liquidity of the municipal finances & going concern or sustainability of the municipal operations	<ul style="list-style-type: none"> High rate of unemployment. Lack of vigorous strategy to collect & data cleansing. 	<ul style="list-style-type: none"> Data cleansing will be undertaken. Despite financial a constraint which is an impediment, a strategy will be developed to deal with huge debtor's book & vigorous collection. The filling of critical posts in finance has been prioritized. Daily cash flow monitoring will reflect early warning signals. 	<ul style="list-style-type: none"> Process Manager for Income Chief Financial Officer
Loss of water due to pipe bursts, leaking pipes & meters that cannot be read.	<ul style="list-style-type: none"> Poor maintenance & the decaying infrastructure. 	<ul style="list-style-type: none"> Water is currently in a 3 of a 6 year Non- Revenue water reduction program which started Feb 2011. The 16 core interventions were made up of 8 real losses and 8 billing control interventions. The other interventions include filling of all vacant positions in the water section. The 6 Year Non-Revenue Water Master Plan has been reviewed in order to cater for the different aspects of water losses with a more robust approach. Asset Management Plan which caters for asset replacement. IDT will commence with the meter audits. 	<ul style="list-style-type: none"> DMM of Infrastructure Services Process Manager for Water & Sanitation
High backlogs of & ageing road infrastructure not receiving the relevant maintenance resulting to potholes.	<ul style="list-style-type: none"> Limited funding. Ageing & sickly of technical core staff. Exodus of experience technical staff which is impacting on implementation of Municipal programmes and loss of institutional knowledge 	<ul style="list-style-type: none"> To introduce improved and robust Employee Wellness Programme. Staff Retention, Locomotion & Scarce Skills Policy development and implementation. Maintenance Programmes, to review maintenance budget formulation & approach National Treasury for more MIG Funding. The implementation of Integrated Rapid Public 	<ul style="list-style-type: none"> DMM of Infrastructure Services Process Manager for Roads & Transportation.

RISK	ROOT CAUSE	MITIGATION STRATEGIES	RESPONSIBILITY
		Transport Network (IRPTN) will also cater for upgrade of roads.	
Fraud & Corruption	<ul style="list-style-type: none"> Inappropriate employment practices. Weak Systems of Internal Control Ineffective leadership Conflicts of interest Greediness Undue Political interference 	<ul style="list-style-type: none"> Anti-fraud & Corruption Policy, Strategy & Whistle Blowing Policy developed & will be implemented. An intensive conflict of interest identification review has been conducted & further reviews to determine further irregularities has been initiated. Continuous forensic investigations and prosecution of suspects. Internal Audit reviews aimed at identifying weaknesses in the systems of internal control with recommendations to address such deficiencies as well as follow-up thereof. 	<ul style="list-style-type: none"> Municipal Manager Executive Manager Internal Audit Unit
Inability to cope with demand of basic services due to high vacancy rate & lack of permanency at DMM level creating instability.	Financial constraint & lack of incentives & attractive salary packages in high competitive industry to enticement best candidates.	<ul style="list-style-type: none"> Prioritization of filling of critical posts has been done. Advertising & filling of critical posts is being fast tracked. Approval of the revised organizational structure will be vigorously fast tracked. Fast track filling of the DMM positions. 	<ul style="list-style-type: none"> Municipal Manager. DMM for Corporate Services [Acting]
<ul style="list-style-type: none"> Shortage of burial space which could result on Msunduzi community not able to do burials of their families & loves ones. Poor service (bodies half burned) for those who want to cremate resulting in inconvenience to the Msunduzi community & extra cost to them when cremation is taken to Durban. 	Lack of pro-active long-term planning in the past for the burial services.	<ul style="list-style-type: none"> Land has been identified at Hollingwood for new cemeteries but the space is still inadequate due to high death rate. Engage in a process of identification of another new land for new cemeteries to take the municipality to 2030. Advertise & award a contract to commission two new cremators inclusive of maintenance of the cremators. 	DMM for Community Services [Acting] Process Manager for Community Development
Loss of data from	<ul style="list-style-type: none"> Ageing ICT 	<ul style="list-style-type: none"> About R7million set aside for ICT infrastructure. 	<ul style="list-style-type: none"> DMM Corporate

RISK	ROOT CAUSE	MITIGATION STRATEGIES	RESPONSIBILITY
the server either because of collapse of the ICT Infrastructure (including servers, storage & network) & manipulation of data as well as threat to business continuity.	infrastructure. <ul style="list-style-type: none"> Inadequate security system. Non-attention of ICT for past 3 years No intrusion detection. UPS faulty. Hacking Lack of effective backups of information to safeguard data. 	<ul style="list-style-type: none"> Maintenance plan for the network & other ICT related items. Develop & implement ICT disaster recovery plan. Develop and implemented ICT Governance Strategy. 	Services [Acting] <ul style="list-style-type: none"> Process Manager ICT
Ineffective call center operations resulting to disgruntled customers which may tarnish the image of the municipality.	<ul style="list-style-type: none"> Lack of standard operating procedure for call center. Lack of coordination and feedback to customers. Lack of capacity i.t.o. human capital & system needs upgrade and back-up generator. 	<ul style="list-style-type: none"> A standard operating procedure & training plan is being developed for implementation. Plans to acquire back-up generator are being implemented. New additional staff being engaged. Relocating call center to a conducive office for efficient & effective operations. 	<ul style="list-style-type: none"> Municipal Manager. Manager Marketing & Communications.

KEY ISSUES RELATING TO THE INTERNAL AUDIT UNIT AND AUDIT COMMITTEE INCLUDE:

- Staff and capacity constraints;
- Effective utilisation of the Internal Audit Unit to optimise municipal business unit functionality;
- Synergising and optimisation of the Auditor General and the Internal Audit Unit's activities; and
- Outstanding fraud and corruption investigations since Municipal Administration.

3.13.6 MUNICIPAL SUPPLY CHAIN MANAGEMENT

The Msunduzi Municipality's Supply Chain Management unit is a support function for all business units within the council to ensure provision of efficient, transparent, fair, equitable and cost effective procurement services hence assisting them to implement their service delivery priorities. In terms of the MFMA SCM regulations the SCM unit is established to implement the SCM policy adopted by council. It operates under the direct supervision of the Chief Financial Officer or an official to whom this duty has been delegated in terms of section 82 of the Act. Core functions include demand, acquisition, logistics, disposal, SCM risk and performance management.

The supply chain management policy for the year 2011/2012 was adopted by Council in 29 September 2011 in term of SCM Regulation 3 (1) (a) and implemented immediately thereafter, this was the second review since 2005. The main change made to the policy was to bring it in line with the structure of the SCM regulations. The aim was to establish a credible base from which the business processes can be developed.

A further review of the current SCM policy was done in December 2011 to further align the policy to Preferential Procurement Regulations (2011), issued in terms of the section 5 of the preferential Procurement Policy Framework Act (5 of 2000) (PPPFA). The Regulations were published in the Government Gazette on 08 June 2011 the new regulations aims to align the Preferential Procurement Policy Framework Act (2000) and the Broad- Based Black Economic Empowerment Act (2003) effective from 7 December 2011, issued by National Treasury.

The municipality has the following functional committees all of whom's members are appointed for a period of a financial year: Bid Specification, Bid Evaluation, Bid Adjudication Committees.

3.13.7 PUBLIC PARTICIPATION INCLUDING THE PUBLIC PARTICIPATION PLAN

The Msunduzi Municipality has adopted a Communication Strategy during the course of 2011/12 financial year and the Public Participation Policy is going through various committees for consultation and finally approval by Full Council. The policy characterises stakeholders as either internal, including public sector stakeholders and forums, or external which includes business and labour stakeholders and civil society organisations.

The public participation is an on-going engagement process, and the following are forms of citizenry participation that are utilized by the Municipality to ensure the citizen and stakeholders voice are accommodated in the planning, execution and review of the IDP, Budget and PMS processes:

- Ward Committee Monthly Meetings
- Stakeholders Quarterly Meeting (Reporting on PMS Progress/SDBIP and IDP)
- Monthly Community Meetings by Councillors (due to financial constrains-are held once in two months /6 meetings per annum per ward)
- Project Based Meetings
- Sector Plan Based Engagements
- Executive committee – Public Gallery
- Full Council Meeting – Public Gallery
- Integrated Development Planning Meetings
- Izimbizo: Public Meetings for Budget, IDP etc
- Municipal Property Rates Act (MPRA)
- Service Standard or Charter
- Community Based Planning
- Complaints Register: Customer Care and Batho Pele Engagements
- SukumaSakhe – Premier's Flagship Tool for Accelerated Service Delivery at a Ward Base Level
- Attendance to invitations by Interest groups
- Partnerships and MOUs: MIDI, etc

3.13.8 COMMUNICATION AND MARKETING PLANS

The Marketing and Public relations Unit of the Msunduzi Municipality developed a Marketing Strategy which aims at being competitive, and creating a vibrant brand identity for the city. The marketing strategy incorporates the LED strategy and aims to synergize the Units efforts to attract investment and marketing Msunduzi Municipality in the local and global environments.

The objective of marketing strategy is to formulate guidelines and implementation plans for retaining the existing industries and attraction of new and potential industries. In order to achieve this goal the following have been taken into consideration:

TABLE 53: Marketing Plan Communication Media

MEDIA USED	DESCRIPTION
Municipal Website	<ul style="list-style-type: none"> • Use of the municipal website with up to date information on all kinds of developments taking place. • Providing clear details of investment opportunities that are available within the Municipality. • Outlining the tourism attractions that are available in Msunduzi Municipality. • The promotion of all prominent events in a calendar year.
Magazines and other Publications	<ul style="list-style-type: none"> • Advertising space in various popular magazines (business, sports and lifestyle magazines), outlining the opportunities as well as attractions within the municipality.
SA Cities Network website	<ul style="list-style-type: none"> • Msunduzi Municipality is a member of the South African Cities Network, and therefore has the opportunity to promote itself on this great platform which is shared with big Cities such as Tswane, Durban and Cape Town.
Events	<ul style="list-style-type: none"> • By associating itself with major events taking place in the City, the municipality receives a lot of mileage in brand exposure through websites, brochures, radio, and television.
Radio and local press	<ul style="list-style-type: none"> • By taking up advertising space in local media, this provides an opportunity for local investors to better understand what opportunities are available for further investment.

3.13.9 MUNICIPAL TURN- AROUND STRATEGY/ MUNICIPAL INFRASTRUCTURE SUPPORT AGENCY (MISA)

Msunduzi Municipality was identified as a municipality that needed support during the MISA visit by National COGTA last year. Some of the challenges identified ranged from the municipality not having put in place structures & processes to attend to the following:

- Lack of an internal and external communication strategy
- Review of the complaints management system
- By- laws and organizational policies were out of date
- Assistance requires for MPAC on management of issues raised
- Delegation framework needed to be reviewed and updated in line with legislation
- Human Resources - Human resources policies are out of date, Lack of credible organogram aligned to powers and functions, Vacancies in section 56 positions, Jobs have not been evaluated and graded, Disciplinary processes, including forensic investigations, regarding former Senior Managers have not been completed
- Lack of performance agreements for employees from MM level to Process Managers
- Contracts are poorly managed or not managed at all
- Financial management system - There are many different systems currently being utilised by the municipality leading to double work efforts and misalignment of processes. There is an urgent need for integration of these systems
- Housing - Lack of a housing sector strategy and poor quality of houses provided by Human Settlements.
- Water Provision - Some municipal wards/areas have no water infrastructure, Water service backlog is at 3000 households
- Access to Sanitation - There is a large sanitation backlog
- Electricity - The current ageing infrastructure and the cost of construction of bulk supply as well as the excessive amounts of illegal connections are contributing factors to poor electricity management
- Land and Lease Audit - A proper record of land owned by the Municipality needs to be established in order to determine how much of it is available for business development.
- Roads Maintenance - Poor maintenance of roads.

These are just some of the areas that needed to be worked on in order to ensure service delivery is enhanced. For each of the areas identified, timeframes, actions to be taken and responsible personnel were identified within the organisation to deal with such matters.

It must also be noted that the MISA actions have been aligned with the strategic framework and the SDBIP to ensure implementation.

3.13.10 AUDITOR GENERAL'S REPORT AND FINDINGS

The Auditor General has expressed an unqualified opinion with emphasis on matters relating to:

- Irregular expenditure;
- Restatement of corresponding figures;
- Material losses/ impairments;
- Material under- spending of budget; and
- Unaudited supplementary schedules.

Whilst there is no significant improvement on the above matters, there is an improvement in the liquidity ratio and financial sustainability and the existence of an uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern.

The audit report still indicates weaknesses in the supply chain management which result to irregular expenditure amounting to R27,483 million. Great strides have been made in this area by implementing controls and processes of identifying contracts which have been awarded to suppliers in contravention of the Local Government: Municipal Supply Chain Management Regulations (SCM Regulations) in an area that is prone to fraud and corruption. Further efforts are being made to enforce strict control measures that will reduce malpractices. One of the strict control measures is that the municipality is investigating investing into a process that will be used to identify conflict of interest and non- compliance with SCM regulations.

The significant increase in losses on electricity which resulted to revenue losses is noted. The municipality is fighting this scourge of theft of electricity and hopefully as resources are increased and new strategies implemented the municipality will reduce losses.

The losses on water are static, however, strategies to reduce these losses are being implemented and results should be seen in the long- term.

Management of debtor's book is receiving close attention as stringent credit control measures will be implemented.

Another challenge is on material under- spending on the capital budget which impacts negatively on service delivery and is evil and immoral as it deprives the poor communities' of basic services. Extraordinary measures have to be implemented in this area to improve service delivery.

If the municipality is to get a clean audit in 2014, more effort from all levels of management as well as support from Council is required to raise the bar.

3.13.11 2012/13 MID- TERM PERFORMANCE ASSESSMENT

As per Chapter 8 of the Municipal Finance Management Act (56 of 2009), the Accounting Officer of the municipality is required to assess the half yearly performance of the municipality by 25 January every year, and submit the findings to the Mayor, as well as National and Provincial Treasuries. The following documents were utilised as tools to determine the actual performance, namely:

- The approved Budget for 2012/13;
- The Service Delivery and Budget Implementation Plan as aligned with the approved Budget;
- Actuals in the approved Budget and SDBIP;
- Cash and Cash Equivalents;
- The Debtors Analysis on Revenue Billed and Revenue Collected; and
- The General Expenditure Analysis on programmes planned and implemented.

A series of recommendations to improve the performance of the municipality for the last half of the Budget Financial Year were identified and are summarised below:

- Council needs to review the Capital Budget with the Turn-around Strategy to ensure that approved projects are implemented with speed to ensure that all are complete or towards completion by the end of June 2013.
- This can be achieved through ensuring that the necessary capacity is available in the SCM section and that the bid committee sits as planned.
- The Municipality through its debt collection process will have to ensure that strict collection processes are implemented.
- The project of Data Cleansing to be implemented as approved will also ensure that unrecoverable debt due to non-existence will be written off to reflect the realistic debtor balance at the year-end 30 June 2013 with the correct debtors impairment and provision.
- A revenue enhancement strategy will be implemented from 1 February 2013 to ensure stringent measures are in place for collection of municipal accounts.

KEY ISSUES RELATING TO MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT:	
<ul style="list-style-type: none"> • Further implementation of performance management in the organization; • Ensuring on-going functional Ward Committees; • Improved discipline / management control; • Structured internal policy framework; and • Lack of follow up on performance indicators. 	
<p>STRENGTHS</p> <ul style="list-style-type: none"> • Reviewing of the organogram. • The development of a more customer focused organisation (Incorporation of Batho Pele principles). • The establishment and functioning of a number of municipal committees. • The establishment and functioning of ward committees. • The development of ward plans. • Relationships with traditional leaders. • The development of a number of municipal policies. 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Human Resource Strategy not in place. • Ineffective call centre resulting in disgruntled customers which may tarnish the image of the municipality.
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • The development of a cohesive organisational structure. • Changing the organization's culture to a performance driven culture. • Attracting and retaining critical and technical skills. • The identification of risks and the development of mitigation strategies. • The review of municipal policies. 	<p>THREATS</p> <ul style="list-style-type: none"> • Low morale in staff. • Shortages of key skills. • Fraud and corruption.

CHAPTER 4: THE IDP STRATEGIC APPROACH

4.0 INTRODUCTION

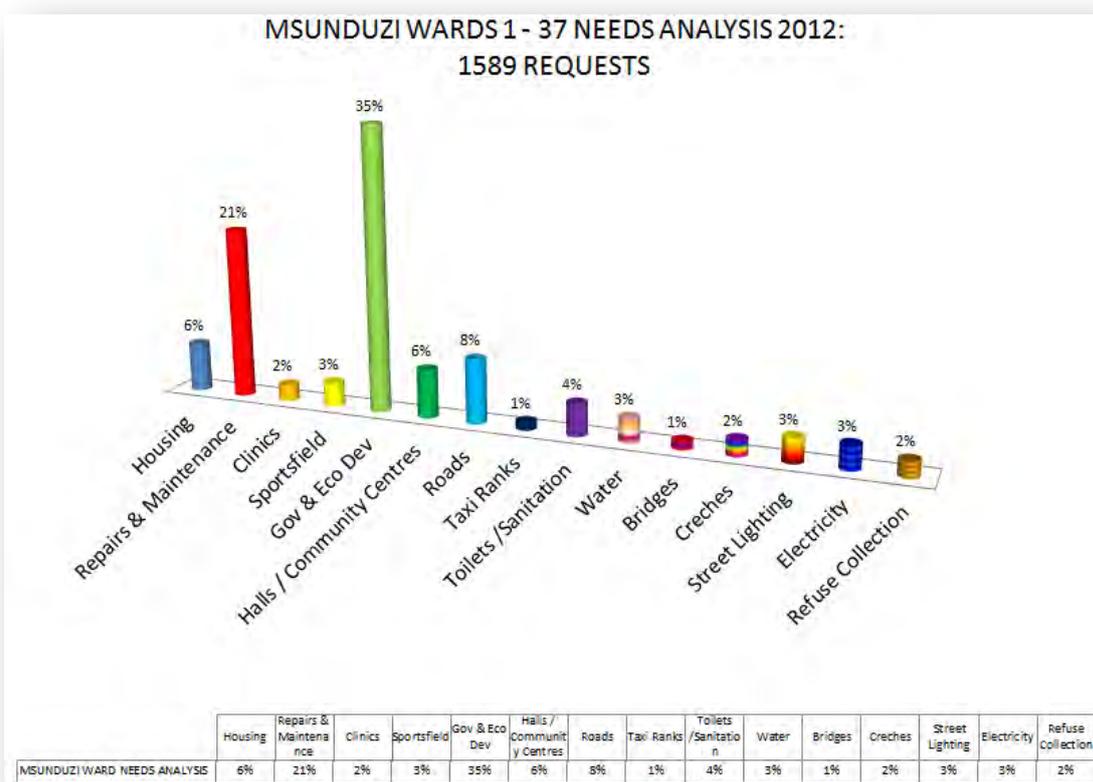
The Vision, Objectives, Strategies and Projects of the Msunduzi municipality are underpinned by Strategic Planning and Policies at a National and Provincial level which are summarised in Chapter 2 above. The objectives and components of these documents and policies have helped shape the direction in which the municipality is moving through this IDP.

4.1 MUNICIPAL NEEDS ANALYSIS

The following figure summarises the issues raised by community members in terms of their importance. It is taken from both minutes of community meetings and surveys, needs and/ or issues of importance that have been categorised according to the five national Key Performance Areas.

A total of 1 589 requests have been received from Wards 1 to 37. As can be seen from these figures, the largest portion of requests relate to *Good Governance and Economic Development* (35%), followed by *Repairs and Maintenance* (21%), *Roads* (8%), *Housing* (6%) and *Halls/ Community Centres* (6%).

FIGURE 17: Community Needs Analysis



The top 5 requests and recommended interventions are summarised in the table below.

TABLE 54: Municipal Wards Needs Analysis (2012)

	%	No. OF REQUESTS	NATURE OF REQUEST	RECOMMENDATION
GOOD GOVERNANCE & ECONOMIC DEVELOPMENT	35	564	Requests under good governance & economic development included the following - communities wanted to be informed about the IDP process, to be involved in the budget process, for ward committees to be established, for the municipality to strengthen relationships between communities and their councillor, for nepotism to be eradicated, many ward requests cited that councillors must not be involved in the hiring of people. It also included the issue of youth development, job creation, training and skills development, small business establishment, building of libraries & other aspects in order to strengthen the economy,	Msunduzi Municipality to embark on a process of ensuring communities are involved in all processes of the municipality including the IDP & Budget processes but not limited to these aspects, however, transparent in order to ensure all aspect of the Municipal Systems Act are adhered to in terms of public participation and community involvement. The economic development unit together with Ward Councillors must then embark on trying to assist each ward in terms of economic development which can be through the Provincial Department of Economic Development & National Department of Economic Development.
REPAIRS & MAINTENANCE	21	341	Repairs & Maintenance included requests for the upgrades of roads, rehabilitation of community facilities like halls and parks, fixing of potholes, building of speed humps, attending to sewage blockages, repairing of burst water pipes, repairs to RDP houses where roofs are leaking.	The municipality to do an assessment of the total infrastructure within its boundaries. Once this has been done, the aged infrastructure that needs urgent replacement must be budgeted for and plans must be implemented to ensure the replacement is carried forward. Infrastructure requiring on-going maintenance also must be budgeted for with the most important ones given priority.
ROADS	8	123	Requests for roads predominantly centred around the building of new roads, link roads, access roads and tarred roads where there have never been roads constructed before.	The municipality to do an assessment of each ward in terms of roads required. Once this is done, a process must be embarked on where planning is at the forefront of building and strengthening communities by ensuring quality roads are budgeted for and then built accordingly as there are many areas within wards that has never ever had roads and people end up walking long distances to see people or to get from one area to another.
HALLS &	6	96	Request for halls and	Refurbishing and establishment

	%	No. OF REQUESTS	NATURE OF REQUEST	RECOMMENDATION
COMMUNITY CENTRES			community centres focussed on the construction of new halls and community centres which are multi-purpose in nature in order to enhance community development by social cohesion.	of community halls will improve social gathering of communities, thus the establishment of community halls will improve community participation.
HOUSING	6	95	Housing requests include the request for RDP houses and houses in general.	The municipality to address the current backlog of building houses. The Municipality to utilise the necessary mechanisms to ensure a reduction in the backlogs.

See the Annexures to this document for an individual ward level prioritisation of needs.

4.2 MUNICIPAL KEY ISSUES

The following are the key issues for the Msunduzi municipality:

TABLE 55: IDP Key Issues and Corresponding Vision Statement

KEY ISSUE	CORRESPONDING VISION STATEMENT WITH STRATEGIES HAVE BEEN DEVELOPED TO ADDRESS THE KEY ISSUE
Revenue protection and enhancement.	6. A Financially Viable and Well- governed City
Addressing service delivery challenges in terms of water, sanitation and electricity.	1. A Well- serviced City
Integrated waste management and renewable energy.	1. A Well- serviced City 3. A Clean, Green City
Seamless movement of people, goods and services in and around the city.	2. An Accessible and Connected City
City connectivity.	2. An Accessible and Connected City
Institutional and individual performance management framework.	6. A Financially Viable and Well- governed City
Institutional skills development and professionalization of the organisation.	6. A Financially Viable and Well- governed City
Improved capacity to spend on capital expenditure;	6. A Financially Viable and Well- governed City
Filling of strategic critical vacant posts.	6. A Financially Viable and Well- governed City
Economic growth leading to the creation of decent jobs.	5. An Economically Prosperous City

4.3 MUNICIPAL VISION

The Vision of the City of Choice second to none is to develop a City where its entire Citizenry can:



Own a financially viable and well governed city



Live in peacefully



Move about freely and in a cost-effective manner



Work to earn a living reducing unemployment, poverty and inequality



Play to lead a healthy lifestyle thus increasing life expectancy

The Msunduzi municipality shall deliver on six strategic city- wide outcomes to achieve this vision as follows:

- A well- serviced City;
- An accessible, connected City;
- A clean, green City;
- A friendly, safe City; and
- An economically prosperous City.
- A financially viable and well- governed City.

In order to realise the Vision, the municipality has prioritised thirteen objectives clustered under each of these six broadly defined outcomes.

In order to realise the Vision, the municipality has prioritised thirteen objectives clustered under each of these six broadly defined outcomes as follows:

- The focal areas for the first, **a well serviced city**, shall be: water and sanitation service delivery, energy supply provision and implementation of waste management – for all.
- The focal areas for the second, **an accessible and connected city**, shall be: roads construction and maintenance and transport management, human settlement development, telecommunications connectivity and social infrastructure distribution.
- The focal areas for the third, **a clean, green city**, shall be: renewable energy supplies, public open space creation and urban renewal and greening promotion.
- The focal areas for the fourth, **a friendly, safe city**, shall be: social cohesion and safety and security.
- The focal area for the fifth, **an economically prosperous city**, shall be: job creation.
- The focal area for the sixth, **a financially viable and well- governed city**, shall be: financial viability and good governance.

All the six themes and related objectives above are inter-related and cannot be achieved in isolation.

4.3.1 STRATEGIC PRIORITY AREAS

The following table summarises the six Strategic Priority Areas, their associated goals, value statements and the targets identified. It is further unpacked under Section 5 below where it is linked to the five year targets as well as the quarterly targets.

TABLE 56: Strategic Priority Areas, Goals, Vision Statements and Targets

STRATEGIC PRIORITY 1: WELL SERVICED CITY		
GOAL	VALUE STATEMENT	TARGET
By 2030 Msunduzi is a city serviced with quality water and sanitation reticulation, uninterrupted, adequate energy supply and regular waste removal- for ALL neighbourhoods, communities and centres of business.	1.1 City-wide infrastructure and service delivery provides a reliable, high quality supply of water, sanitation, energy and waste services – to all.	1.1.1 100% of all households have a municipal water connection to the yard level. 1.1.2 70% of all households have water-borne sanitation. 1.1.3 30% of all households have the basic minimum of VIPs. 1.1.4 To Reduce Non-Revenue Water and Real Water Losses to 20% and 15% respectively. 1.1.5 To reduce the amount of Water Service interruptions from 1684 per annum (2011/2012) by 80% (to 336 bursts) per annum and respond to 100% of service interruptions within 8 hours. 1.1.6 To reduce Sanitation service interruptions from 2499(2011-2012) per annum by 80%(500) per annum and respond to 100% of sanitation blockages within 8 hours.
	1.2 City-wide energy infrastructure and service delivery provides a reliable, high quality supply of energy. Energy supply meets the anticipated increased demand for electricity specifically, including peak periods.	1.2.1 Disruption to energy supply is minimised to 6 hours in 100% of incidents. 1.2.2 Electricity supply keeps pace with expected growth of 4% per annum. 1.2.3 100% of households have basic electricity supply.
	1.3 Energy prices are affordable for residents.	1.3.1 100% of municipal households are fitted with solar water heating geysers.
	1.4 Use of renewable sources of energy is widespread.	1.4.1 100% of street lights and 100% of traffic signals in the CBD are powered by renewable energy.
	1.5 Energy production, capacity, storage, management and distribution rapidly adapts to changing patterns of demand.	1.5.1 Demand management provides a 10% reduction in peak demand.
	1.6 City-wide infrastructure and service delivery provides reduced electricity losses.	1.6.1 Reduces electricity losses to below 5% of bulk supply purchases.
	1.7 Municipal-wide waste collection and disposal services to domestic households are available to all Msunduzi residents.	1.7.1 100% of households are rendered a waste collection and disposal service once a week.
	1.8 Appropriate waste collection and disposal services are provided to support business and industry. Commercial activity derives production inputs from recovered waste material.	1.8.1 100% of businesses are rendered a waste collection and disposal service at least twice a week.
	1.9 Implementation of Advanced Waste Management Systems that reflect community values around	1.9.1 50% recovery rate of recyclable materials through source separation at households and public sector offices, and treatment of organic

	waste minimisation.	waste.
	1.10 Implementation of annual infrastructure upgrade of the waste disposal site.	1.10.1 construct waste containment berms, access roads, rehabilitation of perimeter roads, fencing of perimeter of site, construct wet-weather facility, install stone drainage layers on site, clay-cap side slopes of berms.
	1.11 Recovery, re-use and recycling of waste is maximised. The volume of waste disposed to landfill is minimised. Life spans of landfill sites are extended.	1.11.1 25% of household and business waste is sorted on-site.
STRATEGIC PRIORITY 2: AN ACCESSIBLE AND CONNECTED CITY		
GOAL	VALUE STATEMENT	TARGET
By 2030 Msunduzi is a city with sufficient and well-maintained road, rail and other physical infrastructure serving all residents whether they use public or private transport modes. It has layers of diverse transport networks interconnecting at centres and internal urban hubs. Human settlement initiatives reduce housing backlogs and eliminate spatial separation by racial categories. Telecommunications and information technology is universally accessible and reliable. Social infrastructure, focussed on educational, health and recreational facilities meets all communities' needs.	2.1 A diversity of private (cars, bikes, walking) and public (trains, buses, taxis) transport options, using a range of adequate physical infrastructure (roads, rail and bikeways / walkways) is readily available to all residents.	2.1.1 Road and rail infrastructure backlogs are reduced such that 90% of communities have access to road and rail services. 2.1.2 100% compliant with Roads infrastructure management plan. 2.1.3 90% of Msunduzi residents can get to work within 45 minutes. 2.1.4 Reliable Public transport services are available 24 hours per day, with accessibility every 15 minutes to key activity nodes. 2.1.5 90% of travel in morning peak periods comprise walking, cycling or energy efficient public transport.
	2.2 Housing backlogs are significantly reduced with human settlement patterns reflecting inclusive demographics.	2.2.1 100% eradication of informal settlements. 2.2.2 Rural Residential housing infrastructure backlogs are reduced such that less than 10% of households remain without access to formal housing. 2.2.3 Zero tolerance for exclusions based on racial, ethnic, religious or other demographic characteristics, is reflected in 100% of new settlement patterns. 2.2.4 20% of each new mixed-use development consists of rental stock. 2.2.5 30% densification of urban space. 2.2.6 Council Rental Stock maintained on a regular and consistent basis to eliminate unsafe structures and to prevent deterioration of Council's assets. 2.2.7 Old Rental Stock to be reduced by transferring certain units to qualifying tenants. 2.2.8 Allocations of new houses in subsidised housing projects to be 100% compliant with DOHS policies by installation of Housing Needs Register and capture of names.
	2.3 People connect virtually through high-speed information and communication technology. Reliable telecommunications networks provide access to learning and information opportunities in homes, schools and workplaces. Business and industry embrace high-speed broadband networks to become more productive and innovative. Energy efficiency is promoted by telecommuting.	2.3.1 90% of households have access to telecommunications and high-speed broadband more cheaply and cost effectively. 2.3.2 100% of indigent households have free access to telecommunications and high-speed broadband. 2.3.3 100% of businesses, government departments and schools have easy access to business-grade and bi-directional high-speed broadband. 2.3.4 Telecommuting reduces conventional energy usage by 20%.

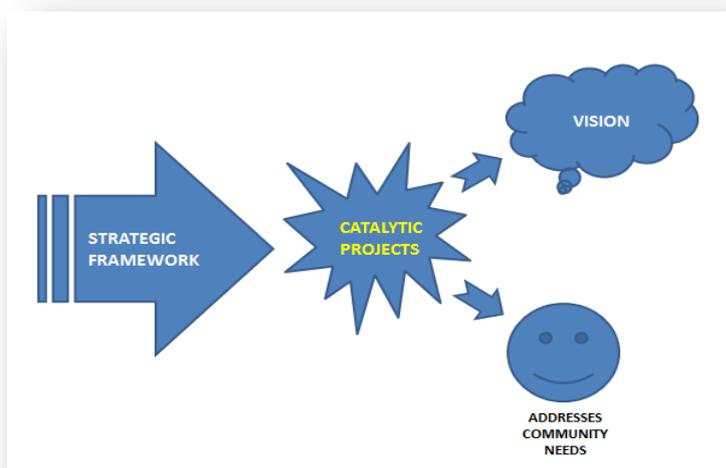
	<p>2.4 Social infrastructure supports healthy lifestyles, learning opportunities and community unity and social cohesion. Health infrastructure is readily available and meets community needs. Major recreational infrastructure (eg. sports stadia, cultural facilities, etc.) contribute to the city's economy by allowing for world-class events and tourism. Social infrastructure is delivered with regard to minimising impacts on the environment.</p>	<p>2.4.1 90% of communities have adequate social infrastructure within a 30 minute walk or ride. 2.4.2 100% of business centres are supported with appropriate community recreational and meeting facilities including health and educational facilities. 2.4.3 100% of social infrastructure delivery complies with national standards regarding minimal environmental impact.</p>
STRATEGIC PRIORITY 3: A CLEAN, GREEN CITY		
GOAL	VALUE STATEMENT	TARGET
<p>By 2030 Msunduzi is a city protecting our natural environment, our native plants and animal habitats, limiting pollution, greening the city and using our natural resources such as water, wisely. The clean, green city, harnesses our renewable energy supply, public open space creation project and urban renewal and greening programme to these ends.</p> <p>Msunduzi conserves its natural assets while still meeting the demand for more housing, more roads and more services to accommodate our increasing population.</p>	<p>3.1 Msunduzi has widespread use for renewable energy supplies, including but not limited to: solar, wind and hydro power. The city continually increases investment in delivering more sustainable energy technologies. Businesses use energy efficiently prioritising low carbon emission sources. Alternative energy sources are mainstreamed in new human settlement development for all communities and energy efficiency required in building plans.</p>	<p>3.1.1 30% of Msunduzi's electricity demand is met by renewable sources. 3.1.2 20% of liquid energy is derived from bio-fuel. 3.1.3 50% of new commercial or industrial development incorporates some form of renewable energy technology usage in its design and construction. 3.1.4 80% of new human settlement development incorporates some form of renewable energy technology usage in its design and construction. 3.1.5 100% of building plans approved have due consideration for energy efficiency.</p>
	<p>3.2 Communities benefit from a linked public open space network providing for a range of sporting, cultural and recreational uses.</p>	<p>3.2.1 100% of residents are within a 15 minute walking distance to facilities within the city's public, open and green space network.</p>
	<p>3.3 Urban renewal and greening is recognised by communities and the business fraternity as contributing to environmental and ecological sustainability as well as supporting future residential, commercial and industrial development.</p>	<p>3.3.1 100% residential, commercial and industrial precincts incorporate green spaces. 3.3.2 100% of roads in former black townships and major arterial roads in rural areas are tarred. 3.3.3 100% compliance with trading bylaws within the CBD. 3.3.4 100% compliance with environmental bylaws within the city environs.</p>
STRATEGIC PRIORITY 4: A FRIENDLY, SAFE CITY		
GOAL	VALUE STATEMENT	TARGET
<p>By 2030 Msunduzi is a city with strong, welcoming, caring and diverse communities living in a variety of friendly, safe neighbourhoods.</p>	<p>4.1 Separate development of the past will be forgotten as the city proactively promotes and practically engineers social cohesion across all its objectives, geographic spread, racial groupings, class identities, religious formations and political affiliations.</p>	<p>4.1.1 Civic engagement increases so that 100% of residents, regardless of racial, class, religious or political categories can enjoy an active role in decisions that affect their city. 4.1.2 To ensure the effective management of land uses within the Msunduzi Municipality.</p>
	<p>4.2 People will enjoy working together and helping each other in</p>	

	<p>local neighbourhoods and in the broader community. Msunduzi's friendly, outdoor life is enlivened by an interesting range of local and regional celebrations.</p> <p>4.3 Civil society organisations and community participation are critical elements of Msunduzi's safety and security strategies. Community policing forums are active in community safety centres established across the city.</p>	<p>4.3.1 80% of community police forums are accessible and accommodated in safety centres within a 30 minute walk or ride for all residents.</p> <p>4.3.2 The entire Msunduzi Municipal area is monitored through CCTV camera system.</p> <p>4.3.3 100% of the city-wide area is monitored by law enforcement officials (traffic wardens, traffic officers, security officers, city police, peace officers and inspectors).</p>
STRATEGIC PRIORITY 5: AN ECONOMICALLY PROSPEROUS CITY		
GOAL	VALUE STATEMENT	TARGET
By 2030 Msunduzi is a city with a flourishing business environment, with people exercising their entrepreneurship across the full spectrum of commercial, public, scientific, educational and charitable enterprises.	5.1 The city absorbs young people into a job creation social compact between the council, private businesses and the non-profit sector – with the support of institutions of learning.	5.1.1 Unemployment in the city is reduced to 15%.
	5.2 By 2030 Msunduzi will have a strong, diversified and resilient economy, using its competitive advantages to deliver prosperity, high employment and quality jobs for all the city's residents.	<p>5.2.1 The Municipality has competitive business incentive packages to attract new businesses and expansion.</p> <p>5.2.2 The municipality attracts annual investment in excess of R 1 billion per annum, reducing unemployment by 5% per annum.</p> <p>5.2.3 Municipality has 100% of skills required for the local economy.</p> <p>5.2.4 Reduce the percentage of economically inactive youth to 5%.</p>
STRATEGIC PRIORITY 6: A FINANCIALLY VIABLE AND WELL- GOVERNED CITY		
GOAL	VALUE STATEMENT	TARGET
By 2030 the Msunduzi municipality is a financially sound and well governed institution delivering on its legislative mandates and offering residents of the municipality value for their rate payments.	6.1 BY 2030 Msunduzi will be financially sound through managing its finances efficiently through effective and realistic budgeting to ensure synergy between the capital and operating budget, as well as revenue enhancement.	<p>6.1.1 Efficient Budget and Treasury.</p> <p>6.1.2 Optimal Expenditure Management.</p> <p>6.1.3 Improved Revenue Management.</p> <p>6.1.4 Effective Supply Chain Management.</p> <p>6.1.5 Optimal Financial Service.</p> <p>6.1.6 Efficient collection of revenue through Municipal Property Rates.</p>
	6.2 By 2030 Msunduzi will have a civil society that actively participates in and contributes to sound decision making ensuring greater accountability of Councillors and Officials.	<p>6.2.1 100% effective administration complying with its legal mandates.</p> <p>6.2.2 Effective fleet management to ensure resource availability for service delivery.</p> <p>6.2.3 To maximize the disaster resilience of Msunduzi through coordination of all pre-disaster risk reduction – as well as post disaster response activities within a framework of sustainable development.</p>

4.4 CATALYTIC PROJECTS

A catalyst is described as something that ‘precipitates an event’ or something that causes change. These projects speed- up realisation of the municipal strategies leading to community needs being met and facilitating speedier realisation of the Vision. The municipality has identified a number of projects that seek to stimulate change and development in the municipality.

FIGURE 18: Catalytic Projects

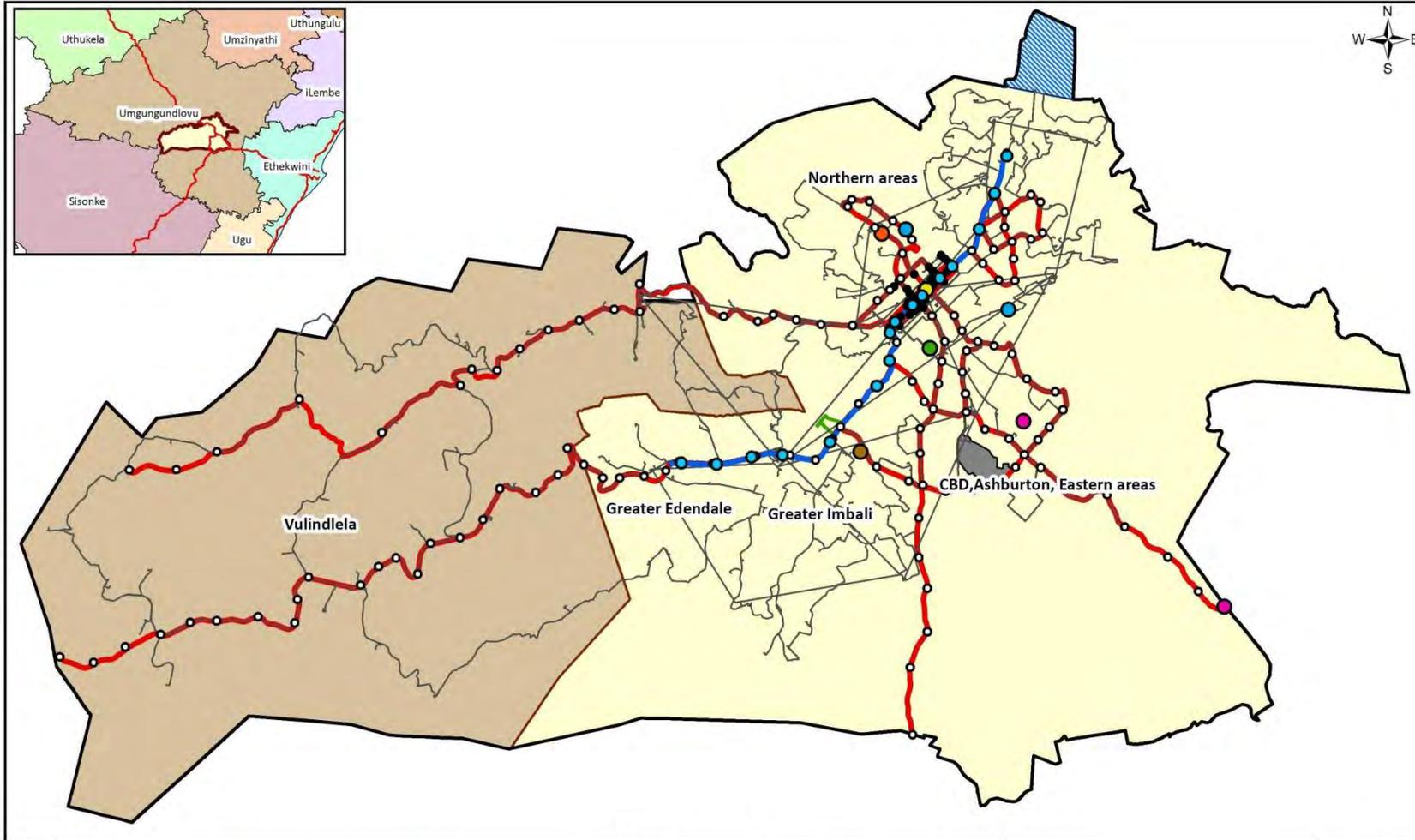


The following catalytic projects that are aimed at revitalising the economy and growth trajectory for the Msunduzi Municipality:

TABLE 57: Summary of the Msunduzi Catalytic Projects

PROJECT	DESCRIPTION	EST. BUDGET
Legislature Precinct Development	This is a medium to long- term initiative which will see the development of a new legislature precinct that will better cater for the needs of the legislature and facilitate good governance.	R2 Billion
Pietermaritzburg Airport Upgrade	This is a short- term project that will see the extension of the existing runway together with the terminal buildings. This will allow for larger aeroplanes to make use of the airport thereby attracting additional operators and increasing the feet through the airport.	R0.5 Billion
Harry Gwala Stadium Upgrade Phase 2	This is a medium to long- term project which will see the development of further stands at the stadium. Associated with this project, in the short to medium term, is the further development and upgrading of the Alexander Park Sports Precinct with additional parking.	R0.5 Billion
International Convention Centre and 5 star Hotel	This is a medium to long- term project that will see the development of an international calibre conference centre which will allow the city to host international- standard conferences. In the short to medium term, a 5 star hotel associated with this will be developed.	Private Investment
Council Civic Centre	This is a medium- term project and will see the further development of the Council Civic Centre to cater for additional needs and demands.	R1.2 Billion
Integrated Rapid	This project is a short to medium term project which will see the	R3.2 Billion

PROJECT	DESCRIPTION	EST. BUDGET
Public Transport System	roll- out of reliable and efficient public transport between key points in the city thereby reducing resident's commuting times.	
Optic Fibre Cable Network	This is a short to medium term project that will see the development of a leading edge technology Fibre optic telecommunications network leading to increased connectivity and usage, decreased costs, and stimulating growth and development.	R0.5 Billion
Electrical Infrastructure Upgrade	This is a short to medium term project that will see the rehabilitation and upgrading of the municipality's electrical infrastructure.	R0.9 Billion
City- wide CCTV System	Camera surveillance of areas within the Msunduzi municipality so as to encourage a crime free environment.	R0.5 Billion
Hero's Acre	This project was mentioned by the KZN Premier in the 2013 State of the Provinces address and will be a museum commemorating the Heroes of the Struggle. It will include a wall commemorating the "Seven Days War" on the site where the remains of Moses Mabhida and Jonny Makhathini are buried. The proposed development will cover a developed area of at least 102,000 m ² .	R1 Billion
Freeway Node Development	This is a medium term project that involves the upgrade of key freeway interchanges within the municipality so as to ensure more efficient movement of traffic, as well as unlocking strategically located adjacent land for the development of commercial, residential and associated activities.	R1 Bill
Non- Revenue Water Reduction Project	This is a medium to long term project that will simultaneously increase revenue and reduce water losses. The reduction of water losses will ultimately reduce the demand on our source (dams) which will have a catalytic benefit to the catchment.	R0.5 Bill



Legend <ul style="list-style-type: none"> ● CCTV Cameras ● Harry Gwala Stadium Phase 2 ● Heroe's Acre ● Legislature Precinct ● Possible site for ICC and 7 star Hotel ● Proposed Council Civic Centre ● Proposed Interchange Upgrade ● IRPTN Stations and Terminal/VS ○ IRPTN Modal Interchanges — IRPTN Phase 1 Right of Way — Fibre Optic Route — Traffic Route System — Mason's Mill Depot Site Electricity Connections Completed Ezinketheni Electricity Connections High Mast Lights Onibi Airport Municipal Boundary 	SECTION: IDP Office	DISCLAIMER: The Municipal GIS Unit is in no way responsible for the accuracy or completeness of data here presented. Therefore in no event will the Municipal GIS Unit be held liable for damages, including loss of profits or consequential damages arising from the use of information herein.	 PIETERMARITZBURG M S U N D U Z I	
	MAP TITLE: Catalytic Projects			MAP 31 ER: IDP 3.5
	DATE: 15 February 2013			SCALE: Not to Scale

4.5 PROJECT PRIORITISATION MODEL

The prioritisation of investment projects is a key task for all municipalities as part of the IDP and Budget review process. It is clearly not possible to implement all projects simultaneously, and a rational, systematic approach to prioritisation helps to ensure that not only the legal requirements are met as early as possible but also that the available resources (both human and finance) are used as effectively and efficiently.

The following project prioritisation model has been developed to assist with decision making in allocating resources.

TABLE 58: Project Prioritisation Model for the Msunduzi Municipality

CRITERIA	DESCRIPTION	SCORING
Vision 2030 Impact	Will the project realise the Vision Statements, Goals, Value Statements and Targets contained in the Vision 2030 for the Msunduzi municipality?	5 – Yes definitely 3 – Partially 1 – Not at all
Project directly relates to the IDP- identified Catalytic projects	Will the project result in the implementation of the IDP- identified catalytic projects?	5 – Yes definitely 3 – Partially 1 – Not at all
Community Identification of project	Has the project been identified by a community through community engagements, Ward Councillor involvement, War Room deliberations, or through a Community Based Plan?	5 – Yes definitely 1 – Not at all
Sector Plan identification of project	Has the project been identified in a sector- specific plan (ie. Water Services Development Plan, Local Economic Development Plan)?	5 – Yes definitely 1 – Not at all
Linkage to the Spatial Development Framework	Has the project been aligned to the SDF? Does the project occur within an SDF- identified Node or Corridor?	5 – Yes definitely 3 – Partially 1 – Not at all
Millennium Development Goals Linkage	Does the project assist the municipality and its communities to realise the targets set out in the Millennium Development Goals (MDGs)?	5 – Yes definitely 3 – Partially 1 – Not at all

CHAPTER 5: IMPLEMENTING THE PLAN

5.0 INTRODUCTION

This review of the IDP has seen the creation of alignment between the 2030 municipal vision, the IDP strategic framework, the SDBIP and the capital investment framework. A unique IDP number has been given to each *Vision Statement*, the corresponding *Value Statements*, the *Targets* as well as to the *5 year* and *1 year* targets and their associated *Projects*.

In creating these linkages, it becomes far easier for oversight structures (i.e. Council, the Internal Auditors and the Auditor General, etc.) to ensure that municipal expenditures are in terms of the municipal vision and the IDP.

This project is a work- in- progress and will develop and mature in the years to come through its daily use. It has also been captured in an electronic spread sheet format which makes monthly and quarterly reporting by departments far easier to undertake.

NOTE: Some 13 of the strategies contained in the strategic framework were unable to be finalised at the time of going to print of this document. These will be finalised and necessary alignment undertaken before the final 2013/14 IDP document is adopted by Council.

5.1 IMPLEMENTATION PLAN

The following set of A3 pages contain the implementation plan for the municipality and are grouped according to the Vision Statements.

5.2 ONE YEAR CAPITAL INVESTMENT FRAMEWORK

The following table summarises the capital projects identified in the Draft Budget for 2013/14.

Table 59: One Year Capital Investment Framework

DEPT	SINGLE OR MULTI	NEW OR EXISTING	IDP NO	PROJECT DESCRIPTION	FUND	2013 / 2014 BUDGET	2014 / 2015 BUDGET	2015 / 2016 BUDGET	PROJECT PRIORITISATION
220	S	E	2.4.1.4	FIRE ALARM SYSTEM PROFESSOR NYEMBEZI BUILDING	CNL	650 000	0	0	Maintenance
220	S	N	2.4.1.4	DEBRIS NET PROFESSOR NYEMBEZI BUILDING	CNL	500 000	0	0	Maintenance
220	S	E	2.4.1.4	REPLACEMENT OF LIFTS PROFESSOR NYEMBEZI BUILDING	CNL	2 500 000	0	0	Maintenance
106	S	E	2.4.1.4	REPLACEMENT OF LIFTS A S CHETTY BUILDING	CNL	2 500 000	0	0	Maintenance
504	S	E	2.4.1.4	REPLACEMENT OF LIFT CITY HALL	CNL	1 000 000	0	0	Maintenance
504	S	N	2.4.1.4	AIRCONDITIONING INSTALLATION CITY HALL LOUNGE & MEETING ROOM	CNL	750 000	0	0	Maintenance
504	S	E	2.4.1.4	UPGRADE OF FIRE DETECTION SYSTEM CITY HALL	CNL	400 000	0	0	Maintenance
504	S	N	2.4.1.4	VISUAL CONFERENCE SYSTEM COMPLETION CITY HALL	CNL	350 000	0	0	Maintenance
504	S	N	2.4.1.4	CCTV INSTALLATION CITY HALL	CNL	400 000	0	0	Maintenance
207	S	N	1.1.4.1	TELEMETRY / INSTRUMENTATION EQUIPMENT	CNL	300 000	400 000	400 000	Maintenance
787	S	N	1.1.4.1	LEAK DETECTION EQUIPMENT	CNL	250 000	300 000	350 000	Maintenance
787	M	E	1.1.5.1	EDENDALE PROPER NEW MAINS & RETICULATION	CNL	1 000 000	0	0	Developmental Project
125	M	E	2.1.2.1	ROAD REHABILITATION - PMS	CNL	17 710 000	10 570 000	7 000 000	
125	S	E	2.1.3.1	CONNOR - OTTO'S BLUFF ROADS - LINK	CNL	300 000	4 000 000	3 000 000	
129	M	E	2.1.1.2	GRIMTHORPE ROAD BRIDGE (Design and EIA)	CNL	400 000	0	1 000 000	
131	S	N	2.1.1.4	INSTALLATION OF TRAFFIC SIGNALS	CNL	1 000 000	150 000	600 000	Maintenance
131	S	N	2.1.1.4	TRAFFIC CALMING MEASURES	CNL	1 000 000	1 500 000	500 000	Maintenance
131	S	N	2.1.1.4	NEW TRAFFIC SIGNALS CONTROLLER	CNL	780 000			Economic
131	S	N	2.1.1.4	TRAFFIC LIGHT SPARES, EQUIPMENT & TOOLS	CNL	500 000	100 000	100 000	
170	S	N	6.2.2.1	REPLACEMENT OF VEHICLES, PLANT & EQUIPMENT	CNL	15 000 000	10 000 000	10 040 000	
713	M	E	1.2.1.1	NETWORK REFURBISHMENT	CNL		15 980 000	11 210 000	Developmental

<u>DEPT</u>	<u>SINGL E OR MULTI</u>	<u>NEW OR EXISTIN G</u>	<u>IDP NO</u>	<u>PROJECT DESCRIPTION</u>	<u>FUND</u>	<u>2013 / 2014 BUDGET</u>	<u>2014 / 2015 BUDGET</u>	<u>2015 / 2016 BUDGET</u>	<u>PROJECT PRIORITISATION</u>
508	S	N	2.4.1.9	AIRPORT PROJECTS	CNL	2 810 000	0	0	
035	S	N	6.2.2.19	FINANCIAL SYSTEM	CNL	7 000 000	12 000 000	13 000 000	
390	S	E	2.4.3.2	HARRY GWALA STADIUM UPGRADE PHASE 2	CNL	200 000			
511	S	N	2.4.3.6	BUILDINGS (HEROES ACRE DEVELOPMENT)	CNL	200 000			
526	M	E	6.2.2.19	Recabling of LAN Infrastructure - ISO stds	CNL	2 500 000	5 000 000	2 800 000	
713	M	E	2.1.4.1	CORRIDOR DEVELOPMENT	COGTA	12 500 000	0	0	
713	S	E	1.5.1.1	ENERGY EFFECIENCY AND DEMAND SIDE MANAGEMENT	DOE	8 000 000	5 000 000	10 000 000	
131	M	E	2.1.4.1	PUBLIC TRANSPORT INFRASTRUCTURE	DOT	100 846 000			
713	M	N	1.2.3.1	ELECTRIFICATION	INEP	143 000 000	30 000 000	12 000 000	
125	S	E	3.3.2.1	LESTER BROWN LINK ROAD	MIG	4 000 000	4 000 000	0	
125	M	E	3.3.2.1	BURGER ST EXTENSION (PH 1 - Services, fill earthworks, SW structure etc and Ph 2 - Road layer works, surfacing, Kl & kerbs, Sign & markings etc)	MIG	9 000 000	10 000 000	0	
141	S	E	2.4.1.3	REHABILITATION OF PUBLIC ABLUTIONS	MIG	1 500 000	1 500 000	1 500 000	Maintenance
243	S	E	2.4.1.2	UNIT 18 COMMUNITY HALL	MIG	1 000 000	0	0	Developmental
450	S	E	2.4.1.2	CALUZA SPORTS HALL	MIG	1 500 000	0	0	Developmental
394	S	E	2.4.1.5	MOUNTAIN RISE CREMATORS	MIG	2 800 000	2 800 000	1 200 000	Developmental
202	M	N	1.1.6.1	SANITATION INFRASTRUCTURE FEASIBILITY STUDY	MIG	2 000 000	2 000 000	6 000 000	Legal/Maintenance
202	M	E	1.1.2.2	SHENSTONE AMBLETON SANITATION SYSTEM	MIG	9 875 000	5 000 000	10 000 000	Developmental Project/Economic Benefits
202	M	E	1.1.6.1	REHABILITATION OF SANITATION INFRASTRUCTURE	MIG	10 000 000	12 000 000	15 000 000	Developmental Project
202	M	E	1.1.2.1	SEWER PIPES UNIT H	MIG	8 000 000	12 000 000	5 000 000	Developmental Project/Economic Benefits
202	M	E	1.1.2.1	SEWER PIPES AZALEA - PHASE 2	MIG	8 000 000	12 000 000	5 000 000	Developmental Project/Economic Benefits
202	M	E	1.1.2.1	ELIMINATION OF CONSERVANCY TANKS - (SEWER)	MIG	3 050 000	600 000	12 000 000	Developmental Project/Economic Benefits
202	S	E	1.1.6.1	SERVICE MIDBLOCK ERADICATION IN SOBANTU, ASHDOWN & IMBALI (SEWER)	MIG	5 871 555	600 000	10 000 000	Developmental Project/Economic

<u>DEPT</u>	<u>SINGL E OR MULTI</u>	<u>NEW OR EXISTIN G</u>	<u>IDP NO</u>	<u>PROJECT DESCRIPTION</u>	<u>FUND</u>	<u>2013 / 2014 BUDGET</u>	<u>2014 / 2015 BUDGET</u>	<u>2015 / 2016 BUDGET</u>	<u>PROJECT PRIORITISATION</u>
									Benefits
787	M	E	1.1.4.1	REDUCTION OF NON REVENUE WATER	MIG	15 000 000	29 279 000	58 690 000	Economic Benefits/Maintenance
787	M	E	1.1.5.1	ELIMINATION OF CONSERVANCY TANKS - (WATER)	MIG	125 000	0	300 000	Developmental Project/Economic Benefits
787	S	E	1.1.5.1	SERVICE MIDBLOCK ERADICATION IN SOBANTU, ASHDOWN & IMBALI (WATER)	MIG	300 000	0	500 000	Developmental Project/Economic Benefits
787	M	E	1.1.1.1	BASIC WATER SUPPLY	MIG	1 000 000	4 000 000	5 000 000	Legal
787	M	E	1.1.5.1	MASONS RESERVOIR & PIPELINE	MIG	500 000	15 000 000	3 000 000	Developmental Project
787	M	E	1.1.5.1	COPEVILLE RESERVOIR	MIG	10 000 000	300 000	6 000 000	Developmental Project
185	M	E	1.10.1.1	LANDFILL UPGRADE	MIG	8 090 850	7 500 000	7 500 000	Legal / Maintenance
125	M	E	3.3.2.1	UPGRADE DESIGN OF GRAVEL ROADS - VULINDLELA - D 1128 (Phase 1, 2 and 3)	MIG	4 500 000	5 000 000	6 000 000	
125	S	E	3.3.2.1	UPGRADE OF GRAVEL ROADS - WILLOWFOUNTAIN ROAD - Main Road, Phipha Road, Premier's Road	MIG	2 500 000	2 500 000	3 000 000	
125	M	E	3.3.2.1	UPGRADING OF GRAVEL ROADS - EDENDALE - MBANJWA RD - 2,0 km	MIG	2 000 000	0	0	
125	M	E	3.3.2.1	UPGRADING OF GRAVEL/GRAVSEAL ROADS - EDENDALE - TAFULENI ROAD - 1.2 km	MIG	2 500 000	0	0	
125	S	N	3.3.2.1	HORSE SHOE ACCESS RD AND PASSAGES IN IMBALI STAGE 1 & 2	MIG	1 500 000	1 500 000		
125	M	E	3.3.2.1	UPGRADING OF GRAVEL ROADS - EDENDALE - WARD 22 - 8,4km Natshi Rd, Hadebe Rd, Dipini Rd, Thula Rd, Hlengwa Rd, Bhula Rd, Mthethomusha Rd, Mavimbela Rd, Thusi Rd, Budi Rd and Geris Road	MIG	2 000 000	2 000 000	0	
125	M	E	3.3.2.1	UPGRADING OF GRAVEL RDS - EDN - WARD 12 - MOSCOW - 4,0 km - Zabazomuzi Rd, Mngoma Rd, Zwane Rd - MOSCOW AREA RDS	MIG	2 500 000	3 000 000	0	
125	M	E	3.3.2.1	UPGRADING OF ROADS IN EDENDALE - KWANYAMAZANE ROADS	MIG	2 500 000	3 000 000		
125	M	E	3.3.2.1	UPGRADING OF GRAVEL ROADS - EDENDALE - WARD 16 - 8,0km - Senthomoro Rd, Khawula Rd - Dambuza Area - Thulani Rd - Unit J	MIG	1 000 000	0	0	

<u>DEPT</u>	<u>SINGL E OR MULTI</u>	<u>NEW OR EXISTIN G</u>	<u>IDP NO</u>	<u>PROJECT DESCRIPTION</u>	<u>FUND</u>	<u>2013 / 2014 BUDGET</u>	<u>2014 / 2015 BUDGET</u>	<u>2015 / 2016 BUDGET</u>	<u>PROJECT PRIORITISATION</u>
125	M	E	3.3.2.1	BACKLOG TO NEW RDS & S/W & UPGRADE OF EXISTING SUBSTANDARD LOW-COST HOUSING - HANIVILLE	MIG	1 700 000	0	0	
125	M	E	3.3.2.1	UPGRADE GRAVEL ROADS IN EDENDALE: Hlubi Rd, Nkosi Rd, Ntombela Rd, D. Shezi Rd, Ntshingila Rd and Mpungose Rd in Esigodini	MIG	3 500 000	2 000 000		
125	M	E	3.3.2.1	UPGRADING OF GRAVEL ROADS - EDENDALE - STATION RD [next to Georgetown High School] (Raise & Widen the bridge with associated roadworks)	MIG	2 000 000	6 000 000	2 500 000	
125	M	E	3.3.2.1	REHABILITATION OF ROADS IN ASHDOWN	MIG	1 500 000	0	0	
125	M	E	3.3.2.1	UPGRADING OF GRAVEL ROADS - EDENDALE - MACHIBISA / DAMBUSA RDS - Phase 2	MIG	2 000 000	0	0	
125	M	E	3.3.2.1	UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - IMBALI BB - PHASE 2: New road next to Zondi store, Kancane Rd, Sibukosizwe Rd	MIG	1 500 000	0	0	
125	M	E	3.3.2.1	UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - Shembe Rd and Joe Ngidi rd	MIG	2 500 000	0	0	
125	M	E	3.3.2.1	UPGRADING OF GRAVEL ROADS - VULINDLELA - D2069 (Mthalane Rd)	MIG	4 000 000	0	0	
125	M	E	3.3.2.1	UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - Caluza Roads	MIG	1 700 000	2 000 000	0	
125	M	E	3.3.2.1	UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - Smeroe roads & SW	MIG	0	2 500 000	0	
125	M	E	3.3.2.1	UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - Snathing Rds - 5.0km - (Mvubu Rd - 0.3km, Gudlintaba Rd - 0.4km, Gudlintaba 2 Rd - 0.4km, Mpompini Rd - 0.6km, Khoza Rd - 0.8km, Magaba Rd - 0.8km and Hlathini Ext Rd - 2.0km)	MIG	0	2 500 000	3 000 000	
126	M	E	2.1.1.1	UPGRADE SWD IN GREATER EDENDALE - Flooding Houses in Smeroe	MIG	300 000	300 000	200 000	
713	M	N	1.4.1.1	HIGH MAST LIGHTS IN VULINDLELA & GREATER EDENDALE	MIG	8 000 000	8 392 000	9 000 000	
						475 658 405	254 271 000	242 390 000	

5.3 KEY CAPITAL PROJECTS

The following projects have been identified by municipal departments as requiring implementation, although due to budget constraints, many of them are not funded during the 2013/14 financial year. These projects will be rationalised when the 2013/14 budget has been finalised.

5.3.1 WATER AND SANITATION

PROJECT DESCRIPTION	FUND	IDP NUMBER	2013 / 2014 BUDGET	2014 / 2015 BUDGET	2015 / 2016 BUDGET	PROJECT PRIORITISATION	CAPITAL COSTS PER MONTH											
							JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE
SANITATION INFRASTRUCTURE FEASIBILITY STUDY	MIG	1.1.6.1	R 2 000 000.00	R 5 000 000.00	R 5 000 000.00	Legal/Maintenance	R 30 000	R 50 000	R 250 000	R 250 000	R 400 000	R 350 000	R 200 000	R 400 000	R 70 000	R 0	R 0	R 0
SHENSTONE AMBLETON SANITATION SYSTEM	MIG	1.1.2.2	R 9 182 235.00	R 8 000 000.00	R 2 000 000.00	Legal/Maintenance	R 850 000	R 1 100 000	R 1 100 000	R 1 200 000	R 1 200 000	R 350 000	R 300 000	R 350 000	R 450 000	R 482 235	R 0	R 0
REHABILITATION OF SANITATION INFRASTRUCTURE	MIG	1.1.6.1	R 12 000 000.00	R 12 000 000.00	R 12 000 000.00	Developmental Project/Economic Benefits	R 1 000 000	R 1 000 000	R 1 000 000	R 1 000 000	R 1 000 000	R 850 000	R 850 000	R 1 000 000	R 1 000 000	R 1 100 000	R 1 100 000	R 1 100 000
INSTALLATION OF WATER BOURNE SANITATION	MIG	1.1.2.2	R 0.00	R 600 000.00	R 3 000 000.00	Developmental Project/Economic Benefits	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0
SEWER PIPES UNIT H	MIG	1.1.2.1	R 10 000 000.00	R 5 000 000.00	R 6 000 000.00	Developmental Project	R 80 000	R 650 000	R 850 000	R 1 000 000	R 1 100 000	R 850 000	R 850 000	R 350 000	R 1 050 000	R 1 100 000	R 1 100 000	R 420 000
SEWER PIPES AZALEA - PHASE 2	MIG	1.1.2.1	R 10 000 000.00	R 5 000 000.00	R 600.00	Developmental Project/Economic Benefits	R 80 000	R 650 000	R 850 000	R 1 000 000	R 1 100 000	R 850 000	R 850 000	R 350 000	R 1 050 000	R 1 100 000	R 1 100 000	R 420 000
ELIMINATION OF CONSERVANCY TANKS - (SEWER)	MIG	1.1.2.1	R 3 000 000.00	R 800 000.00	R 2 000 000.00	Developmental Project/Economic Benefits	R 400 000	R 420 000	R 430 000	R 450 000	R 470 000	R 350 000	R 350 000	R 130 000	R 0	R 0	R 0	R 0
SERVICE MIDDLEBLOCK ERADICATION IN SOBANTU, ASHDOWN & IMBALI (SEWER)	MIG	1.1.6.1	R 8 181 555.00	R 800 000.00	R 10 000 000.00	Developmental Project/Economic Benefits	R 300 000	R 320 000	R 330 000	R 330 000	R 330 000	R 850 000	R 850 000	R 750 000	R 720 000	R 411 555	R 0	R 0
REDUCTION OF NON REVENUE WATER	MIG	1.1.4.1	R 15 000 000.00	R 20 000 000.00	R 20 000 000.00	Developmental Project/Economic Benefits	R 800 000	R 1 200 000	R 1 500 000	R 1 500 000	R 1 500 000	R 1 000 000	R 1 000 000	R 1 500 000	R 500 000			
ELIMINATION OF CONSERVANCY TANKS - (WATER)	MIG	1.1.5.1	R 150 000.00	R 0.00	R 250 000.00	Developmental Project/Economic Benefits	R 20 000	R 30 000	R 30 000	R 30 000	R 40 000	R 0	R 0	R 0	R 0	R 0	R 0	R 0
SERVICE MIDDLEBLOCK ERADICATION IN SOBANTU, ASHDOWN & IMBALI (WATER)	MIG	1.1.5.1	R 300 000.00	R 0.00	R 200 000.00	Economic Benefits/Maintenance	R 0	R 50 000	R 50 000	R 50 000	R 40 000	R 40 000	R 60 000	R 10 000	R 0	R 0	R 0	R 0
BASIC WATER SUPPLY	MIG	1.1.1.1	R 1 500 000.00	R 8 000 000.00	R 16 000 000.00	Developmental Project/Economic Benefits	R 200 000	R 220 000	R 240 000	R 240 000	R 200 000	R 150 000	R 150 000	R 100 000	R 0	R 0	R 0	R 0
EDENDALE PROPER NEW MAINS & RETICULATION	MIG	1.1.5.1	R 2 000 000.00	R 400 000.00	R 3 000 000.00	Developmental Project/Economic Benefits	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0
MASONS RESERVOIR & PIPELINE	MIG	1.1.5.1	R 100 000.00	R 20 000 000.00	R 10 000 000.00	Developmental Project/Economic Benefits	R 0	R 0	R 0	R 100 000	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0
COPEVILLE RESERVOIR	MIG	1.1.5.1	R 10 000 000.00	R 400 000.00	R 5 000 000.00	Developmental Project/Economic Benefits	R 1 300 000	R 1 300 000	R 1 500 000	R 1 500 000	R 1 300 000	R 1 500 000	R 1 000 000	R 0	R 0	R 0	R 0	R 0
TELEMETRY INSTALLATIONS	CNL	1.1.4.1	R 300 000.00	R 1 000 000.00	R 1 200 000.00	Developmental Project	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0
REHABILITATION OF WATER INFRASTRUCTURE	CNL	1.1.5.1	R 0.00	R 10 000 000.00	R 12 000 000.00	Developmental Project	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0
RURAL BULK WATER UPGRADES	RBIG	1.1.1.1	R 0.00	R 0.00	R 10 000 000.00	Maintenance	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0
BULK WATER UPGRADES	MIG	1.1.5.1	R 0.00	R 0.00	R 5 000 000.00	Developmental Project	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0
LEAK DETECTION EQUIPEMENT	CNL	1.1.4.1	R 0.00	R 300 000.00	R 400 000.00	Developmental Project	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0
BASIC SANITATION INSTALLATION (VIP)	MIG	1.1.3.1	R 2 000 000.00	R 13 400 000.00	R 19 800 000.00	Developmental Project	R 350 000	R 500 000	R 500 000	R 500 000	R 500 000	R 400 000	R 400 000	R 450 000	R 400 000	R 0	R 0	R 0
SEWER MANHOLE REHABILITATION PROGRAM	CNL	1.1.6.1	R 0.00	R 1 000 000.00	R 1 200 000.00	Developmental Project	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0
BULK SANITATION UPGRADES	RBIG	1.1.6.1	R 0.00	R 0.00	R 5 000 000.00	Developmental Project	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0
TOTAL			83 723 790	106 700 000	144 050 600		5 380 000	8 040 000	8 980 000	9 500 000	9 380 000	7 790 000	7 260 000	6 790 000	6 170 000	5 633 790	4 800 000	2 440 000

5.3.2 LANDFILL

ORIGINAL 2012 / 2013 BUDGET	REVISED 2012_2013 BUDGET	YTD ACTUAL EXPENDITURE	2013 / 2014 BUDGET	2014 / 2015 BUDGET	2015 / 2016 BUDGET	PROJECT PRIORITISATION	CAPITAL COSTS PER MONTH											
							JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE
2 053 000	2 053 000	596 219	7 741 200	7 500 000	7 500 000	Legal / Maintenance		600 000	600 000	700 000	1 000 000	1 000 000	1 000 000	1 500 000	1 341 200			
			1 000 000					400 000	400 000	200 000								
2 053 000	2 053 000	596 219	8 741 200	7 500 000	7 500 000		0	1 000 000	1 000 000	900 000	1 000 000	1 000 000	1 000 000	1 500 000	1 341 200	0	0	0

5.3.3 COMMUNITY FACILITIES

WARD	PROJECT	COST
1		
2	Youth Centre	R 10 million
3	Sports Facility	R 15 million
4	Multi Purpose	R 50 million
5	D 1128	
6	Community Hall	R 6 million
7	Kusile Community Centre	R 3,5 million
8	Renovations Kwamafuze	R 2 million
9		
10	Azalea Cemetery road and fencing	R 3,5 million
11		
12		
13	Community Hall : Slangspruit	R 13 million
14		
15		
16	Multi Purpose Hall	R 10 million
17		
18	Community Hall	R 6 million
19		
20		
21		
22		
23	Multi Purpose Indoor Sport Arena	R 13 million
24		
25		
26		
27		
28		
29		
30		
31		
32	Upgrade Woodlands Sport fields	R 5 million
33		
34	Glenwood Centre / Multipurpose and Recreational Centre	R 10 million
35	Lincoln Meade Community Hall	R 8 million

5.3.4 HOUSING

IDP 2013/2014 AND BEYOND NEW HOUSNG PROJECTS UNDER VARIOUS STAGES OF IMPLEMENTATION							
To undertake feability studies.	No of Sites/Units	Year 1	Year 2	Year 3	Year 4	Year 5	Ward No.
Edendale J2 & Quarry - Stage 1	1000	1000					15
Ewillowfountain: Bulwer - Stage 1	1000	1000					14
Khalanyoni - PF	500	500					12
Kwa Thirty - PF	500	500					10
Signal Hill - Stage 1	2000	2000					26
Glenwood South East Sector - PF	3000		3000				37
Hollingwood - PF	1000		1000				35
Ambleton 3 - PF	3000		3000				18
Edendale Priority Housing Project - Stage 1	1000			1000			16, 21, 22
Mkondeni/Shortts Retreat - PF	3000			3000			37
Harewood	1000	0	0	0	1000		20, 23
To undertake the Planning & Design for 2000.	No of Sites/Units	Year 1	Year 2	Year 3	Year 4	Year 5	Ward No.
North East Sector	380	380					37
Peace Valley 2	500	500					23
Copesville	1610	563	563	484			30
Edendale S - 8 Ext	400	400					10
Westgate/ Grange	1500	1500					24
Jika Joe	1000	1000					33
Edendale J2 & Quarry - Stage 1	1000		1000				15
Ewillowfountain: Bulwer - Stage 1	1000		1000				14
Khalanyoni	500		500				12
Kwa Thirty	500		500				10
Signal Hill - Stage 1	2000		2000				26
Glenwood South East Sector	3000			3000			37
Hollingwood	1000			1000			35
Ambleton 3	3000			3000			18
Edendale Priority Housing Project - Stage 1	1000				1000		16,21,22
Mkondeni/Shortts Retreat	3000				3000		37
Harewood	1000					1000	20, 23
To undertake the construction of Services (Water, Sanitation and Roads).	No of Sites/Units	Year 1	Year 2	Year 3	Year 4	Year 5	Ward No.
Edendale T2 & T3	231	161					10, 15
North East Sector	380	380					37
Peace Valley 2	500		500				23
Copesville	1610	0	563	563	484		30
Edendale S - 8 Ext	400	400					10
Westgate/ Grange	1500	1500					24
Jika Joe	1000		1000				33
Edendale J2 & Quarry - Stage 1	1000			1000			15
Ewillowfountain: Bulwer - Stage 1	1000			1000			14
Khalanyoni	500			500			12
Kwa Thirty	500			500			10
Signal Hill - Stage 1	2000			2000			26

IDP 2013/2014 AND BEYOND NEW HOUSNG PROJECTS UNDER VARIOUS STAGES OF IMPLEMENTATION							
Glenwood South East Sector	3000				3000		37
Hollingwood	1000				1000		35
Ambleton 3	3000				3000		18
Edendale Priority Housing Project - Stage 1	1000					1000	16,21,22
Mkondeni/Shortts Retreat	3000					3000	37
Harewood	1000					1000	20, 23
To undertake the construction of Top Structures.	No of Sites/Units	Year 1	Year 2	Year 3	Year 4	Year 5	Ward No.
Vulindlela Rural Housing	25000	4000	4000	4000	4000	4000	1 TO 9
Msunduzi Wirewall	2056	360	360	236			6 WARDS
Msunduzi Rectification	600	360	225				6 WARDS
Willowfountain EE - P1	200	73					14
Lot 182 Snating	133	133					11
Edendale T2 & T3	426	262					10 & 15
North East Sector	380		380				37
Tamboville	416	270	146				34
Thembalihle	805	270	360	175			34
Q Section	416		360	56			34
Site 11	233		233				32
Happy Valley	180		180				32
Peace Valley 2	500			360	140		23
Copesville	1610			360	360	360	30
Edendale S - 8 Ext	400		360	40			10
Westgate/ Grange	1500		300	300	300	300	24
Jika Joe	1000		300	300	300	100	33
Edendale J2 & Quarry - Stage 1	1000				360	360	15
Ewillowfountain: Bulwer - Stage 1	1000				360	360	14
Khalanyoni	500					360	12
Kwa Thirty	500					360	10
Signal Hill - Stage 1	2000					360	26
Glenwood South East Sector	3000					360	37
Hollingwood	1000					360	35
Ambleton 3	3000					360	18
Edendale Priority Housing Project - Stage 1	1000					360	16,21,22
Mkondeni/Shortts Retreat	3000					360	37
To undertake the Transfer of residential sites in Housing Projects		2000	2000	2000	2000	2000	Various
Informal Settlement Upgrading Programme	No of Settlements	Year 1	Year 2	Year 3	Year 4	Year 5	Ward No.
Rapid Assessment of 67 Informal Settlements	75	75					All
Prepare Plans for each Settlement	75	75					All

5.3.5 ROADS, STORMWATER AND TRANSPORTATION

DEPT	ITEM	VOTE NO 2012/13	VAR D	IDP NO	PROJECT DESCRIPTION	FUND	2013 / 2014 BUDGET	2014 / 2015 BUDGET	2015 / 2016 BUDGET	PROJECT PRIORITISATION	CAPITAL COSTS PER MONTH															
											JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE				
ROADS, STORMWATER, TRANSPORTATION																										
125	625	1301	5	3.3.2.1	UPGRADE DESIGN OF GRAVEL ROADS - VULINDLELA - D 1128 (Phase 1, 2 and 3)	MIG	4 500 000	5 000 000	6 000 000	Contract advertised																
125	625	1302	14	3.3.2.1	UPGRADE OF GRAVEL ROADS - WILLOWFOUNTAIN ROADS - Main Road , Phipha Road, Khuzwago Road, etc.	MIG	3 000 000	2 500 000	3 000 000	committed (13/14)																
125	625	1303	20	3.3.2.1	UPGRADING OF GRAVEL ROADS - EDENDALE - MBANJWA RD - 2,0 km	MIG	2 600 000	0	0	committed (13/14)																
125	625	1304	11	3.3.2.1	UPGRADING OF GRAVEL/GRAYSEAL ROADS - EDENDALE - TAFULENI ROAD - 3.2 km	MIG	4 600 000	0	0	committed (13/14)	2 000 000	2 000 000														
125	625	1305	15/19	3.3.2.1	HORSE SHOE ACCESS RD AND PASSAGES IN IMBALI STAGE 1 & 2	MIG	1 500 000	1 500 000	1 000 000																	
125	625	1306	22	3.3.2.1	UPGRADING OF GRAVEL ROADS - EDENDALE - WARD 22 - 8.4km Natshi Rd, Hadebe Rd, Dipini Rd, Thula Rd, Hlengwa Rd, Bhula Rd, Mthethomusha Rd, Mavimbela Rd, Thusi Rd, Budi Rd and Geris Road	MIG	2 000 000	2 000 000	0																	
125	625	1307	12	3.3.2.1	UPGRADING OF GRAVEL RDS - EDN - WARD 12 - MOSCOW - 4.0 km - Zabazomuzi Rd, Mngoma Rd, Zwane Rd - MOSCOW AREA RDS	MIG	2 500 000	3 000 000	0	committed (13/14)																
125	625	1308	13	3.3.2.1	UPGRADING OF ROADS IN EDENDALE - KWANYAMAZANE ROADS	MIG	2 500 000	3 000 000																		
125	625	1309	1	3.3.2.1	UPGRADING OF GRAVEL ROADS - VULINDLELA - MBUCWANA RD - off D1135 UPGRADE	MIG	500 000	0	0	committed (13/14)																
125	625	1310	16	3.3.2.1	UPGRADING OF GRAVEL ROADS - EDENDALE - WARD 16 - 8.0km - Senti Rd, Sbhomoro Rd, Khawula Rd - Dambuza Area - Thulani Rd - Unit J, KwaPata, etc	MIG	1 000 000	1 500 000	2 000 000																	
125	625	1311	29	3.3.2.1	UPGRADING OF HANIVILLE INTERNAL ROADS	MIG	1 700 000	2 000 000	2 000 000																	
125	625	1312	12	3.3.2.1	UPGRADE GRAVEL ROADS IN EDENDALE: Hlubi Rd, Nkosi Rd, Ntombela Rd and Mpungose Rd (Ph.1) - approx 1,3km : D. Shezi Rd, Ntshingila Rd and Hlubi Rd (Ph.2) approx. 1.5km and other Roads, in Esigodini	MIG	3 500 000	2 000 000	4 500 000																	
125	625	1313	11	3.3.2.1	UPGRADING OF GRAVEL ROADS - EDENDALE - STATION RD [next to Georgetown High School] (Raise & Widen the bridge with associated roadworks)	MIG	2 000 000	6 000 000	2 500 000																	
125	625	1314	35	3.3.2.1	NEW FOOTPATHS, PASSAGES, KERBING & CHANNELING - SOBANTU	MIG	200 000	100 000	100 000																	
125	625	1315	23	3.3.2.1	REHABILITATION OF ROADS IN ASHDOWN	MIG	2 000 000	2 500 000	2 500 000																	

DEPT	ITEM	VOTE NO 2012/13	VAR D	IDP NO	PROJECT DESCRIPTION	FUND	Start Date	Completi on Date	ORIGINAL 2012 / 2013 BUDGET	REVISED 2012_2013 BUDGET	YTD ACTUAL EXPENDITURE	2013 / 2014 BUDGET	2014 / 2015 BUDGET	2015 / 2016 BUDGET	PROJECT PRIORITIZATION	CAPITAL COSTS PER MONTH											
																JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE
FLEET MANAGEMENT																											
170	658	1301	ALL		REPLACEMENT OF VEHICLES, PLANT & EQUIPMENT	CNL			3 368 760	1 678 852		2 000 000	2 000 000	2 000 000			2 000 000	2 000 000	1 500 000	2 000 000	2 000 000	2 000 000	5 000 000				
									0	3 368 760	1 678 852	30 000 000	30 000 000	30 000 000	0	0	0	0	0	0	0	2 000 000	2 000 000	15 000 000	3 000 000	3 000 000	5 000 000

5.3.8 ELECTRICITY

DEPT	ITEM	VOTE NO 2012/13	VAR D	IDP NO	PROJECT DESCRIPTION	FUND	ORIGINAL 2012 / 2013 BUDGET	REVISED 2012_2013 BUDGET	YTD ACTUAL EXPENDITURE	2013 / 2014 BUDGET	2014 / 2015 BUDGET	2015 / 2016 BUDGET	PROJECT PRIORITIZATION	CAPITAL COSTS PER MONTH														
														JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE			
ELECTRICITY																												
713	605	1302		1.2.3.1	ELECTRIFICATION	DOE			23 000 000							23 000 000												
713	618	1301	VAR		HIGH MAST LIGHTS IN VULINDLELA & GREATER EDENDALE	MIG			7 741 200	8 163 550	8 129 500						7 741 200											
713			VAR	1.2.11	SYSTEM REINFORCEMENT	CNL			11 000 000	11 539 000	11 539 000	Developmental	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	500 000	5 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	
713			VAR	1.4.1.1	STREETLIGHTING	CNL			8 000 000	8 392 000	8 392 000	Developmental	600 000	600 000	1 100 000	600 000	600 000	400 000	700 000	300 000	500 000	500 000	1 000 000	500 000	1 000 000	500 000		
713			VAR	1.2.11	UPGRADE OF TRANSFORMER	CNL			17 000 000	17 833 000	17 833 000	Developmental		1 500 000	1 500 000	2 500 000	1 500 000	500 000	500 000	2 500 000	1 500 000	1 500 000	2 000 000	1 500 000				
713			VAR	1.2.11	LV PROTECTION RETROFIT	CNL			1 500 000	1 573 500	1 573 500	Developmental		150 000	100 000	100 000	100 000	50 000	50 000	100 000	250 000	500 000	50 000	50 000	50 000			
713			VAR	1.2.11	BOB SYSTEMS	CNL			1 000 000	1 043 000	1 043 000	Developmental			200 000	50 000	50 000			250 000	250 000	100 000	100 000					
713			VAR	1.2.11	NETWORK REFURBISHMENT	CNL			20 000 000	20 980 000	20 980 000	Developmental	2 000 000	2 000 000	2 000 000	1 500 000	500 000	500 000	2 500 000	2 500 000	3 500 000	2 500 000	2 500 000	500 000				
713			VAR	1.2.11	SUBSTATION BATTERY CHARGERS	CNL			3 000 000	3 147 000	3 147 000	Developmental		250 000	250 000	250 000	250 000	250 000	250 000	250 000	500 000	250 000	250 000	250 000				
713			VAR	1.2.11	RE-ROUTING OF OHL IN CLARIDGE	CNL			6 000 000	6 398 900	6 398 900	Developmental		500 000	1 000 000	500 000	500 000			1 000 000	1 000 000	1 000 000	500 000					
713			VAR	1.5.1.1	PRE-PAYMENT METER	CNL			15 000 000	15 735 000	15 735 000	Developmental				4 500 000	2 000 000	250 000	250 000	5 000 000	2 500 000	250 000	250 000	250 000	250 000			
713			VAR	1.2.1.2	CROSSWAYS CABLES	CNL			26 000 000	26 225 000	26 225 000	Developmental		3 000 000	3 000 000	2 000 000	2 000 000	1 000 000	1 000 000	3 000 000	3 000 000	3 000 000	3 000 000	2 000 000				
			VAR	1.5.1.1	ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT	DOE			8 000 000	5 000 000	10 000 000					1 000 000	1 000 000	1 000 000	500 000	500 000	1 000 000	1 000 000	1 000 000	1 000 000				
			VAR	1.2.3.1	ELECTRIFICATION	DOE			20 000 000	30 000 000	12 000 000					4 000 000	6 000 000	4 000 000	4 000 000	1 000 000	1 000 000							
			VAR	1.2.1.2	NETWORK 138kV REHABILITATION PLAN	DOE			100 000 000							22 415 000	7 613 000	17 000 000	17 050 000	8 350 000	2 000 000	2 000 000	2 500 000	3 300 000	2 300 000	10 700 000		
									0	0	0	267 241 200	156 035 950	143 601 300		24 015 000	20 613 000	34 150 000	35 550 000	45 850 000	6 350 000	19 431 200	19 500 000	16 250 000	16 150 000	13 350 000	16 750 000	

CHAPTER 6: FINANCIAL PLAN

6.0 INTRODUCTION

This section summarises key elements from the municipal budget.

6.1 3- YEAR MUNICIPAL BUDGET

6.1.1 OPERATING BUDGET

The following table summarises the Msunduzi Operating Budget.

TABLE 60: Operating Budget

KZN225 Msunduzi - Table A1 Consolidated Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Financial Performance										
Property rates	440 315	474 615	536 555	610 214	623 903	623 903	623 903	645 467	680 406	717 635
Service charges	1 159 301	1 449 717	1 678 603	1 927 023	1 955 471	1 955 471	1 955 471	2 142 071	2 346 840	2 571 566
Investment revenue	6 869	13 795	25 907	12 100	18 356	18 356	18 357	18 941	19 366	20 431
Transfers recognised - operational	355 033	385 496	500 669	365 204	422 369	422 369	422 369	652 059	589 871	655 040
Other own revenue	614 318	578 357	145 830	73 250	117 934	117 934	117 933	81 877	86 066	88 825
Total Revenue (excluding capital transfers and contributions)	2 575 836	2 901 981	2 887 564	2 987 790	3 138 032	3 138 032	3 138 031	3 540 414	3 722 549	4 053 498
Employee costs	629 032	636 373	666 198	713 415	731 928	731 928	731 928	770 620	819 228	861 560
Remuneration of councillors	19 386	18 418	31 427	34 000	34 000	34 000	34 000	36 419	38 422	40 535
Depreciation & asset impairment	124 067	253 513	273 650	158 000	158 000	158 000	158 000	189 600	227 520	273 024
Finance charges	75 273	71 568	72 134	77 500	70 831	70 831	70 831	64 600	59 255	54 480
Materials and bulk purchases	804 979	994 366	1 217 335	1 397 078	1 425 550	1 425 550	1 425 550	1 520 315	1 650 634	1 795 318
Transfers and grants	1 711	195	4 144	4 500	4 500	4 500	4 500	5 027	5 274	5 563
Other expenditure	1 152 652	832 768	388 209	598 153	704 431	704 431	704 431	887 248	857 660	973 018
Total Expenditure	2 807 100	2 807 200	2 653 096	2 982 646	3 129 239	3 129 239	3 129 239	3 473 828	3 657 992	4 003 497
Surplus/(Deficit)	(231 265)	94 780	234 468	5 144	8 792	8 792	8 792	66 586	64 557	50 000
Transfers recognised - capital	78 407	84 654	-	230 014	309 756	309 756	309 756	415 658	194 271	192 390
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(152 858)	179 434	234 468	235 158	318 548	318 548	318 548	482 244	258 828	242 390
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(152 858)	179 434	234 468	235 158	318 548	318 548	318 548	482 244	258 828	242 390

6.1.2 CAPITAL BUDGET

The following table summarises the Msunduzi Capital Budget.

TABLE 61: Capital Budget

KZN225 Msunduzi - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Corporate Services		7 373	3 552	12 689	-	-	-	-	2 500	5 000	2 800
Vote 2 - Financial Management Area		4 975		35	-	-	-	-	-	-	-
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		130 572	91 807	194 877	163 117	(13 433)	(13 433)	(13 433)	503 087	382 921	435 400
Vote 4 - Sustainable Community Service Delivery Provision Management		33 113	15 638	15 963	32 815	(4 555)	(4 555)	(4 555)	-	-	-
Capital multi-year expenditure sub-total	7	176 033	111 149	223 563	195 932	(17 988)	(17 988)	(17 988)	505 587	387 921	438 200
Single-year expenditure to be appropriated	2										
Vote 1 - Corporate Services		-	-	-	5 150	7 632	7 632	7 632	3 100	-	-
Vote 2 - Financial Management Area		-	-	-	-	3 424	3 424	3 424	11 000	12 000	13 000
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		-	-	-	15 636	77 357	77 357	77 357	47 662	31 550	39 990
Vote 4 - Sustainable Community Service Delivery Provision Management		-	-	-	13 296	9 317	9 317	9 317	8 310	2 800	1 200
Capital single-year expenditure sub-total		-	-	-	34 082	97 730	97 730	97 730	70 072	46 350	54 190
Total Capital Expenditure - Vote		176 033	111 149	223 563	230 014	79 742	79 742	79 742	575 659	434 271	492 390
Capital Expenditure - Standard											
Governance and administration		15 401	7 557	12 723	10 300	14 369	14 369	14 369	34 760	27 000	25 840
Executive and council		41	235		4 150	4 395	4 395	4 395	-	-	
Budget and treasury office		15	7		6 150	9 574	9 574	9 574	34 760	27 000	25 840
Corporate services		360	323	35	-	400	400	400	-	-	-

			689							
Community and public safety		26	12					4	2	1
		301	612	838	26 146	23 148	23 148	23 148	500	800
Community and social services		4		12				2	2	1
		090	436	620	13 500	11 790	11 790	11 790	800	800
Sport and recreation		943	-		7 100	9 100	9 100	9 100	700	-
Public safety		18		218	-	1 212	1 212	1 212	-	-
Housing		2			4 500	-	-	-	-	-
Health		370	11		1 046	1 046	1 046	1 046	-	-
		794	-							
Economic and environmental services		34	46	84				168	64	28
		816	382	650	78 748	64 302	64 302	64 302	726	120
Planning and development		2		59	-	6 987	6 987	6 987	2	-
Road transport		235	-	84				700	-	-
Environmental protection		32	46		78 748	57 315	57 315	57 315	166	64
		581	382	591				026	120	400
Trading services		95	45	110				364	340	436
		412	413	227	95 505	185 362	185 362	185 362	862	351
Electricity		21	16	26				281	239	292
		459	592	696	9 083	96 940	96 940	96 940	500	372
Water		16	12	63				28	48	73
		850	860	324	43 169	45 169	45 169	45 169	175	879
Waste water management		53	15		41 200	41 200	41 200	41 200	47	44
		477	491		41 200	41 200	41 200	41 200	097	600
Waste management		3		20				8	7	7
		626	471	206	2 053	2 053	2 053	2 053	091	500
Other		4	11	3	19 315	22 575	22 575	22 575	2	-
		104	184	125				810	-	-
Total Capital Expenditure - Standard	3	176	111	223	230 014	309 756	309 756	309 756	658	434
		033	149	563					271	390
Funded by:										
National Government		77	73	123	208 599	160 485	160 485	160 485	403	194
		037	020	053				158	271	390
Provincial Government		1	11	25	21 415	56 234	56 234	56 234	12	-
District Municipality		371	429	621				500	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
		-	205	-	-	-	-	-	-	-
Transfers recognised - capital	4	78	84	148	230 014	216 719	216 719	216 719	415	194
Public contributions & donations	5	407	654	674		135	135	135	658	271
Borrowing	6	-	-	-	-	47 075	47 075	47 075	-	-
		97	26							
Internally generated funds		626	495	-	-	45 827	45 827	45 827	60	60
		-	-	74	-				000	000
Total Capital Funding	7	176	111	223	230 014	309 756	309 756	309 756	658	475
		033	149	563					271	254
										390

6.2 ALIGNMENT OF THE MUNICIPAL BUDGET WITH THE MUNICIPAL GOALS AND OBJECTIVES

A major focus of this year's IDP Review process has been the focus on the creation of better alignment between the IDP, the Budget and the PMS. Concerns were raised by the Auditor General with regards to the lack of alignment between the budget and the IDP. This year's IDP aligns the capital expenditure, to annual targets and right back to the municipal vision.

6.3 COSTS OF PROVIDING FREE- BASIC SERVICES

The municipality has some 22 000 automated indigents and has commenced with the registration of indigents for the 2013/14 financial year. It is anticipated that the list of beneficiaries will grow to approximately 28 000.

The following subsidy will apply per month:

TABLE 62: Free Basic Services Subsidies for 2013/14

BASIC CHARGE REMISSIONS	TOTAL COST TO THE MUNICIPALITY (REVENUE FORGONE)
Electricity (R18.45)	R516 880.00
Basic Sewer Charge (R16.00)	R448 000.00
SERVICE CHARGES	TOTAL COST TO THE MUNICIPALITY (REVENUE FORGONE)
Water (R16.50 x 7kl x 28 000)	R3 234 000.00
Refuse (R74.00 x 28 000)	R2 072 000.00
Sewer (R115 x 28 000)	R3 220 000.00
TOTAL	R9 952 000.00 per month
ANNUAL	R119 424 000.00

6.4 OPERATIONAL AND MAINTENANCE COSTS

The following table summarises the Operations and Maintenance costs spent per financial year as well as the percentage this is of the total expenditure. It must be noted that these figures are fairly low and below the Treasury norm of 10%. This trend is being addressed in the future financial years through the 2013/14 budget.

TABLE 63: Repairs and Maintenance Costs

KZN225 Msunduzi - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
Repairs and Maintenance by Expenditure Item	8										
Repairs & Maintenance		126,447	57,394	39,510	89,185	89,288	89,288	89,288	104,956	110,267	142,406
Total Repairs and Maintenance Expenditure	9	126,447	57,394	39,510	89,185	89,288	89,288	89,288	104,956	110,267	142,406

6.5 DEBT COLLECTION

The municipal consumer debt position is summarised in the table below. The 'gross balance' refers to outstanding debts and as can be seen, this figure is increasing annually to the figure of R1,133 billion in 2012 which is worrying. The 'provision' refers to provision for doubtful debtors and this figures includes indigents. There has been an increase in debtors by 75.6% in the past three years and this is a worrying trend, but this mirrors the macro economic trends identified in the economic analysis.

TABLE 64: Consumer Debt Position

	2012	2011	2010	2009	2008
Gross balance	1 133 722 533.00	898 701 828.00	645 381 770.00	502 310 918.00	435 441 042.00
less: provision	-584 042 761.00	-525 990 243.00	-430 578 131.00	-182 000 434.00	-178 592 418.00
Net balance	549 679 772.00	372 711 585.00	214 803 639.00	320 310 484.00	256 848 624.00

6.6 REVENUE GENERATION

(i) MUNICIPAL PROPERTY RATES

The Municipality implemented the local Government: Municipal Property Rates Act (MPRA) on 1 July 2008 following the original publication of the valuation roll in February 2008. Key activities since publication have been the processing of objections and quires to the roll, publishing of four supplementary rolls in the first financial year, with a target of three supplementary rolls per year thereafter. The next general valuation is anticipated to be effective on 1 July 2013 and this roll will be used for raising rates for the 2013/14 financial year.

(ii) COUNCIL DEBT REDUCTION

The objective of this programme is to reduce municipal debt by actively reviewing and implementing a council credit control and debt management policy. The implementation of this policy will include the following:

- The consolidation of all debts owing in respect of electricity, water and rates onto one account;
- The consolidation of arrear amounts gives council more leverage to pursue recovery action against non-paying consumers;
- The stratification of the total outstanding debtors into government, commercial, residential and vacant land;

Each category has different collection strategies:

- All debts in excess of R20 000 are handed to newly appointed panel of attorneys for collection;
- Judgement will be taken on all ratepayers that owe more than R20 000 via the high court in terms of the sale in execution process;
- Council properties are being investigated and rates outstanding allocated to respective departments;
- Active attention to government debt by arranging meetings with government officials regularly and disconnecting services for non-payment if necessary; and
- Unallocated debt write-offs.

6.7 ASSET MANAGEMENT

The Msunduzi Municipality does have asset management plans but are limited to buildings, roads, water and sanitation and did not include the other services of the municipality. The plans were researched and developed by an external service provider (Africon) in 2008 and have never been reviewed. It should be noted that this function was later delegated to the PMU (Project Management Unit) but to date no plans have been prepared.

The asset register has been updated with all movable and immovable assets including investment property and is in compliance with all applicable standards of Grap. The verification, conditional assessment and revaluation of infrastructure assets have been done and updated in the asset register as at 2008 in compliance to Grap 17. No impairment reports have been done to date. Movable assets are verified on an annual basis. The asset register is updated on a monthly basis with asset acquisitions (movable and immovable), disposals and movements.

6.8 SOUND FINANCIAL STRATEGIES

The municipality has committed itself to the following sound financial strategies:

- Strategic and Sustainable Budgeting
- Sound financial management and reporting
- Value for money expenditure
- Grow revenue and reduce debtors

6.9 PROJECTS WITH COMMITTED FUNDING FROM OTHER SERVICE PROVIDERS

This section is in the process of being completed and will be finalised ahead of Council final adoption of the IDP. Departments have been requested to forward their 3- year MTEFs to the municipality for inclusion in the IDP.

6.9.1 DEPARTMENT OF PUBLIC WORKS

PROJECT NAME	2013/14	2014/15	2015/16

6.9.2 DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM

PROJECT NAME	2013/14	2014/15	2015/16

6.9.3 OFFICE OF THE PREMIER

PROJECT NAME	2013/14	2014/15	2015/16

6.9.4 DEPARTMENT OF AGRICULTURE AND ENVIRONMENTAL AFFAIRS

PROJECT NAME	2013/14	2014/15	2015/16
ENVIRONMENTAL SERVICES			
Environmental Awareness & Capacity building	R180 000	R180 000	R180 000
Urban greening	R300 000	R300 000	R300 000
Project 28 000	To be determined	To be determined	To be determined
AGRICULTURAL SERVICES			
LIVESTOCK PROJECTS			
Mqondomuhle	2700000		
Shosholoza	2900000		
Thuthuka	2700000		
Nxamalala	2700000		
Emaqandeni	1400000		
Valkop	1400000		
Skhowana	1400000		
Mkhathini	1400000		
Senzokuhle	4800000		
Mashuqula	4800000		

6.9.5 DEPARTMENT OF ARTS AND CULTURE

PROJECT NAME	2013/14	2014/15	2015/16

6.9.6 DEPARTMENT OF COMMUNITY SAFETY AND LIAISON

PROJECT NAME	2013/14	2014/15	2015/16

6.9.7 DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

PROJECT NAME	2013/14	2014/15	2015/16
Long- term Development Strategy	1 500 000		

6.9.8 DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

PROJECT NAME	2013/14	2014/15	2015/16
Gijima KZN LCF II Programme	R60 000 000		
SMME Training (DEDT)	200,000	2000,000	200,000

6.9.9 DEPARTMENT OF EDUCATION

PROJECT NAME	2013/14	2014/15	2015/16

6.9.10 DEPARTMENT OF HEALTH

PROJECT NAME	2013/14	2014/15	2015/16

6.9.11 DEPARTMENT OF HUMAN SETTLEMENT

PROJECT NAME	2013/14	2014/15	2015/16
Vulindlela	89 500 000	32 100 000	32 500 000
Edendale S Ph 8 Ext.	25 350 000	-	-
Lot 182 Sinathing	8 645 000	-	-
Msunduzi Wirewall	19 500 000	16 250 000	-
Slangspruit Revamp	18 525 000	6 500 000	13 000 000
Copesville	11 736 000	15 750 000	17 000 000
Edendale J2 & Quarry	-	6 000 000	7 000 000
Edendale Bulwer	-	6 000 000	7 000 000
Kwa 30	-	-	7 000 000
Hollingwood	-	-	7 000 000
Khalanyoni	-	-	7 000 000
South East Sector	-	-	7 000 000
North East Sector	-	-	7 000 000
Edendale Priority 5	-	-	7 000 000
Ambleton Ph 3	-	-	8 000 000
Msunduzi National Rectification	14 625 000	16 250 000	32 500 000

6.9.12 LEGISLATURE

PROJECT NAME	2013/14	2014/15	2015/16

6.9.13 PROVINCIAL TREASURY

PROJECT NAME	2013/14	2014/15	2015/16
No projects in the Msunduzi municipality	0	0	0

6.9.14 PLANNING COMMISSION

PROJECT NAME	2013/14	2014/15	2015/16
No projects in the Msunduzi municipality	0	0	0

6.9.15 DEPARTMENT OF SPORTS AND RECREATION

PROJECT NAME	2013/14	2014/15	2015/16

6.9.16 DEPARTMENT OF SOCIAL DEVELOPMENT

PROJECT NAME	2013/14	2014/15	2015/16

6.9.17 DEPARTMENT OF TRANSPORT

PROJECT NAME	2013/14	2014/15	2015/16
VULINDLELA LOCAL ROADS			
Mlotshwa Road Ext.	160 000		
Msomi Road	360 000		
Caluza to Diphini Road	1 200 000		
Mzongwana Road	480 000		
Nkantolo to Shoba Road	240 000		
Fikesuthi Road	800 000		
Dodoci Road	1 200 000		
Gamaletu Road Phase 2	840 000		
Goudine Road Phase 2	800 000		
Ext. of D54	1 080 000		
Gamaletu C/Way	1 000 000		
Maintenance of local roads 1	600 000		
Maintenance of local roads 2	800 000		
Maintenance of local roads 3	800 000		
Maintenance of local roads 4	800 000		
TOTAL	11 160 000		
VULINDLELA GRAVELLING			
Regravelling of P130	3 000 000.00		
Regravelling of P18	2 300 000.00		
Regravelling of P175	3 200 000.00		
Regravelling of P28	2 500 000.00		
Regravelling of L1411	624 600.00		
Regravelling of L395	2 600 000.00		

PROJECT NAME	2013/14	2014/15	2015/16
Regravelling of L1649	1 162 200.00		
Regravelling of D2344	1 770 000.00		
Regravelling of D2065	1 354 400.00		
Regravelling of D16	750 000.00		
Regravelling of D589	2 800 000.00		
Regravelling of D1356	1 177 500.00		
Regravelling of D292	650 000.00		
Regravelling of D2216	350 000.00		
Regravelling of D532	1 600 000.00		
Regravelling of D182	410 000.00		
Regravelling of D544	2 500 000.00		
TOTAL	28 748 700		

6.9.18 UMGENI WATER

PROJECT NAME	2013/14 ¹	2014/15 ¹	2015/16 ¹
Upgrade of the '251 Raw Water Pipeline (Ward 12, uMngeni Municipality; for the benefit of Msunduzi Municipality).	R1,100,000	R2,500,000	R14,000,000
Midmar Water Treatment Plant Upgrade (Ward 12, uMngeni Municipality; for the benefit of Msunduzi Municipality).	R2,001,000	R6,000,000	R85,000,000
'61 Pipeline: ED2 to Richmond Off-Take (Wards 13, 23 and 24 in Msunduzi Municipality).	R3,969,000	-	-
'61 Pipeline: Richmond Off-Take to Umlaas Road (Wards 18, 24 and 37 in Msunduzi Municipality).	R32,593,000	R56,245,000	R42,835,000
The Richmond Pipeline (Wards 13 and 18 in Msunduzi Municipality and Wards 1, 3 and 4 in Richmond Municipality)	R46,400,000	R62,600,00	R45,510,000
Upgrade of Darvill Wastewater Works (Ward 35 in Msunduzi Municipality)	R13,936,000	R62,946,000	R170,272,000

1 Budget Subject to Review.

CHAPTER 7: ORGANISATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

7.0 INTRODUCTION

7.1 ORGANISATION PERFORMAMNCE MANAGEMENT SYSTEM IN THE MSUNDUZI MUNICIPALITY

The Msunduzi Municipality has an approved Organizational Performance Management System (OPMS) Framework and Individual Performance Management System (IPMS) policy that serve as the guideline documents for the implementation of the Performance Management System (PMS) within the Municipality. The implementation of performance management is guided by various legislative prescripts and requirements. The OPMS Framework is inclusive of the following interrelated processes:

- (i) Planning;
- (ii) Implementation;
- (iii) Monitoring;
- (iv) Evaluation.

The Msunduzi municipality's PMS is the primary mechanism to monitor, review and improve the implementation of its IDP and to gauge the progress made in achieving the objectives set out in the IDP. In addition, the municipality's PMS facilitates increased accountability, learning, improvement, as well as providing early warning signals to facilitate decision-making.

The PMS monitors *actual performance* against *set targets* and *contractual obligations*. Effective service delivery relies upon the IDP, efficient utilization of all resources and the PMS being closely integrated across all functions at an organizational and individual level. The most valuable reason for measuring performance is that what gets measured gets done.

Once performance planning, the IDP, has been completed and departmental SDBIP's are in place, they need to be implemented by executing the work in accordance with these plans. As the work is executed, it needs to be continuously monitored and periodically measured and reported on. Reporting requires that the municipality takes the priorities of the organization, its performance objectives, indicators, targets, measurements and analysis, and present this information in a simple and accessible format, relevant and useful to the specific target group, whilst meeting the legal prescripts for reporting. The PMS Cycle can be illustrated as follows:

FIGURE 19: PMS Cycle



7.2 ORGANISATION KEY PERFORMANCE INDICATORS LINKED TO DEPARTMENTAL INDICATORS

Whilst the organisational key performance indicators are presented in the SDBIP at an annual and quarterly level, the departmental indicators are broken down into monthly indicators which are monitored and reported on a monthly basis at the meetings of the operational management committee.

7.3 DEPARTMENTAL INDICATORS LINKED TO OUTPUTS IN THE PERFORMANCE AGREEMENTS

According to the approved Individual Performance Management System policy, all Deputy Municipal Managers, Process Managers and other Level three (3) managers must enter into a performance agreement annually. These performance agreement are directly linked to the approved SDBIP and departmental indicators through the development of individual work plans. Indicators in the work plans also include indicators that are not necessarily included in the SDBIP and/ or departmental indicators, but are relevant to the operational functionality of any particular post. The indicators contained within the work plan are agreed upon and signed off by both the supervisor and the incumbent.

7.4 LINKING OF OUTPUTS IN PERFORMANCE AGREEMENTS WITH ACTIVITIES IN THE OPERATIONAL PLANS AND INDICATORS

The work plans referred to above form the basis of the quarterly performance assessments that are conducted. Assessments that take place during the first and third quarter are conducted on an informal basis between the supervisor and the incumbent and are more informal as opposed to the mid-year and annual assessments which are formal in nature and documented accordingly. As mentioned above, the work plan is the document that links to the operational plans and indicators.

7.5 LINKING THE OPMS (DEPARTMENTAL AND INDIVIDUAL INDICATORS) WITH THE GOALS, OBJECTIVES AND MUNICIPAL BUDGET

The diagram below is indicative of the linkages between the PMS and the overall strategic planning process of the municipality starting with the vision and translated down to the level of individual performance agreements:

FIGURE 20: Performance Management in the Msunduzi municipality



CHAPTER 8: ANNEXURES

8.0 ANNEXURES

8.1 MUNICIPAL SECTOR PLANS

The following table summarises the Sector Plans undertaken to date in the municipality. An IDP is a strategic document and is unable to incorporate every element of a Sector Plan in to the body of the text. Sector Plans serve as detailed plans for municipal departments and provide detailed analyses into the current situation in the municipality, develop strategies to address key issues, and identify projects with indicative budgets. Should more detail be required by users of the IDP, readers are urged to contact the relevant municipal department to get the necessary documentation.

TABLE 65: Sector Plans prepared by the Msunduzi municipality

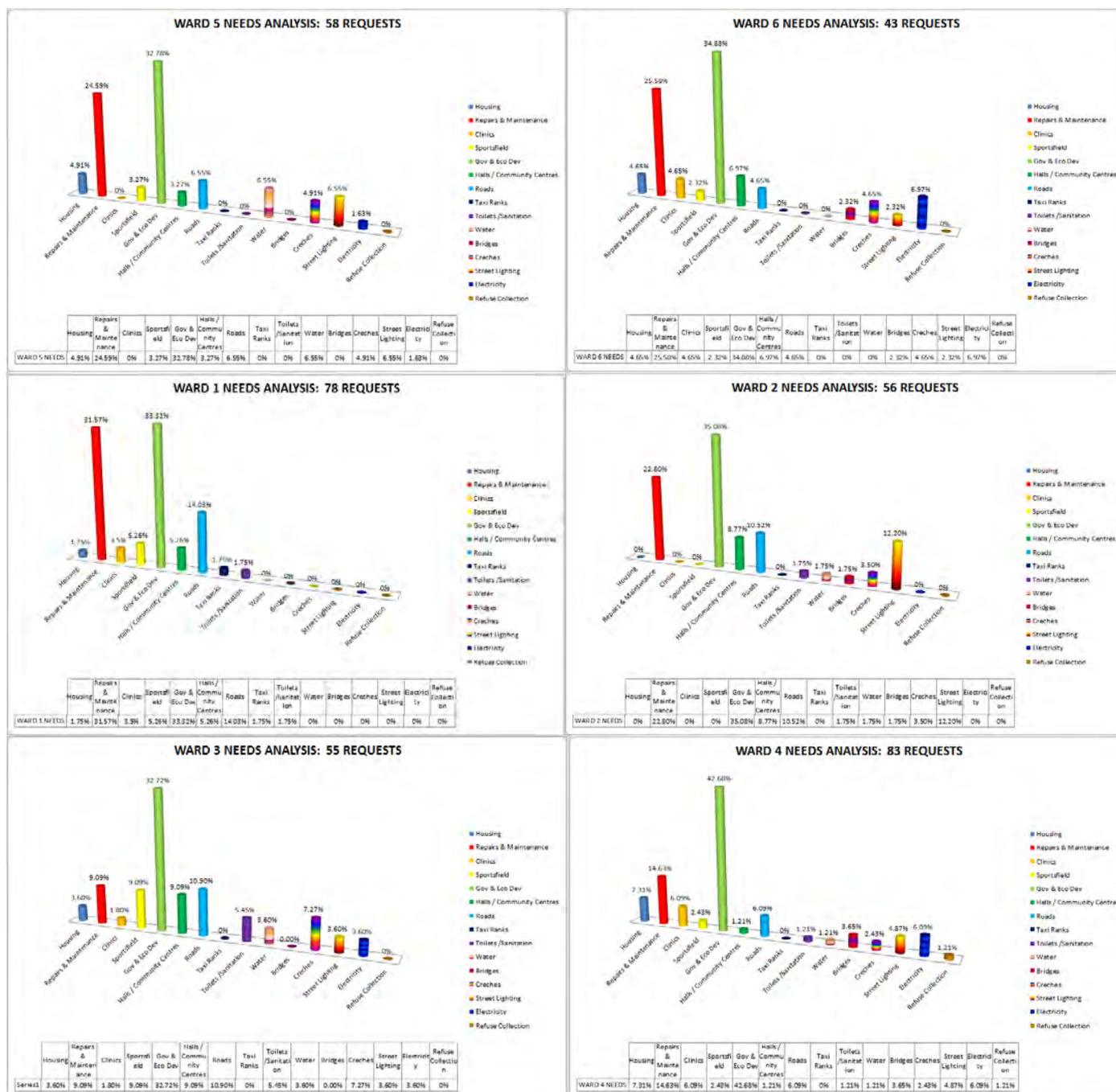
SECTOR PLAN	STATUS	COMMENTS
Water Services Development Plan	The ToR for the revision of WSDP is currently in the process of been revised. This to align with new Census 2011 information.	It is anticipated that the WSDP will be completed and adopted by council in June 2014.
Bulk Water Master Plan	The ToR for the revision of 2005 Bulk Water Master plan is currently been revised. This will now include the greater Vulindlela area and Ashburton which was not previously covered.	It is anticipated that this process will be completed by August 2014
Bulk Sanitation Master Plan	The ToR for the revision of 2007 Bulk Sanitation Master Plan is currently been developed. This will now include all the proposed housing developments with recommendations for a possible secondary Waste Water Treatment Works.	It is anticipated that this process will be completed by July 2014.
Non- Revenue Water Reduction Master Plan	Approved 2010	Revision for 2013 and outer years
IWMP	Draft form	The Landfill components of the IWMP had been finalised and submitted to Waste Management for the finalisation of the entire plan and submission to Council for approval. This still rests with Waste.
Environmental Status Quo Report	Approved	Includes 12 specialist studies
Environmental Management framework (EMF)	Approved	GIS environmental layers linked to spatial decision support tool (SDST)
Strategic Environmental Assessment (SEA)	Approved	Includes sustainability framework
Strategic Environmental Management Plan (SEMP)	Approved	Includes 26 Action Plans
Ecosystem Services Plan/C Plan	1 st Draft approved, 2 nd Draft in progress	Currently refining data on 5 focus areas
Climate Change Policy and adaptation strategies	1 st Draft in progress	
Comprehensive Integrated Transport Plan (CITP) (2012)	Approved by Council	Legislative Requirement. To be updated every 5 years i.e. in 2017
Major Roads Plan	No proof it was approved by Council	Needs update
Transportation Plan	No proof it was approved by Council	Needs update
Road Safety Plan (2007)	No proof it was approved by Council	Needs update
Non-Motorized Network Plan 2009	Not approved by Council	Needs update
Roads Asset Management Plan (RAMP) (2006)	Not Approved	Tender to be advertise to update the plan
Integrated Rapid Public Transport Network (IRPTN) Plan	Approved by Council	Network under design for implementation
Public Transport Network Plan (2002)	No proof it was approved by Council	Superseded by IRPTN
Building Asset Management Plan (2006)	Not Approved	Needs update

It must be noted that Sector Plans are the strategic tools of each of the municipal Departments and as such, they should play a pivotal role in determining the strategic allocation of resources going forward as they are based on empirical research. As can be seen from the table, many of the Sector Plans are very dated and require

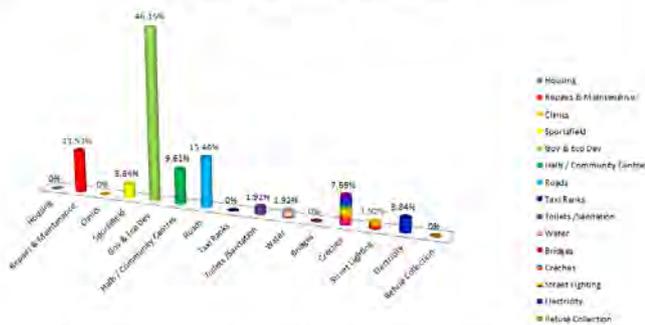
review. In future reviews of the Msunduzi IDP, this section will incorporate tables from each municipal department that indicate projects that emanate from the Sector Plans.

8.2 COMMUNITY NEEDS ANALYSIS

The following graphs summarise the community needs identified per request per ward:

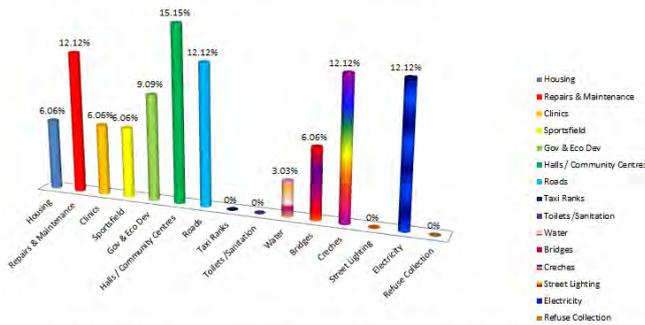


WARD 7 NEEDS ANALYSIS: 53 REQUESTS



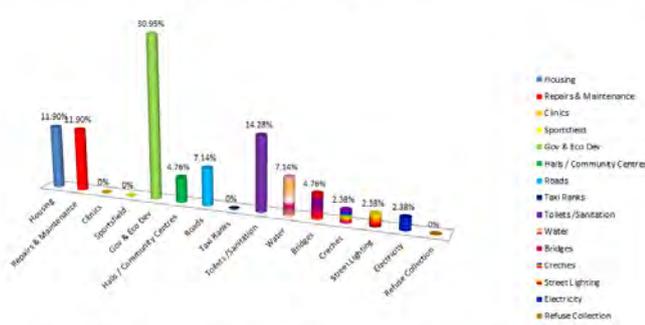
WARD 7 NEEDS	Housing	Repairs & Maintenance	Clinics	Sportsfield	Gov & Eco Dev	Halls / Community Centres	Roads	Taxi Ranks	Toilets / Sanitation	Water	Bridges	Creches	Street Lighting	Electricity	Refuse Collection
WARD 7 NEEDS	0%	11.73%	0%	3.01%	0%	46.19%	9.81%	13.46%	0%	1.92%	1.92%	7.88%	1.5%	0%	8.84%

WARD 8 NEEDS ANALYSIS: 33 REQUESTS



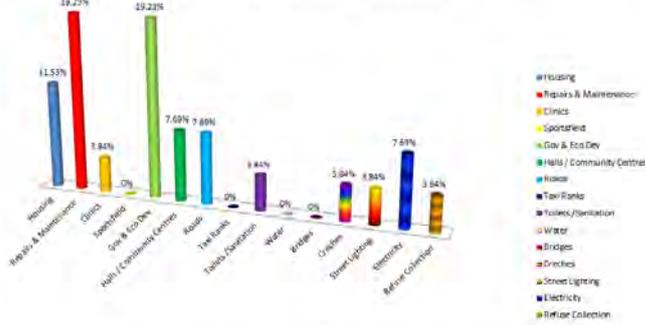
WARD 8 NEEDS	Housing	Repairs & Maintenance	Clinics	Sportsfield	Gov & Eco Dev	Halls / Community Centres	Roads	Taxi Ranks	Toilets / Sanitation	Water	Bridges	Creches	Street Lighting	Electricity	Refuse Collection
WARD 8 NEEDS	0%	6.06%	12.12%	6.06%	9.09%	15.15%	12.12%	0%	0%	3.03%	0%	6.06%	12.12%	0%	12.12%

WARD 12 NEEDS ANALYSIS: 42 REQUESTS



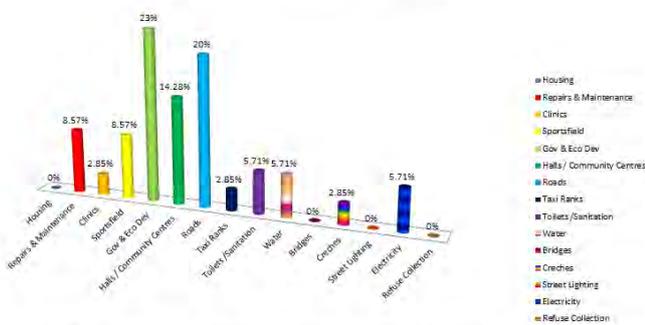
WARD 12 NEEDS	Housing	Repairs & Maintenance	Clinics	Sportsfield	Gov & Eco Dev	Halls / Community Centres	Roads	Taxi Ranks	Toilets / Sanitation	Water	Bridges	Creches	Street Lighting	Electricity	Refuse Collection
WARD 12 NEEDS	0%	11.90%	11.90%	0%	0%	30.95%	4.76%	7.14%	0%	14.28%	7.14%	4.76%	2.38%	2.38%	2.38%

WARD 11 NEEDS ANALYSIS: 24 REQUESTS



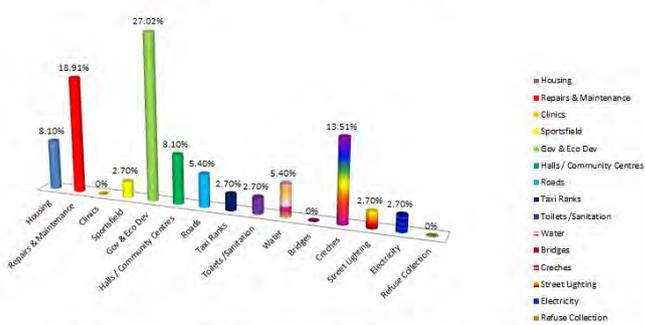
WARD 11 NEEDS	Housing	Repairs & Maintenance	Clinics	Sportsfield	Gov & Eco Dev	Halls / Community Centres	Roads	Taxi Ranks	Toilets / Sanitation	Water	Bridges	Creches	Street Lighting	Electricity	Refuse Collection
WARD 11 NEEDS	0%	19.23%	11.53%	3.84%	0%	19.23%	7.69%	7.69%	0%	0%	3.84%	3.84%	0%	0%	7.69%

WARD 9 NEEDS ANALYSIS: 35 REQUESTS



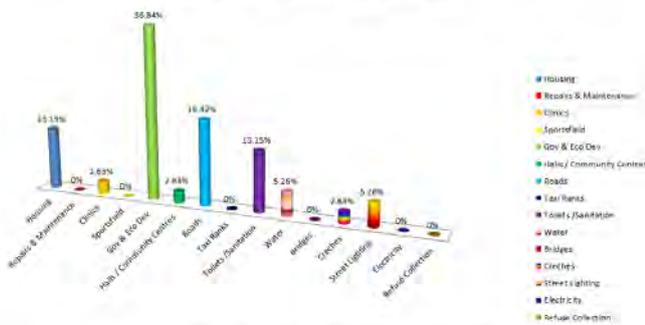
WARD 9 NEEDS	Housing	Repairs & Maintenance	Clinics	Sportsfield	Gov & Eco Dev	Halls / Community Centres	Roads	Taxi Ranks	Toilets / Sanitation	Water	Bridges	Creches	Street Lighting	Electricity	Refuse Collection
WARD 9 NEEDS	0%	8.57%	2.85%	8.57%	0%	23%	14.28%	20%	2.85%	5.71%	5.71%	0%	2.85%	0%	5.71%

WARD 10 NEEDS ANALYSIS: 37 REQUESTS



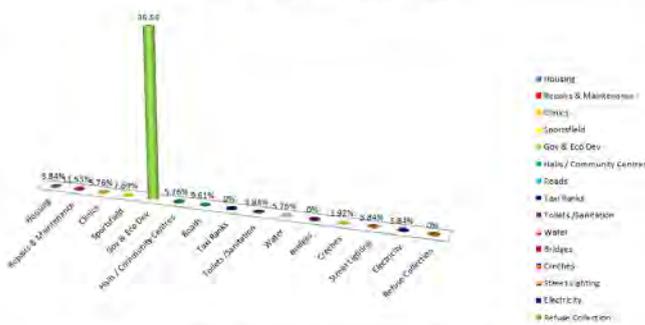
WARD 10 NEEDS	Housing	Repairs & Maintenance	Clinics	Sportsfield	Gov & Eco Dev	Halls / Community Centres	Roads	Taxi Ranks	Toilets / Sanitation	Water	Bridges	Creches	Street Lighting	Electricity	Refuse Collection
WARD 10 NEEDS	0%	16.91%	8.10%	2.70%	0%	27.02%	8.10%	5.40%	2.70%	2.70%	5.40%	0%	13.51%	2.70%	2.70%

WARD 14 NEEDS ANALYSIS: 44 REQUESTS



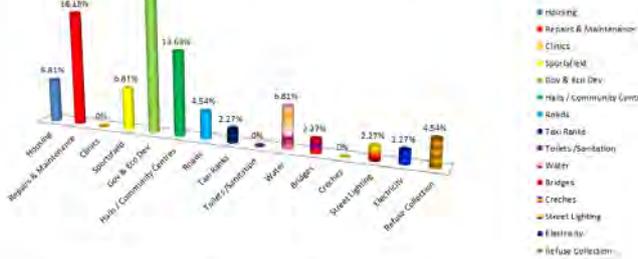
WARD 14 NEEDS	Housing	Repairs & Maintenance	Clinics	Sportsfield	Gov & Eco Dev	Halls / Community Centres	Roads	Taxi Ranks	Toilets / Sanitation	Water	Bridges	Creches	Street Lighting	Electricity	Refuse Collection
WARD 14 NEEDS	0%	11.13%	2.63%	0%	0%	35.84%	7.83%	16.43%	0%	13.15%	5.26%	0%	7.83%	5.26%	0%

WARD 13 NEEDS ANALYSIS: 51 REQUESTS



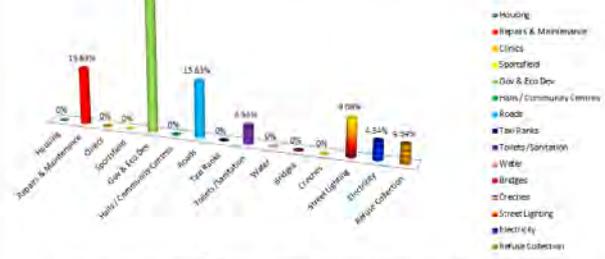
WARD 13 NEEDS	Housing	Repairs & Maintenance	Clinics	Sportsfield	Gov & Eco Dev	Halls / Community Centres	Roads	Taxi Ranks	Toilets / Sanitation	Water	Bridges	Creches	Street Lighting	Electricity	Refuse Collection
WARD 13 NEEDS	0%	9.80%	11.53%	5.78%	7.69%	36.67%	26.52%	5.78%	9.80%	5.78%	0%	0%	1.92%	2.84%	2.84%

WARD 20 NEEDS ANALYSIS: 44 REQUESTS



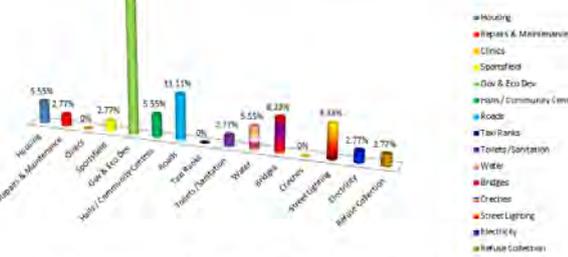
WARD 20 NEEDS	Housing	Repairs & Maintenance	Clinics	Sportfield	Gov & Eco Dev	Halls / Community Centres	Roads	Taxi Ranks	Toilets / Sanitation	Water	Bridges	Creche/s	Street Lighting	Electricity	Refuse Collection
WARD 20 NEEDS	6.81%	16.14%	0%	0%	28.64%	13.69%	4.54%	2.27%	0%	0%	1.14%	0%	2.27%	2.27%	4.54%

WARD 22 NEEDS ANALYSIS: 20 REQUESTS



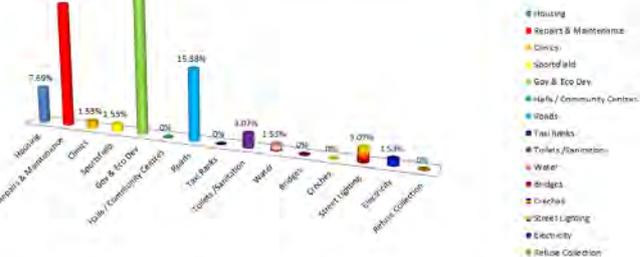
WARD 22 NEEDS	Housing	Repairs & Maintenance	Clinics	Sportfield	Gov & Eco Dev	Halls / Community Centres	Roads	Taxi Ranks	Toilets / Sanitation	Water	Bridges	Creche/s	Street Lighting	Electricity	Refuse Collection
WARD 22 NEEDS	0%	19.09%	0%	0%	40.90%	15.45%	0%	0%	0%	0%	0%	0%	0%	0%	0%

WARD 21 NEEDS ANALYSIS: 36 REQUESTS



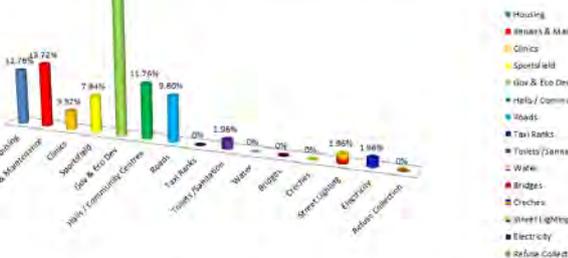
WARD 21 NEEDS	Housing	Repairs & Maintenance	Clinics	Sportfield	Gov & Eco Dev	Halls / Community Centres	Roads	Taxi Ranks	Toilets / Sanitation	Water	Bridges	Creche/s	Street Lighting	Electricity	Refuse Collection
WARD 21 NEEDS	5.55%	5.55%	2.77%	0%	41.66%	11.11%	0%	0%	0%	0%	0%	0%	0%	0%	0%

WARD 19 NEEDS ANALYSIS: 65 REQUESTS



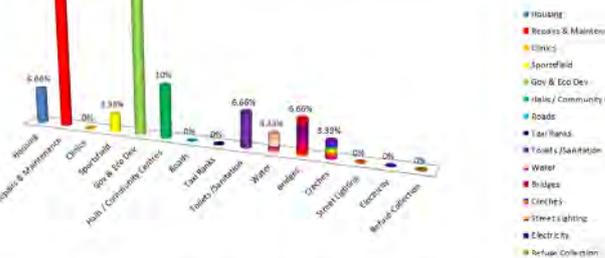
WARD 19 NEEDS	Housing	Repairs & Maintenance	Clinics	Sportfield	Gov & Eco Dev	Halls / Community Centres	Roads	Taxi Ranks	Toilets / Sanitation	Water	Bridges	Creche/s	Street Lighting	Electricity	Refuse Collection
WARD 19 NEEDS	7.69%	26.53%	1.53%	1.53%	39.46%	15.38%	0%	0%	0%	0%	0%	0%	0%	0%	0%

WARD 18 NEEDS ANALYSIS: 51 REQUESTS



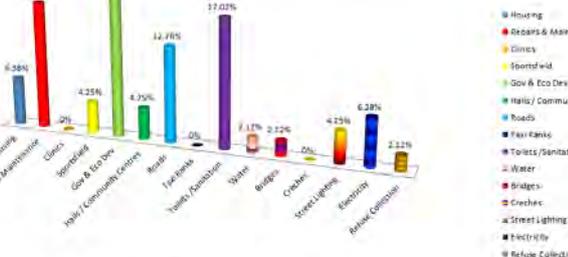
WARD 18 NEEDS	Housing	Repairs & Maintenance	Clinics	Sportfield	Gov & Eco Dev	Halls / Community Centres	Roads	Taxi Ranks	Toilets / Sanitation	Water	Bridges	Creche/s	Street Lighting	Electricity	Refuse Collection
WARD 18 NEEDS	12.76%	12.76%	3.92%	7.84%	35.29%	11.76%	9.80%	0%	0%	0%	0%	0%	0%	0%	0%

WARD 17 NEEDS ANALYSIS: 30 REQUESTS



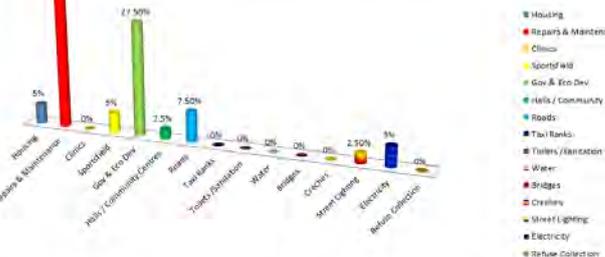
WARD 17 NEEDS	Housing	Repairs & Maintenance	Clinics	Sportfield	Gov & Eco Dev	Halls / Community Centres	Roads	Taxi Ranks	Toilets / Sanitation	Water	Bridges	Creche/s	Street Lighting	Electricity	Refuse Collection
WARD 17 NEEDS	6.66%	26.66%	0%	3.33%	33.33%	10%	0%	0%	0%	0%	0%	0%	0%	0%	0%

WARD 15 NEEDS ANALYSIS: 47 REQUESTS

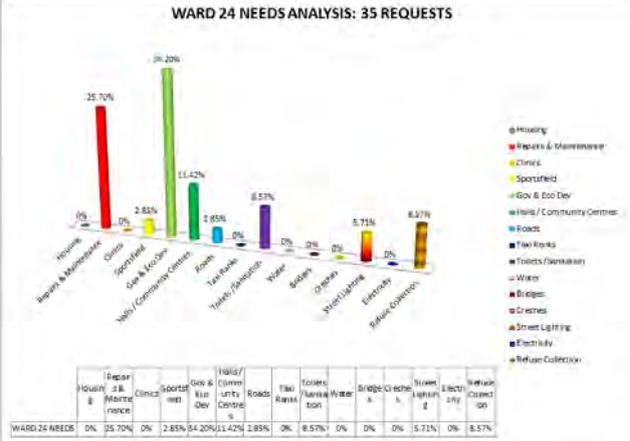
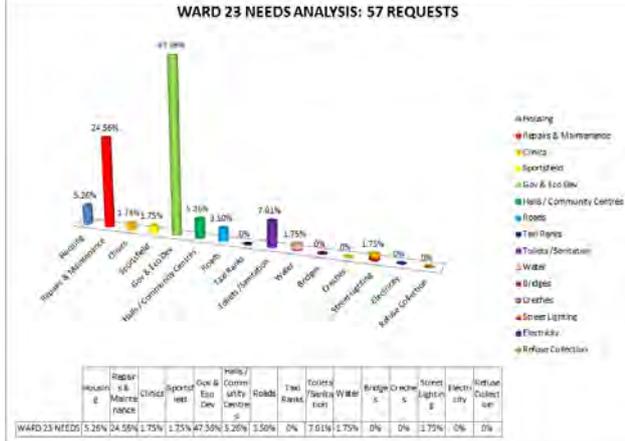
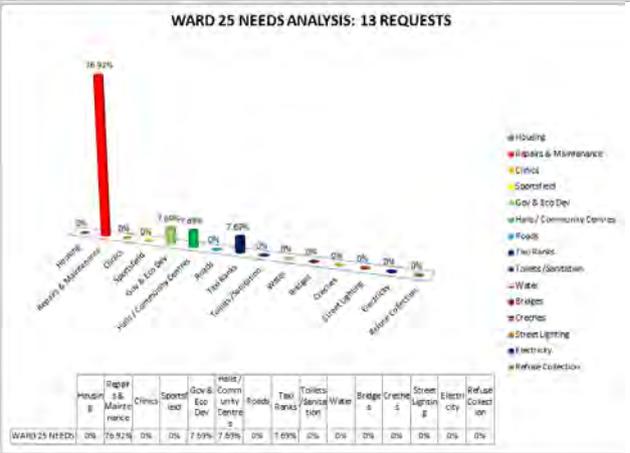
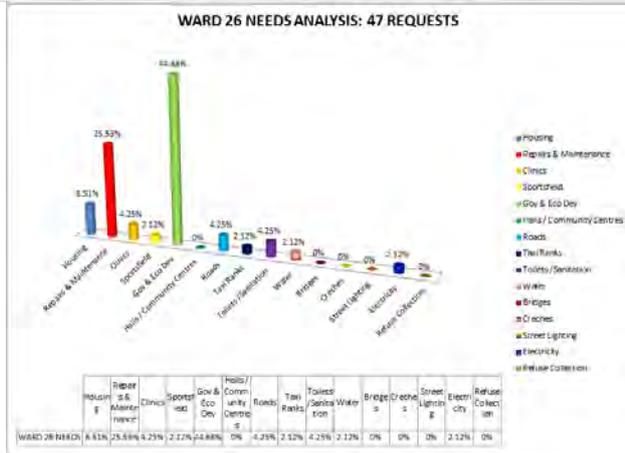
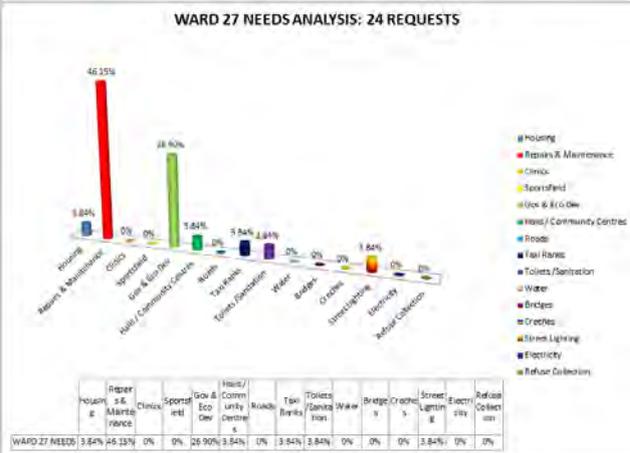
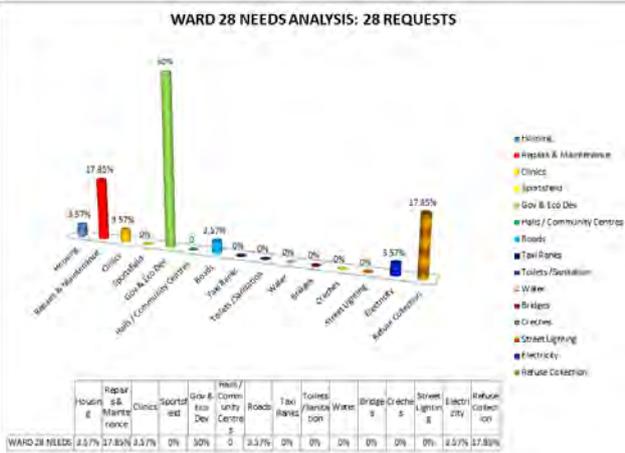
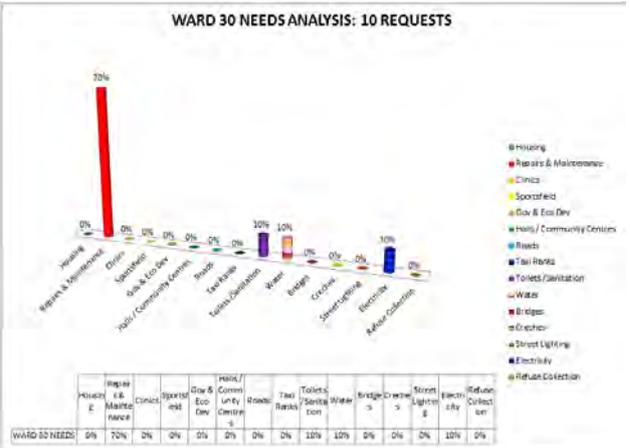
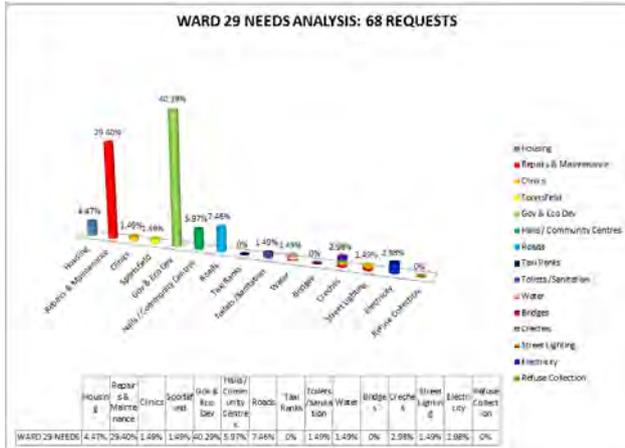


WARD 15 NEEDS	Housing	Repairs & Maintenance	Clinics	Sportfield	Gov & Eco Dev	Halls / Community Centres	Roads	Taxi Ranks	Toilets / Sanitation	Water	Bridges	Creche/s	Street Lighting	Electricity	Refuse Collection
WARD 15 NEEDS	6.38%	17.02%	0%	4.25%	21.27%	4.25%	12.70%	0%	7.17%	0%	0%	0%	4.25%	6.38%	2.12%

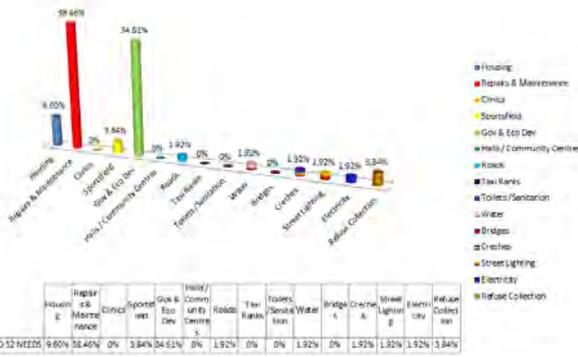
WARD 16 NEEDS ANALYSIS: 40 REQUESTS



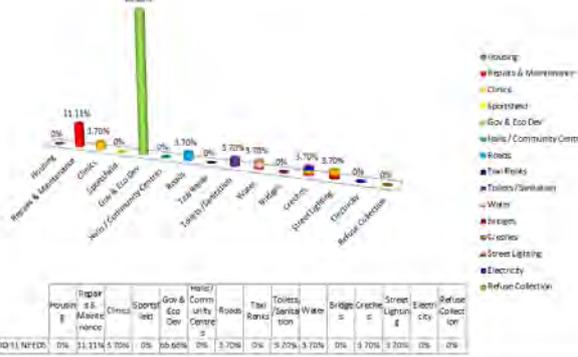
WARD 16 NEEDS	Housing	Repairs & Maintenance	Clinics	Sportfield	Gov & Eco Dev	Halls / Community Centres	Roads	Taxi Ranks	Toilets / Sanitation	Water	Bridges	Creche/s	Street Lighting	Electricity	Refuse Collection
WARD 16 NEEDS	5%	45%	0%	5%	17.50%	2.5%	7.50%	0%	0%	0%	0%	0%	2.50%	5%	0%



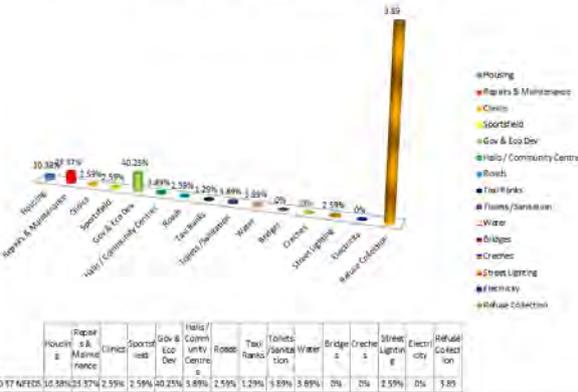
WARD 32 NEEDS ANALYSIS: 52 REQUESTS



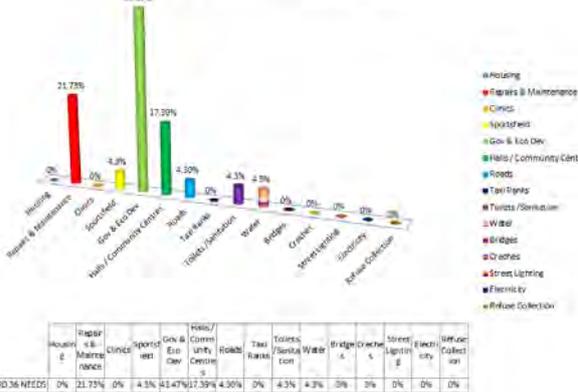
WARD 31 NEEDS ANALYSIS: 27 REQUESTS



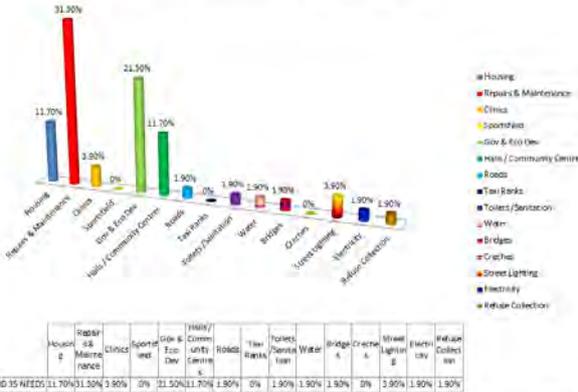
WARD 37 NEEDS ANALYSIS: 78 REQUESTS



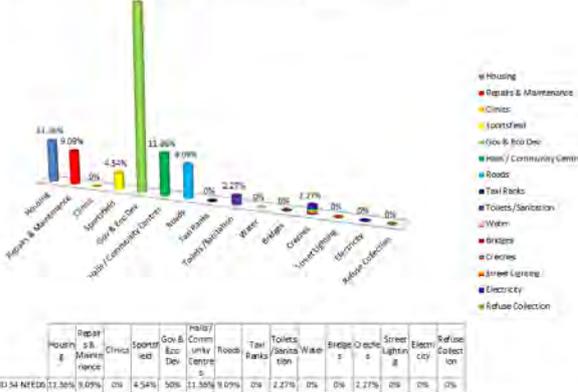
WARD 36 NEEDS ANALYSIS: 23 REQUESTS



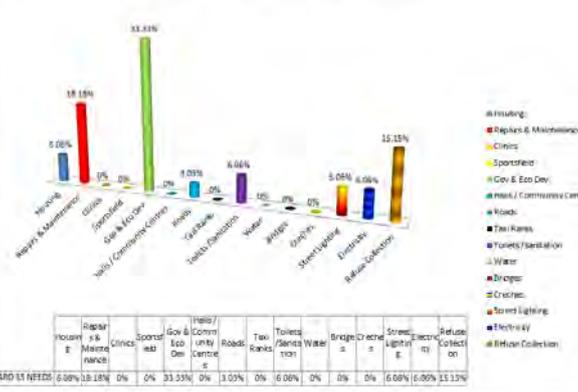
WARD 35 NEEDS ANALYSIS: 49 REQUESTS



WARD 34 NEEDS ANALYSIS: 44 REQUESTS



WARD 33 NEEDS ANALYSIS: 31 REQUESTS



8.3 AUDITOR GENERAL'S COMMENTS AND MANAGEMENT'S RESPONSE

TABLE 66: AG's Comments and Management's Response

RECOMMENDATION	MANAGEMENT RESPONSE	ACTION PLAN	RESPONSIBILITY	DATE
<p>Management must ensure that steps taken in terms of the above operation to identify and prevent losses are implemented and continuously monitored to reduce the losses incurred.</p> <p>Management should ensure that adequate processes are in place to effectively manage distribution losses.</p> <p>Corrective actions should be taken to minimise losses identified.</p>	<p>The water department is currently in a 3 of a 6 year Non- Revenue water reduction program which was officially started February 2011. This is an all-encompassing program which deals with several issues pertaining to water losses.</p> <p>As part of the Non- Revenue water master plan a total of 16 core Non-Revenue water initiative were identified and programmed for which realistic goals and targets sets.</p> <p>The 16 core interventions were made up of 8 real losses and 8 billing control intervention.</p> <p>The other interventions are as follow: Fill all vacant positions in the Revenue section at Electricity.</p> <p>Ø Additional staff positions that have been identified to be also filled enabling extensive meter audits, both domestic and business.</p> <p>Ø Plans are in place to electrify informal settlements, where most of domestic illegal connections take place which cause energy losses and vandalism to electricity infrastructure.</p> <p>Ø Engagement of Independent Development Trust to audit pre-paid meters.</p> <p>Ø Pending cases at High Court against commercial and industrial companies found non-compliance with regards to electricity stealing by meter bypassing and direct connections.</p> <p>Ø Independent Development Trust to install check meters at two Main Intakes for verifying Eskom readings.</p>		<p>T Maseko & B Sivparsad & E S Nomnganga</p>	<p>31-Mar-13</p>
<p>Management should ensure sufficient monitoring controls are in place to ensure that the performance targets are included in the IDP as per MSA and performance regulations to</p>	<p>In the current IDP, it has been impossible to master all the targets and indicators when the draft and final IDPs are finalized due to the lack of alignment of Budget, absence of a Five Year Financial Plan, and PMS despite the Process Plan. Therefore, on other specific projects because of lack of committed funding, lack of project business plans and forward planning in general, there is and has been a lack of clear targets in the IDP, and subsequently the SDBIP when everything is approved endeavours to reflect targets and indicators where possible. So if the AG is referring to specific projects, that would be true, and is something we are addressing for 2012/13 financial year. Under various services in the IDP, guided by KPAs and Msunduzi Turnaround Strategy structure from page 126 of the IDP, some projects are supported by KPI and Target in it, but there is no target column, the measurable KPIs are coined consciously to reflect the two (KPI and Targets)</p>		<p>Robbie Mkhize Position: IDP Manager</p>	<p>31-Mar-13</p>

RECOMMENDATION	MANAGEMENT RESPONSE	ACTION PLAN	RESPONSIBILITY	DATE
<p>Management should have processes in place to ensure that the planned and reported indicators/measures are clearly defined, unambiguous and aligned to the IDP to ensure that the data is collected and reported on consistently.</p>	<p>In agreement with the finding. During the development of the 2012/ 2013 SDBIP will ensure</p>	<p>In agreement with the finding. During the development of the 2012/ 2013 SDBIP will ensure that KPI's meet the SMART criteria. Local Government Expert seconded to the municipality by CoGTA will be conducting training sessions with Business Units in this regard. During the development of the 2012/2013 SDBIP will ensure that KPIs meet the SMART criteria. Local Government Expert seconded the municipality by CoGTA will be conducting sessions with Business Units in this regard. (refer to the Management Report)</p>	<p>Madeleine Jackson-Plaatjies Position: Manager: Office of the Municipal Manager</p>	<p>31-Mar-13</p>

RECOMMENDATION	MANAGEMENT RESPONSE	ACTION PLAN	RESPONSIBILITY	DATE
<p>Management has to undertake a process to clearly define the key performance indicators to ensure that the achievement of targets set is specific, measurable and time bound to allow for accurate, reliable and complete reporting of predetermined objectives.</p>	<p>In agreement with the finding. During the development of the 2012/ 2013 SDBIP will ensure</p>	<p>In agreement with the finding. During the development of the 2012/ 2013 SDBIP will ensure that KPI's meet the SMART criteria. Local Government Expert seconded to the municipality by CoGTA will be conducting training sessions with Business Units in this regard. During the development of the 2012/2013 SDBIP will ensure that KPIs meet the SMART criteria. Local Government Expert seconded the municipality by CoGTA will be conducting sessions with Business Units in this regard. (refer to the Management Report)</p>	<p>Madeleine Jackson-Plaatjies Position: Manager: Office of the Municipal Manager</p>	<p>31-Mar-13</p>
<p>Management should ensure that sufficient appropriate audit evidence is available to support all reported performance results. The performance manager should consider maintaining an evidence file per quarter to support the reported actual against targets.</p>	<p>The finding is noted. Currently it is impossible for the Performance Manager to keep a file of all evidence (this is due to the excessive number of KPIs). However, in the proposed functional organogram (which is yet to be adopted by Council), we have made provision for the position of Performance Management Practitioners for each business unit. Part of their key performance areas will be the maintenance of Portfolios of Evidence for the respective business units and staff that are on individual performance agreements. In addition, in the current financial year, all Section 57 and Process Managers have signed performance agreements. the quarterly assessments that are conducted will force each individual that is on a performance agreement to maintain a Portfolio of Evidence.</p>	<p>The DMMS will be responsible for keeping of Portfolio of Evidence</p>	<p>All DMMS & Manager in the Office of the Municipal Manager</p>	<p>31-Mar-13</p>

RECOMMENDATION	MANAGEMENT RESPONSE	ACTION PLAN	RESPONSIBILITY	DATE
<p>The head of the supply chain unit must implement monitoring controls over compliance with the SCM regulations. The monitoring controls should include a compliance checklist that should include all the required compliance matters pertaining to SCM. A register should be maintained for awards made to persons in the service of the state and the municipality, which should be made available to the bid evaluation and adjudication committees.</p>	<p>Agreed All the service providers listed were engaged on contracts between 2009 and 2010. There are no current contracts that were entered to by Council. Once the contracts terminates or lapsed, there will be no further engagement of these suppliers in future as they are now restricted in the SCM database, The SCM unit has embarked on reregistering all its suppliers from October to December 2011 to clean up the database hence the following services providers are no longer in the SCM database and in service with the Municipality. This will be disclose on the 11/12 financial statements as Irregular payments and there will be no further engagement of these suppliers in future. The employee in the service of the state is no longer on the SCM database the transaction took place in August 2011 and the new database registrations were implemented in October 2011. The new database registration forms have all the required information as per the regulations hence the elimination and restriction of some service providers has been implemented and continuous monitoring of the database is in place. The employee will be subject to disciplinary proceedings and it is confirmed that he is not on SCM new supplier data base.</p>		<p>DN NDLOVU HEAD: SCM ACTING</p>	<p>31-Mar-13</p>
<p>A policy and procedural manual should be implemented to ensure that contracts are monitored on a regular basis and enforced. The monitoring controls should include a compliance checklist that should include all the required compliance matters as required by the Municipal SCM regulations. Monitoring tools developed should be implemented as a matter of urgency in order to prevent further non-compliance with the SCM regulations.</p>	<p>Agree with the finding. The SCM unit has developed a performance assessment and reporting tool this has been implemented for the month ending of April. The assessments are currently being conducted by the contract monitoring officer. It should be noted that SCM though they have only one personnel who conducts the monitoring do realize the significance and compliance issues as per the MFMA 116 (2). The assessments are designed to be conducted monthly due to shortage of staff there is currently no deadline in a month that means assessments for April will run the whole month of May and May will be done in June.</p>		<p>DN NDLOVU HEAD: SCM ACTING</p>	<p>31-Mar-13</p>
<p>Adequate steps must be taken in terms of section 62 and 32 of the MFMA to prevent, detect and recover irregular expenditure. The SCM unit should ensure that the register is updated in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial reporting.</p>	<p>Management is in agreement with the finding and the revised annual financial statement to be submitted. The service provider is listed on the irregular, fruitless and wasteful expenditure register with their abbreviated name SANTACO but the contract name is indicated correctly this has been rectified to read the whole name Msunduzi One Regional Taxi Council. It should be noted that the report to condone this expenditure has been submitted to Council and it has been condoned as indicated on the register.</p>	<p>None required</p>	<p>DN NDLOVU HEAD: SCM ACTING</p>	<p>31-Mar-13</p>
<p>The accounting officer should ensure that adequate processes are in place to ensure compliance with laws and regulations relating to full implementation of the performance management system.</p>	<p>Both the Municipal manager and Deputy Municipal manager: Infrastructure Services have signed performance agreements. In the 2012/ 2013 financial year, the OPMS policy framework and SDBIP will be approved at the same time that the budget and IDP are approved at the end of May 2012. In terms of IPMS, this will be cascaded to level 3 in the 2012/ 2013 financial year.</p>		<p>Madeleine Jackson-Plaatjies Position: Manager: Office of the Municipal Manager</p>	<p>31-Mar-13</p>

RECOMMENDATION	MANAGEMENT RESPONSE	ACTION PLAN	RESPONSIBILITY	DATE
<p>The municipal manager should ensure that performance agreements for all managers directly accountable to him are concluded on an annual basis to ensure compliance to Section 57 (1). The municipal manager should ensure that processes are in place to effectively evaluate the performance of section 57 in accordance with the intervals set in their performance agreements, in compliance with the MSA and MSA regulations as these are key management personnel responsible to fulfil the service delivery objectives of the municipality.</p>	<p>The managers that are currently acting in section 57 positions have not entered into a written contract, as per the provisions of s51(a) of the Municipal Systems Act and therefore have not concluded signed performance agreements as per the provision of s51(b) of the Act. The plan going forward is that as the positions of Deputy Municipal Managers are filled on a permanent basis, performance agreements will be concluded and signed within the requirements of the amended Municipal Systems Act and within one month of the beginning of the financial year of the municipality thereafter.</p>	<p>All S57 whether permanent or on contract have signed performance agreements. The 2013/14 performance contracts will be signed in the prescribed period.</p>	<p>Madeleine Jackson-Plaatjies Position: Manager: Office of the Municipal Manager</p>	<p>31-Mar-13</p>
<p>Management should implement processes to ensure that payments are made within 30 days as required by section 65 MFMA.</p>	<p>A review of current process is being undertaken with the intention of ensuring that we comply with legislation and delays are eliminated.</p>		<p>Sipho Nxumalo Position: Process Manager: Manager: Expenditure</p>	<p>31-Mar-13</p>
<p>Management must prepare a job description for each post on the staff establishment which must be signed by employees and included in their personnel files.</p>	<p>Job Descriptions were prepared for all posts in terms of the Task Collective Agreement, evaluated and submitted for moderation in order that the grades could be published. The outcomes report was never published due to objections from the Unions, and the nonrenewal of the Collective Agreement. This has resulted in the undesirable situation of the Municipality being unable to issue graded job descriptions to employees. A recent Arbitration advisory award has been issued in terms of which the arbitrator ruled that job evaluation is not a bargaining issue, but should be dealt with in terms of the Systems Act as mentioned by the auditor. SALGA is in the process of reverting the issue of Job Evaluation back to the Municipalities, and it is hoped that Msunduzi will soon be in a position whereby all employees will have graded JDs.</p>		<p>Faith Ndlovu Position: HRSSM</p>	<p>31-Mar-13</p>
<p>Management should ensure that on-going monitoring and supervision over the enforcement of the credit control policy is undertaken to ensure that revenue collection is maximized and to improve cash flows within the municipality</p>	<p>Our long term debt book is very concerning, we are developing the operational plan to deal with them, these will have to be preceded by debtors book cleansing because some of debts sitting in debtors book are inflated by mere book entries. We are also reviewing our credit control policy which will be approved during mid-year review. It will also be noted that bulk of our debtors related to the household, the largest one is water, followed by electricity. Our drive is to introduce prepaid that will significantly solve the problem , also the introduction of alternative meter reading system will help because the utility bills estimation tend to lead to overvalued debtors book . We have written letters of demand to top 50 businesses and government departments. Some departments are coming forward to address issues and commit themselves to fulfil their obligation. We foresee a significant reduction of debtors once the data cleansing exercise is complete.</p>		<p>Bongani Ngobese Position: Process Manager Revenue</p>	<p>31-Mar-13</p>

RECOMMENDATION	MANAGEMENT RESPONSE	ACTION PLAN	RESPONSIBILITY	DATE
<p>Measures should be put in place by management to ensure that the audit committee is functioning effectively in terms of section 166 of the MFMA. The audit committee must have the support and commitment of both management and Council to ensure a sound control environment and good governance.</p>	<p>The Audit Committee will review the effectiveness of the internal audit unit in the chairman's annual report. The Audit Committee has advised the municipality on performance, risk management and compliance albeit that the risk assessment for 2011/12 was finalised in February 2012. The 3rd and 4th quarter Performance audit review will be presented timeously to the audit committee. The Risk Response plan is being rolled out. Please note that the conduit for the audit committee's items raised is for the Executive committee to receive all audit reports and minutes at their next sitting after an audit committee meeting has taken place. The chairman of the audit committee usually attends the executive committee's meeting for any extra information that the executive committee may require. We have had 5 meetings to date of the audit committee.</p>	<p>Reports are now first submitted to SMC & any delays are reported to the Municipal Manager</p>	<p>Mr P J Mahlaba Position: Executive Manager: Internal Audit Unit</p>	<p>31-Mar-13</p>
<p>Steps should be taken to ensure internal audit fulfils its responsibilities as set out in terms of section 165(2) of the MFMA.</p>	<p>The 3rd and 4th quarter performance audit reports are part of the annual audit plan and on schedule for audit. The Annual audit plan is being rolled and on schedule.</p>	<p>The Head of Internal Audit has been appointed & audit plan is being rolled out.</p>	<p>Mr P J Mahlaba Position: Executive Manager: Internal Audit Unit</p>	<p>31-Mar-13</p>
<p>Management must ensure that all posts filled at an acting capacity is no longer than a period of six months.</p>	<p>COGTA has seconded employees to the section 57 posts so as to be in compliance with the legislation.</p>	<p>The Council is trying very hard to appoint permanent S57, however the process is not fast as one would want it to be due to a number of factors.</p>	<p>Faith Ndlovu Position: HRSSM</p>	<p>31-Mar-13</p>
<p>The head of the SCM unit must implement monitoring controls which should include a compliance checklist that should include all the required compliance matters pertaining to SCM including compliance with SCM regulation 38. A record (register) of all providers that have rendered unsatisfactory performance should be maintained, to ensure that before an award is made, such information is considered to avoid further poor performance on service delivery.</p>	<p>The records are being kept in the contract files of all providers that have given unsatisfactory performance, to ensure that before an award is made, such information is considered.</p>	<p>Has the register been opened?</p>	<p>D Ndlovu Position: Head: SCM acting</p>	<p>31-Mar-13</p>

RECOMMENDATION	MANAGEMENT RESPONSE	ACTION PLAN	RESPONSIBILITY	DATE
<p>The head of the SCM unit must implement monitoring controls which should include a compliance checklist that should include all the required compliance matters pertaining to SCM including compliance with SCM regulation 38.</p> <p>The SCM unit should confirm that the winning bidder/shareholders have not been convicted of fraud or corruption during the past five years before an award is made.</p>	<p>This has been an oversight from the SCM unit; however MBD 8 declaration form has been recently included on the bid document as a compulsory declaration for all the prospective bidders.</p>		<p>D Ndlovu Position: Head: SCM acting</p>	<p>31-Mar-13</p>
<p>The accounting officer is urged to draft and implement the "Private Business Policy" to regulate and standardise the treatment of employees engaged in business other than the work of the municipality. This policy should also form part of the rules and regulations supporting the employment contract and should be communicated to all staff who should acknowledge that they have received and understood the contents of the policy.</p> <p>Management should investigate reasons for non-disclosure by staff members for the fifty one instances noted above and consider disciplinary action in terms of the Municipality's disciplinary process.</p>	<p>There is a process in place that has been implemented over the years by Council, all employees are required every year to declare and disclose their business interest or private work. This is applicable to all employees in the employ of Council. The records are kept in the Municipal Managers office for verification if required. This is communicated with all employees, corporate communication and it is also placed in all notice boards within Council premises.</p>	<p>The municipality will embark in a process of implementing a system that will help identify all employees of the state who tender for the municipal work.</p>	<p>D Ndlovu Position: Head: SCM acting</p>	<p>31-May-13</p>
<p>The head of the supply chain unit must implement monitoring controls to avoid noncompliance with SCM regulations and the MFMA. The monitoring controls should include a compliance checklist that should include all the required compliance matters pertaining to SCM including compliance with section 29 (4) of the SCM regulations.</p> <p>Management should ensure that tender processes in accordance with the SCM regulations are adhered to in order to ensure fairness and transparency in the evaluation and adjudication of tenders.</p>	<p>SCM regulations 29 (4) have not been contravened in that at no such point in time was Ms. D Ndlovu a member of both committees simultaneously. In terms of the appointments made by the Municipal Manager, Ms. D Ndlovu was appointed on the 01 March 2012 as the Chairperson of the BEC and she was subsequently appointed as a member of the BAC on the 02 April 2012, at which point her membership as Chairperson of the BEC terminated and a new Chairperson appointed. When the meeting of the BAC took place 05 April 2012, Ms. D Ndlovu was no longer a member of the BEC</p> <p>Attached are the relevant appointment letters</p>	<p>Internal Audit Unit to review this matter during its audit of Supply Chain Management in February 2013</p>	<p>P J Mahlaba Position: Executive Manager: Internal Audit Unit</p>	<p>31-Mar-13</p>

RECOMMENDATION	MANAGEMENT RESPONSE	ACTION PLAN	RESPONSIBILITY	DATE
<p>Compliance with applicable laws and regulations should be monitored by the head of human resources.</p> <p>The exemption should be made available for audit purposes.</p> <p>Timesheets should clearly document the nature of duties performed.</p>	<p>The earnings threshold increased to R183 008 with effect from 1 July 2012.</p> <p>Management Committee at its meeting held on 25 June 2012 noted this increase and resolved that all business units submit a schedule of posts in B5 and above (ie above the threshold) which due to their operational nature should be considered as overtime bearing posts, in order that an application for exemption may be made in terms of Clause 12.5 of the Conditions of Service Collective Agreement.</p> <p>The submissions from the units are being consolidated, and an exemption application is in the process of being drafted.</p> <p>Strategic Management Committee at its meeting held on 15 October 2012 approved a standardized Overtime Pre-authorisation form and Overtime Claim Form for implementation wef 1 November 2012.</p> <p>The overtime claim form addresses the issue clearly documenting the nature of duties performed, as well as other issues raised in previous audit reports.</p> <p>A circular sensitizing staff and supervisors and an instruction that the new forms be implemented with immediate effect went to the MM for signature this morning.</p>	<p>Internal Audit Unit to follow-up on the approval of the application by SALGA</p>	<p>P J Mahlaba Position: Executive Manager: Internal Audit Unit</p>	<p>31-May-13</p>
<p>Management should ensure that the municipal entity complies with applicable laws and regulations.</p>	<p>The finding is acknowledged. The performance is reported on in the municipality's performance report. The PMS department will ensure that the entity complies with its reporting requirements.</p>	<p>Meeting with Safe City to discuss how they will report on their performance.</p>	<p>Madeleine Jackson-Plaatjies Position: Manager: Office of the Municipal Manager</p>	<p>31-Mar-13</p>
<p>Management should implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial reporting.</p> <p>The relevant supporting documentation and explanations should be provided.</p>	<ol style="list-style-type: none"> 1. In 2006 the GRAP conversion process took place whereby the consolidated loans funds was collapsed and transferred into the accumulated surplus vote. This was merely a book entry with no cash back funding. Whilst the loans were extinguished no directions were issued. Discussions were held and are on-going with the officials from DOHS to resolve the above mentioned. 2. Management is in the process of investigating the matter 3. No separate bank account exists the finalization of item 1 will provide direction. 4. The amount is for accumulated depreciation and not PPE as stated. 	<p>Investigation to be conducted on the matter.</p>	<p>Mrs N Ngcobo Position: Chief Financial Officer</p>	<p>31-Mar-13</p>

RECOMMENDATION	MANAGEMENT RESPONSE	ACTION PLAN	RESPONSIBILITY	DATE
<p>The marketing manager should implement controls over daily and monthly processing and reconciling of transactions to ensure that revenue and expenditure is correctly accounted for.</p>	<p>The Market Manager is not responsible for capturing information onto Promis. That is done within the Finance Branch. An internal audit investigation was conducted and the matters are in the process of being addressed. The CFO is tracking progress on fortnightly MANCO meetings and a follow up internal audit is scheduled for the 2012/13 year.</p> <p>Market credit is a completely different form of credit to the credit given to ratepayers, hence it does not form part of the Credit Control Policy. It is a revolving short-term (1-2 days) credit which is fully covered by a Bank Guarantee in line with other Markets around the country. In fact this is much shorter and better controlled than the routine 30 days credit given to all the electricity and water purchasers in the city, all of whom pay 1-2 months after consumption/purchase, and who do not supply bank guarantees. It applies only to a small number of large buyers, and is managed within the market. There are full records of all transactions of credit buyers on the Freshmark system at the market. Cessation of this practice could result in a major loss of market income to council as buyers would leave the market, hence a decision to stop it would be beyond the authority of the Market Manager.</p> <p>It has always been the practice to include Saturdays accounts with the following Monday due to the way the computer programme operates. Hence Saturday 30th June sales were included with Monday 2nd July. We will try and amend the system for next year if the upgraded Freshmark system is installed and will allow it. The control and reconciliation of tenants will be improved in line with the recommendations of the Internal Audit report.</p>		<p>Dr J J Dyer Position: Market Manager</p>	<p>31-Mar-13</p>
<p>The Promis billing system should be updated and reconciled on a monthly basis to the general ledger and any differences followed up. The necessary adjustments should be made to the financial statements.</p>	<p>As at 30 June 2012 the balance of the long term debtors on the general ledger R6908889.57 whilst the Promis income system reflected R69875107.18 which result in a difference of R 46905.22. Which we are currently trying to establish and rectify as a matter of urgency.</p>		<p>Bongani Ngobese Position: Process Manager Revenue</p>	<p>31-Mar-13</p>
<p>Management must ensure that all amounts included in the daily Freshmark reconciliations are supported by complete deposit slips with explanations for any discrepancies bearing in mind that fraud has occurred in the past at the market.</p>	<p>With reference to the audit query No Ex 33 we agree with the recommendation. The new Principal Accountant (from 1 April) is now ensuring that all amounts included in the daily Freshmark reconciliations are supported by complete deposit slips with explanations for any discrepancies.</p>		<p>J J Dyer Position: Market Manager</p>	<p>31-Mar-13</p>
<p>The revenue department should review the policy and the necessary amendments effected and communicated.</p>	<p>I acknowledge that our interest rate on outstanding debts has to be market related and is 18%, but the short coming would be, it is not explicitly stated in our current credit control policy. We are reviewing this policy together with indigent and tariff policy. Since these are already adopted policies and our current budget is based on them, we can only implement the reviewed policy after mid-term budget review.</p>		<p>Bongani Ngobese Position: Process Manager Revenue</p>	<p>31-Mar-13</p>

RECOMMENDATION	MANAGEMENT RESPONSE	ACTION PLAN	RESPONSIBILITY	DATE
<p>Management must perform monthly reconciliations and must be reviewed for variance Grants income account reconciliation must performed and reviewed by management on a timeously basis to ensure that the grant income and unspent conditional grant liability is accurate and complete .</p>	<p>Due to the staff shortage the grant reconciliation was not done and now it is done on the monthly basis.</p>		<p>Sixtus Gwala Position: Manager (Budgets)</p>	<p>31-Mar-13</p>
<p>All vacant positions should be advertised to ensure transparency and fairness of the appointment processes and qualifications of appointed personnel should be kept on employee's personnel file.</p>	<p>These posts referred to above are filled by seasonal workers and are appointed through a contract. The recommendation is noted.</p>		<p>Faith Ndlovu Position: HRSSM</p>	<p>31-Mar-13</p>
<p>The HR department must ensure that written contracts of employment are included in the employees files.</p>	<p>In the case of permanent employees, HR does not at present issue the employee with a formal contract of employment, but rather a letter of appointment attached to which are the relevant conditions of service. The employee's written acceptance of the appointment then forms the employment contract. The letters of appointment and acceptance are filed on the employee's personal file. It is agreed that there is a need to revise the current arrangement to ensure that the BCOEA is being complied with, and to protect the interests of the Municipality.</p>		<p>Faith Ndlovu Position: HRSSM</p>	<p>31-Mar-13</p>
<p>Management must conduct a satisfactory reference check, prior to submitting recommendations for appointment to the municipal manager.</p>	<p>This has been covered in the draft revised procedure. It will be done in future</p>	<p>This has been covered in the draft revised procedure. It will be done in future</p>	<p>Faith Ndlovu Position: HRSSM</p>	<p>31-Mar-13</p>
<p>Management should fill vacant positions timeously to ensure that duties and responsibilities as per approved staff establishment are performed to achieve service delivery.</p>	<p>Key management vacancies as well as other critical posts have recently been advertised and are being processed. The structure of the municipality in its current form is being reviewed during which time the number of posts on the establishment will be rationalized so as to reduce the number of posts to that which is realistically essential for the municipality to meet its service delivery objectives.</p>		<p>Faith Ndlovu Position: HRSSM</p>	<p>31-Mar-13</p>

RECOMMENDATION	MANAGEMENT RESPONSE	ACTION PLAN	RESPONSIBILITY	DATE
<p>Management should develop and implement adequate internal controls over overtime payments to ensure compliance with the Basic Conditions of Employment Act.</p> <p>Further explanations should be provided if employees' hours were exceeded in exceptional cases and for those where previous months overtime payments were paid in subsequent months, resulting in the excessive payments.</p>	<p>While Section 10(1) of the BCOE does prohibit an employee working more than 10 hours per week, it is also important to note the provisions of Section 6(2) which states: "Sections 9, 10(1), 14(1), 15(1), 17(2) and 18(1) do not apply to work which is required to be done without delay owing to circumstances for which the employer could not reasonably have been expected to make provision and which cannot be performed by employees during their ordinary hours of work."</p> <p>Notwithstanding this provision, managers are called upon to try and limit, for safety reasons, the amount of emergency work carried out by individuals by spreading the call outs amongst standby staff.</p> <p>In view of the reactive/emergency nature of operations in Infrastructure Services, the Administrator at the time gave authority for employees in that unit (pay numbers beginning with 18..., 23..., 26..., and 70...) to work more than 40 hours per month (10x4). The following steps have been taken/are being taken to improve overtime control and compliance:</p> <ol style="list-style-type: none"> 1. The processing of all overtime has been centralised. 2. Bulk overtime claims now have to be authorised by the relevant Deputy Municipal Manager. 3. Standardised Overtime Claim forms and Pre - approval forms are being finalised and will be implemented shortly. These forms will assist in enforcing compliance as well as enabling a proper analysis of overtime being worked, the reasons therefore, whether claims are reasonable, whether budget is available, etc. 4. Overtime not claimed in the month worked has to be fully motivated and approved by a relevant level of management. 5. The overtime policy is being reviewed. 6. An Overtime Procedure Manual is to be developed and implemented. 7. Regular reporting to Manco for oversight. 		<p>GM Buitendach Position: HR Support Services Manager</p>	<p>31-Mar-13</p>

RECOMMENDATION	MANAGEMENT RESPONSE	ACTION PLAN	RESPONSIBILITY	DATE
<p>Reconciliation between the fixed asset register and the general ledger should be performed on a timely basis so that any differences identified can be followed up.</p> <p>1. Office occupants should conduct asset counts at least quarterly and an annual count should be conducted by the asset management unit for all assets.</p>	<p>The auditors recommendations are noted however in response to the findings above it should be noted that:</p> <p>1. Albeit reconciliations are not done timeously due to incapacity in the Asset Control Department every effort is made to ensure that the reconciliation of the asset register to the TB for every month during the financial is done and should discrepancies occur these are resolved immediately.</p> <p>2. With respect to the annual asset verification the challenges faced listed below as per the report dated 4 July 2012 and submitted to Council is justifiably the reason for the incomplete asset verification</p> <p>2.1 Initially Asset Management was responsible for conducting the asset verification of all assets this is now the responsibility of the Business Unit's who are the custodians of the assets and the nominated asset control clerk of the unit.</p> <p>2.2 Staff nominated do not have the necessary skills to perform the verification and MANCO has resolved (12/07/2012) that suitably qualified staff be nominated as a way forward.</p> <p>2.3 Staff were refusing to perform the verification due to not been informed of their nomination and it not been part of their job description. Some departments still do not have asset controllers. The solution to this was the MANCO decision as per 2.2 above.</p> <p>2.4 Staff went back to their 'old' jobs as per the approved structure no replacement was identified by management. This was resolved as per 2.2 above.</p> <p>2.5 It should also noted that the resources available to undertake the verification and process the inventory lists of the verification are very limited .There are only four scanners available to conduct the verification therefore this impacts on the completion time of the verification. Staffing at asset control is also limited. Manco has resolved to purchase additional scanners.</p> <p>3. Therefore it should be noted that corrective measures have been put in place to address the asset verification shortfall and this compliance issue will be resolved in the 12/13 financial year.</p>		<p>Dhevika Anthony Position: Asset Controller</p>	<p>31-Mar-13</p>
<p>Delegated personnel should ensure that the yearend stock variance report is prepared and approved on a timely basis by the appropriate level of management.</p>	<p>The process of the stock count was undertaken by stores department and external parties were invited to oversee the process. There was uncertainty on the management of stores during this period hence the report was delayed as the Acting appointment of the Stores Manager was terminated and the new acting appointed Manager was not aware of the situation. This was an oversight from the management to make sure that before the acting terminates all the processes must be finalized. However the report is currently being submitted to Council committees.</p> <p>The Management will endeavour to ensure that in the future there will be measures put in place to avoid a recurrence of this matter.</p> <p>Recommendation noted.</p>	<p>Section 63 does not state that the year-end stock variance report must be submitted to Exco and Council, this report will in future submitted to the Accounting Officer for approval.</p>	<p>L Perumalsamy Position: Logistics and Warehouse Manager (Acting)</p>	<p>31-Mar-13</p>

RECOMMENDATION	MANAGEMENT RESPONSE	ACTION PLAN	RESPONSIBILITY	DATE
<p>All bank reconciliations should be prepared and reviewed on a timely basis by the appropriate level of management. Long outstanding items must be followed up and reversed on a timely basis. Payments and receipts should be captured in the cash book rather through the processing of a large volume of journals</p>	<p>1. Due to lack capacity in financial services the above reconciliations were not prepared timeously. The individual responsible of the recons has retired in June 2011 since than the post has not being filled. 2. The staff member who was performing these functions was moved to another section during the administration period and the staff member who took over did not have a proper understanding of preparing reconciliation.</p>			31-Mar-13
<p>The petty cash register should be prepared and reviewed by the appropriate level of management on a monthly basis.</p>	<p>The Principal Administration Officer, Mr. CC Naidoo, officially retired on the 15th Dec 2011. Due to the Economic Development & Growth Division not having an Administration/Finance Division, there was no one suitable to take over the responsibility of the Petty Cash. The Box was then handed to the Finance Support Services Manager Mr. I Bruce for safe keeping. It was very occasional, and only in exceptional circumstances, that Petty Cash was paid. It is acknowledged, that the monthly review and reconciliations were not completed timeously. To address the problem outlined above, suitable staff were identified to handle all Petty Cash responsibilities, and corrective measures have been put in place in adherence to section 63 (2) (c) of the MFMA.</p>		Ivan Bruce Position: Finance Support Services Manager: Development Services	31-Mar-13
<p>Management should update fixed assets register timeously for asset movement and transfers</p>	<p>It should be brought to the Auditors attention that the asset register is updated timeously and the reason as to why the asset register was not updated at the time of the asset transfer was that info from the departments was only sent to the asset control unit as per the dates in the additional column inserted in the above table. This was explained to the auditor when the query was raised verbally. Also it should be noted that the asset control unit is currently under resourced (four staff only) During this period one staff resigned and the clerk responsible for asset transfers was on leave. He was required to take twenty days of compulsory leave or forfeit this leave if it was not taken. However as reflected on the transfer forms the transfer were updated as soon as he returned.</p>	Asset register to be updated timeously.	Dhevika Anthony	31-Mar-13
<p>Management should ensure that income received from hire of halls is accurate ,complete and is for the time spent and any extra hours be charged at appropriate rate.</p>	<p>No management comment was provided during the audit</p>	Investigate the transaction highlighted & recover for the extra 2 hours. In future extra hours will be recovered immediately.	Mandla Zuma Process Manager: Community Development	31-Mar-13
<p>The HR Department must implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial reporting. A tax directive should be obtained from SARS to ensure that the correct amount is paid out.</p>	<p>The Auditor that was based in our office was provided with all the documentation and he was not happy with all the information given to him at the time. The records are available in our office.</p>	Settlement document signed by the employer and employee is to be provided and Tax directive obtained.	Faith Ndlovu	31-Mar-13

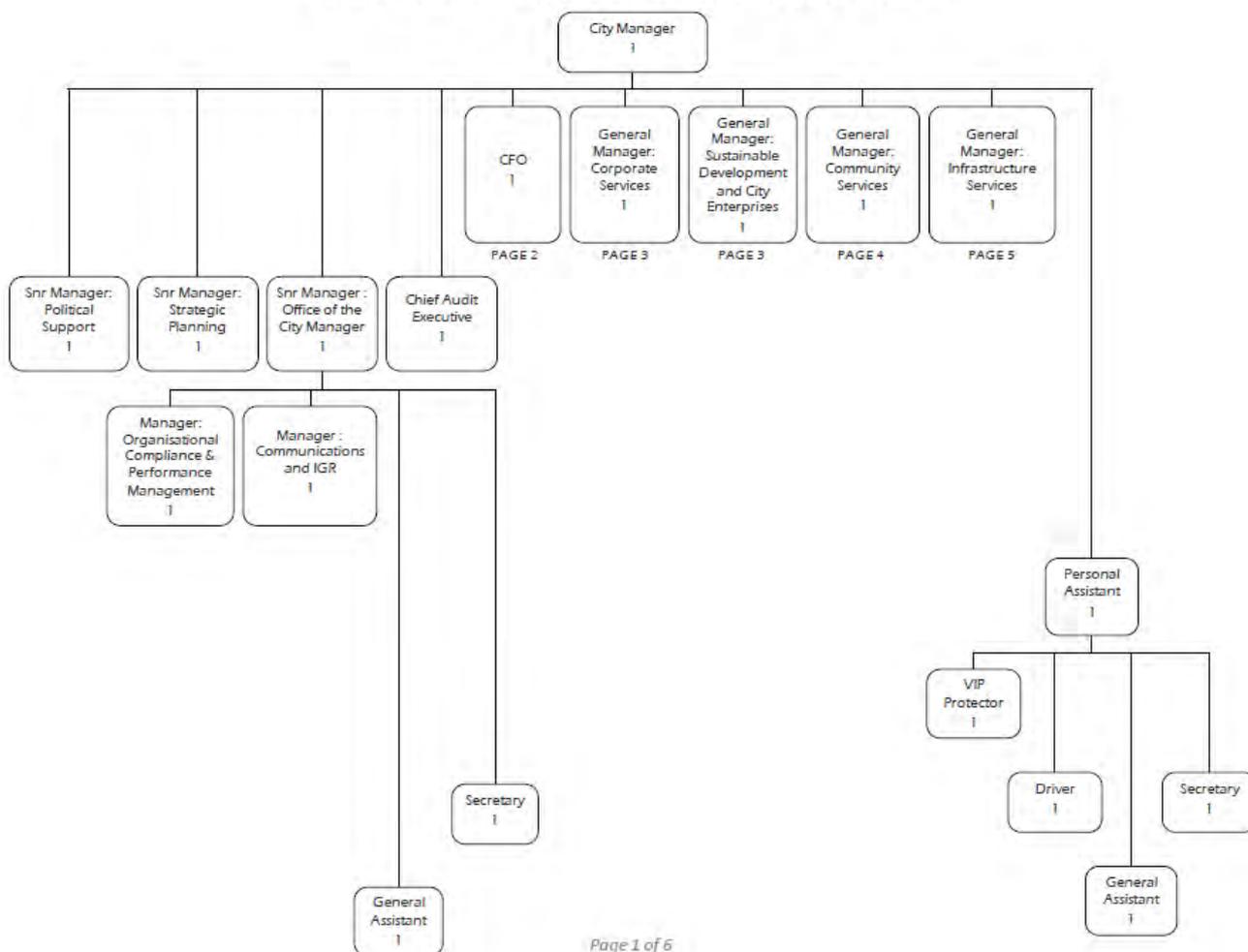
RECOMMENDATION	MANAGEMENT RESPONSE	ACTION PLAN	RESPONSIBILITY	DATE
<p>Management must ensure that all leave forms are correctly completed including reasons for unpaid leave being granted and the appropriate supporting documentation attached.</p> <p>Management must ensure that employees have sufficient leave available for the type of leave being applied for prior to authorisation.</p>	<p>The shortcomings are acknowledged, and steps will be taken to rectify the situation.</p>	<p>Leave forms to be to be accurately completed in future.</p>	<p>Faith Ndlovu</p>	<p>31-Mar-13</p>
<p>Management should expedite the finalisation of the IT Remediation project. All the deliverables from the project must be reviewed by management according to the agreed upon success criteria. Once the deliverables have been reviewed and signed off, management should implement and monitor adherence to these guidelines. Regular meetings should be held to measure service providers' performance against the deliverables specified in the agreements. During these meeting management should discuss performance reports from the service providers.</p>	<p>The Master Systems Plan and the IT Charter were submitted to MANCO on the 10 September 2012 for approval. Once approved at MANCO, they will be submitted to EXCO for adoption. IT Training and Performance Plans are being analysed and reviewed. Both plans will be developed and approved once all the necessary requirements have been met within the ICT department. The monitoring control framework will be developed as per the recommendations.</p>	<p>Provide copies of Master Systems Plan and the IT Charter & Resolution of SMC & Exco.</p>	<p>Xolile Ngebulana</p>	<p>28-Feb-13</p>
<p>Management should review, approve and implement all the deliverables of the IT Remediation project. Once implemented, management should regularly monitor adherence to these policies and procedures.</p> <p>Management should update the draft IT security policy and liaise with the system vendors to re-configure the password settings on the applications to ensure alignment with best practice password settings. Weak passwords increase the risk of unauthorised and inappropriate access to information assets. This also may result in the integrity of data within the system being compromised.</p>	<p>All the policies will be submitted to MANCO on the 17 September 2012 for approval and thereafter to EXCO for adoption.</p>	<p>Provide copies of IT polices & Resolution of SMC & Exco.</p>	<p>Xolile Ngebulana</p>	<p>28-Feb-13</p>

RECOMMENDATION	MANAGEMENT RESPONSE	ACTION PLAN	RESPONSIBILITY	DATE
<p>As part of the Information Security Management System (ISMS) implementation, management should retrieve the user lists and identify all the generic user accounts configured on the systems. The generic user accounts should either be removed or management should rationalise and document the reasons for the existence of such accounts. In addition, management should implement processes and procedures to periodically review the users configured on the applications to identify and manage generic users. Management should perform a periodic review of user's access to ensure that access granted to users is appropriate and in line with their job function. The evidence thereof should be documented and retained. Management should review, approve and implement a monitoring policy. Management should perform a periodic review of access and logon violations. The evidence thereof should be documented and retained.</p>	<p>The dormant generic user accounts are being removed from all applications. The user account management policy stipulates the day to day management of such accounts and will be approved by MANCO on the 17th September 2012.</p> <ul style="list-style-type: none"> · A regular review of user rights and activities will be performed regularly. The IT security, Monitoring and User account policies will set the standard when it comes to performing these duties. Date: 1 November 2012.10.17. · Management will perform a periodic review of user access and activities. The IT security, Monitoring and User account policies will set the standard to address this issue when it comes to performing these duties. · All password request incidents will be logged to the Service Desk system and be kept as a reference. New user access forms will be developed for all other applications excluding Windows AD and Exchange which are already in existence. The user termination process will be revised to ensure a termination form is completed for terminated users, and that this form is circulated to IT. Thereafter IT will revoke the user's access. 	<p>Provide SCM Resolution in relation to IT Security, Monitoring & User Accounts Policy and a report on review of user rights activities that has been done.</p>	<p>Xolile Ngebulana</p>	<p>31-Mar-13</p>
<p>Change control standards and procedures should be reviewed, approved and implemented. Once implemented, management should regularly monitor compliance with these procedures and standards. Due to the excessive reliance on third parties, management should update SLAs and contracts to ensure that third parties will follow these change management procedures.</p>	<p>The change control policy will be submitted for approval at MANCO on the 17th September 2012. Management will perform periodic reviews of the system change log.</p>	<p>Provide SMC, Exco & Council Resolutions in relation to Change Control policy and the policy itself</p>	<p>Xolile Ngebulana</p>	<p>28-Feb-13</p>
<p>The IT Remediation project should incorporate the implementation of adequate physical access control measures to address the above security weaknesses. In addition, the ISMS should include policies and procedures to consistently manage physical access to the server room.</p>	<p>The existing access control system at the Municipality will be extended to the computer room to address this risks highlighted.</p>		<p>Xolile Ngebulana</p>	<p>31-Mar-13</p>

RECOMMENDATION	MANAGEMENT RESPONSE	ACTION PLAN	RESPONSIBILITY	DATE
<p>Management should expedite the review, approval & implementation of the DRP. Once implemented, management should ensure that all the role players are trained on their roles and responsibilities regarding the recovery of IT systems. Management should also ensure that the DRP is regularly tested. Management should expedite the review, approval & implementation of the draft backup and retention strategy.</p>	<p>The Disaster Recovery Plan has been developed and will be submitted to MANCO for approval and later adopted on the EXCO. The Disaster Recovery site will be investigated as it needs to be compliant with the disaster management requirement. The backup policy is due for submission at MANCO on the 17th September 2012. The policy will be implemented once it has been approved by EXCO. The backup register will be developed to manage the tape movement. The current backup system is obsolete and has numerous problems, once it has been replaced and the DRP implemented, the restoration and verification will be performed as dictated by the DRP policy</p>	<p>Follow-up required as to whether this matter has been resolved.</p>	<p>Xolile Ngebulana</p>	<p>28-Feb-13</p>

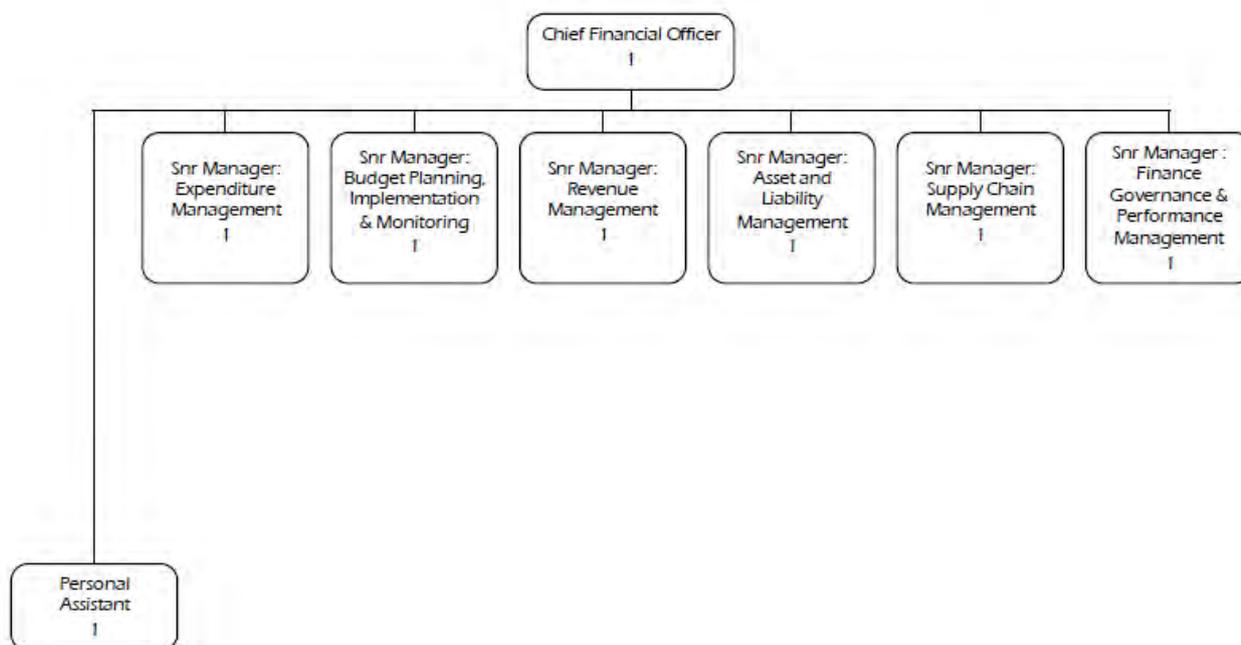
8.4 ORGANOGRAM AND HUMAN RESOURCE ALLOCATIONS

OFFICE OF THE CITY MANAGER: MASTER CHART PROPOSED ORGANISATIONAL STRUCTURE



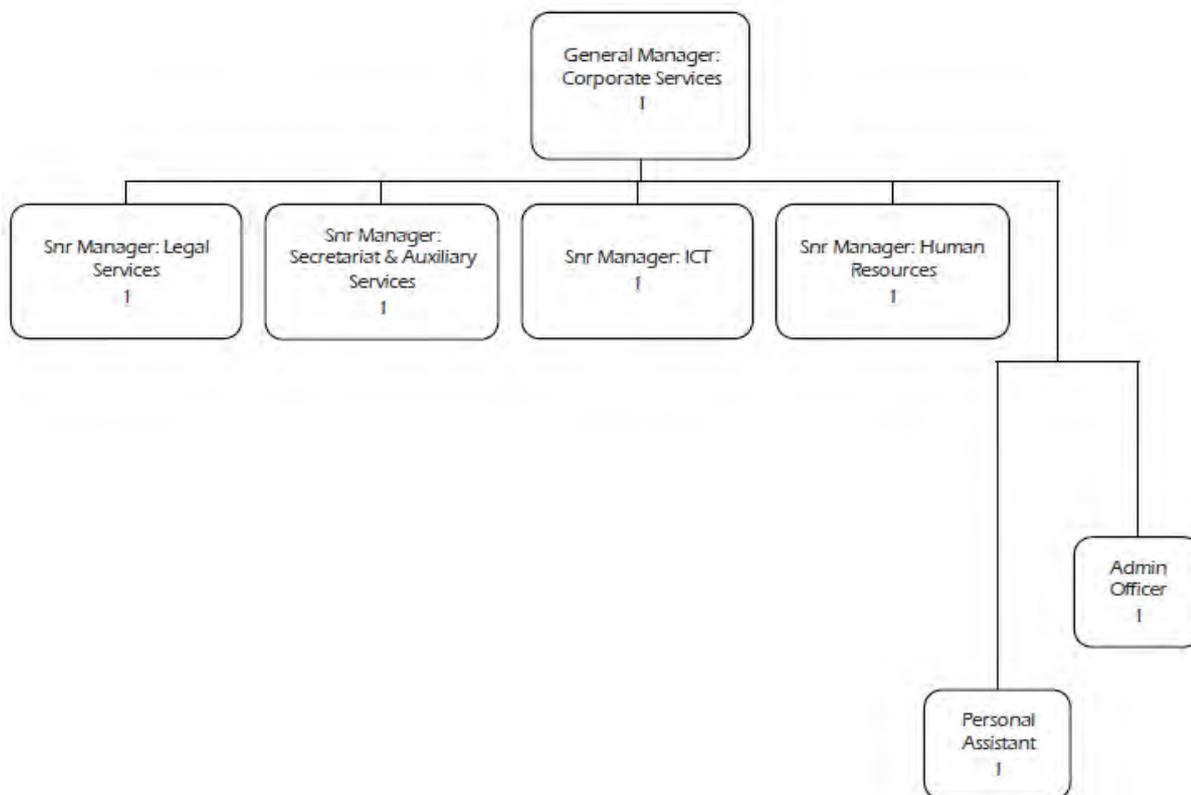
CURRENT RESOURCING				
STRATEGIC BU	PROCESS UNIT	TOTAL POSTS	FILLED	VACANT
MM Office	Corporate Business Unit	157	58	99

FINANCIAL SERVICES: MASTER CHART PROPOSED ORGANISATIONAL STRUCTURE



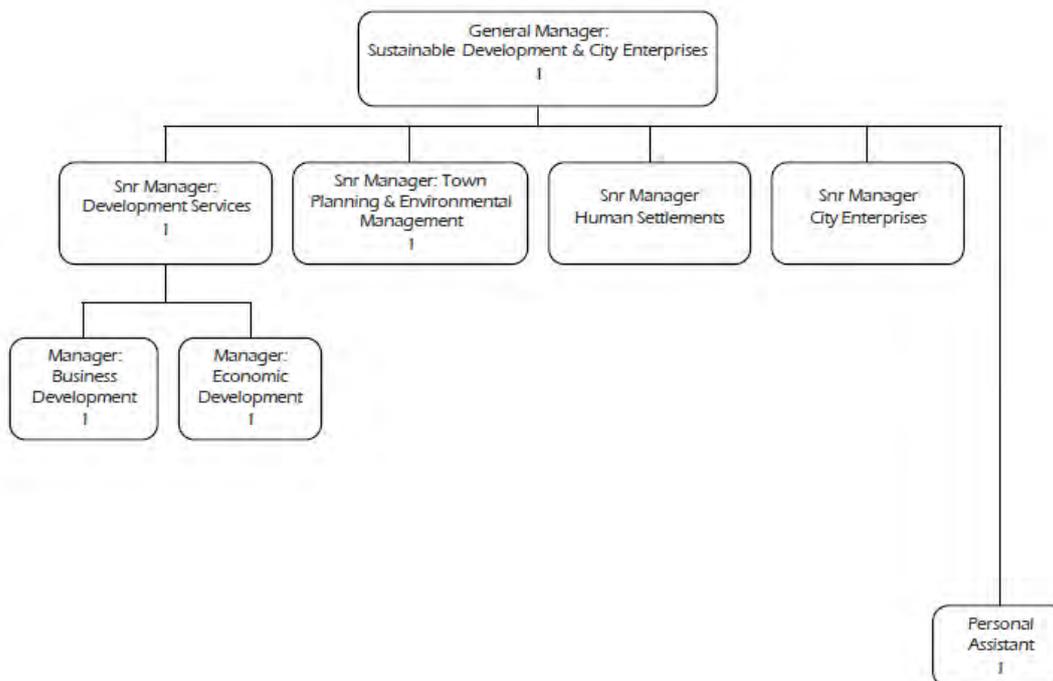
CURRENT RESOURCING				
STRATEGIC BU	PROCESS UNIT	TOTAL POSTS	FILLED	VACANT
Financial Services	Consolidated Billing	198	74	124
	Finance	117	97	20
	Stores	65	41	24

CORPORATE SERVICES: MASTER CHART PROPOSED ORGANISATIONAL STRUCTURE



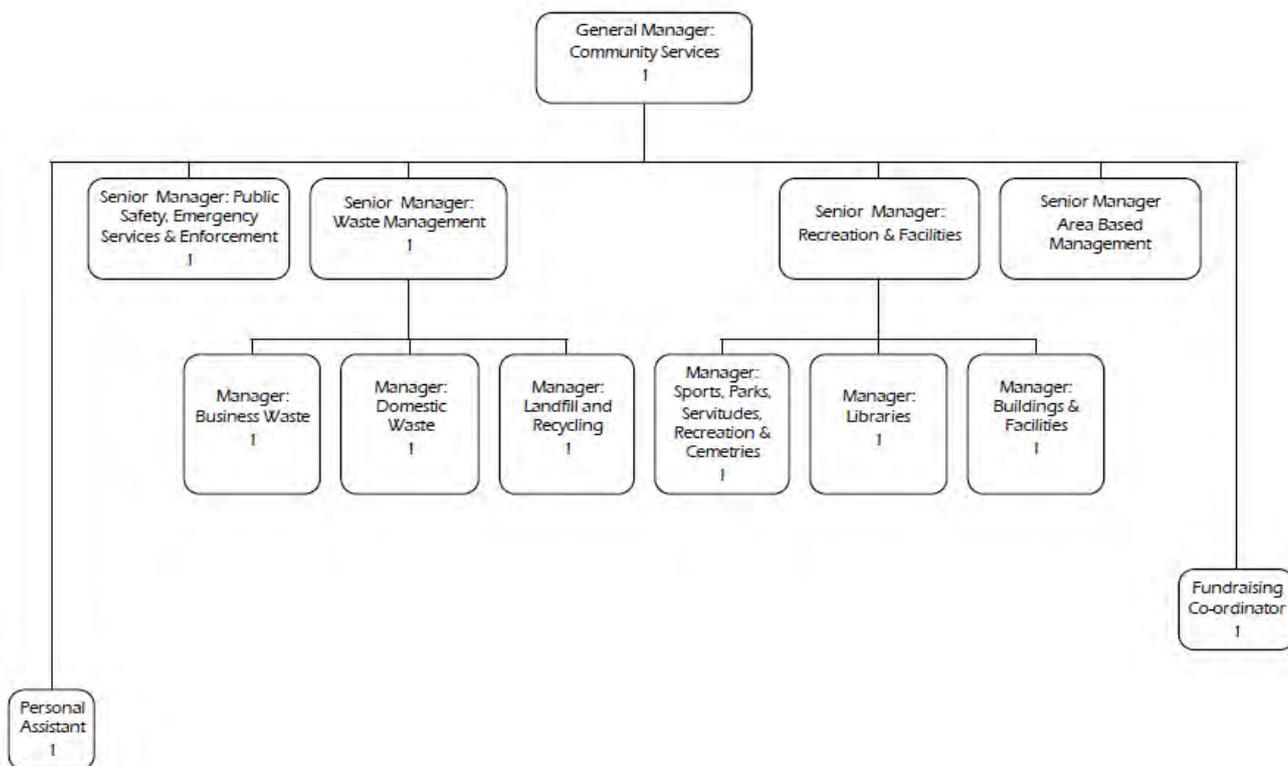
CURRENT RESOURCING				
STRATEGIC BU	PROCESS UNIT	TOTAL POSTS	FILLED	VACANT
Corporate Services	Community Development	1 217	787	430
	Sound Governance and Legal	87	50	37
	Human Resources, OD, OH and Safety	88	46	42
	ICT	53	7	46

SUSTAINABLE DEVELOPMENT & CITY ENTERPRISES DEPARTMENT: MASTER CHART PROPOSED ORGANISATIONAL STRUCTURE



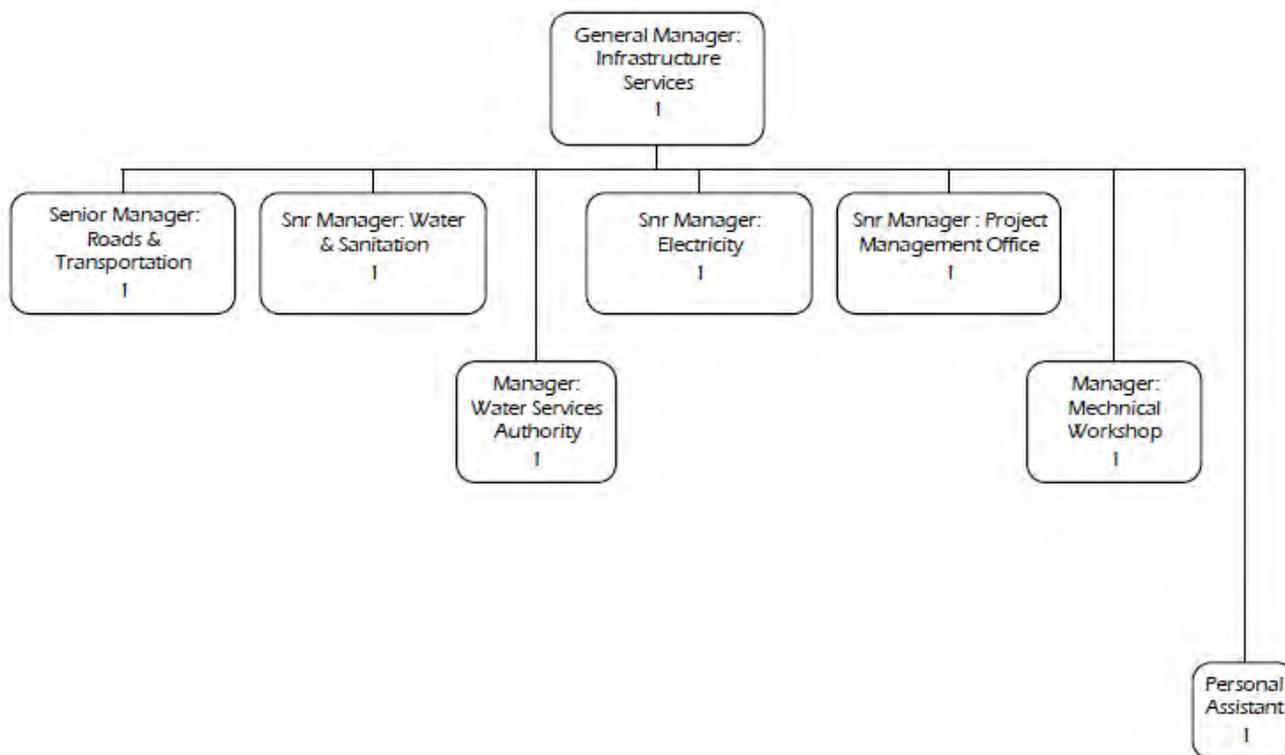
CURRENT RESOURCING				
STRATEGIC BU	PROCESS UNIT	TOTAL POSTS	FILLED	VACANT
Economic Development	Development management and forward planning	88	13	75
	Estates	26	8	18
	Housing	66	0	66
	Market	71	37	34
	ED&G/ Airport	27	13	14
	GEDI	16	0	16

COMMUNITY SERVICES DEPARTMENT: MASTER CHART PROPOSED ORGANISATIONAL STRUCTURE



CURRENT RESOURCING				
STRATEGIC BU	PROCESS UNIT	TOTAL POSTS	FILLED	VACANT
Community Services	ABM	43	21	22
	Waste Management	435	369	66
	Public Safety	510	371	139
	Environmental Health & HIV	84	35	49
	Health	0	0	0
	Risk & Disaster (Landfill)	27	27	0
	HR / Financial Support	16	12	4
	Community Development	1217	787	430

INFRASTRUCTURE SERVICES DEPARTMENT: MASTER CHART PROPOSED ORGANISATIONAL STRUCTURE



CURRENT RESOURCING				
STRATEGIC BU	PROCESS UNIT	TOTAL POSTS	FILLED	VACANT
Infrastructure Services	Infrast Plan & Survey (Bldg Insp)	59	44	15
	Project Management Unit	9	6	3
	Plant & Transportation	799	307	492
	Water & Sanitation Support			
	HR / Financial Support			
	Water Capital			
	Sewerage			
	Roads			
	Water Operation			
	Construction & Recon Bldg	101	36	65
	Road Marking	505	110	395
	Drainage			
	Electricity	341	227	114
	Fleet/Workshop	221	67	154

8.5 GOVERNMENT AND PUBLIC SECTOR PARTICIPATION AND COMMUNITY INVOLVEMENT REPORT

8.5.1 INTRODUCTION

This section summarises the community and public sector involvement in the preparation of the 2013/14 IDP Review document. It will be finalised in June 2013 after all of the Budget and IDP consultations have been completed.

8.5.2 COMMUNITY PARTICIPATION

To be updated after Budget and IDP Roadshows.

8.5.3 PUBLIC SECTOR PARTICIPATION

Sector Departments were engaged at a municipal Service Providers Forum held on 26 February 2013. The municipality presented key findings from the IDP and engaged with service providers on projects being implemented in the municipality. Service Provider representatives present at the meeting are summarised in the table below:

TABLE 67: Sector Department Participation: 26 February 2013

NAME	BUSINESS UNIT	DESIGNATION	CONTACT NO.
L VAN DER MERWE	LED DEDT	DM: LED	082 372 9791
LC SANDERS	COGTA	CTRP	033- 3556100
J MCDONALD	COGTA	DEV PRACTITIONER	033-3556411
S SARAGE	DCSCL	UMGENI DISTRICT FIELD OFFICER	082 693 8113
V WHATMORE	DOHS	A.M	033 8452023
B MACKENZIE	PMB DOT	DM:CC	083 631 2805
S NDLOVU	DWAF	DD	071 852 4869
B NGUBO	DWA	ASD	031-3362773
A RAMNATH	UMGENI WATER	PLANNER	033-341 1115
C NAIDOO	UMGENI WATER	COMMS SPEC	082 922 8965
M MILNE	DOHS	AD:GM	082 771 5217
J O FOLEY	DOHS	DD	033-8452030
P T MKHIZE	DOHS		033-8452001
L P DLAMINI	DOHS	DD	033-8452048
J MABASO	DOPW		033-8971414
C BUTHELEZI	POPW	DM	033-3557100
D CHETTY	DAE	DM	082 454 7554
N ZONDI	DSR	SPO	033-8979400
S MNQONDO	DSR	SPO	033-8979400
A MASEKO	DSR	SPO	033-8979400



8.6 SPATIAL DEVELOPMENT FRAMEWORK

See Part 2 of the Document for a full copy of the SDF and ABM plans.

8.7 DISASTER MANAGEMENT PROGRAMME (PLAN)

A provisional programme is in place to mitigate threats and acts of disaster as it strikes. The municipality in the past has reacted and responded accordingly and effectively with the scourge of disaster and threats. In the meantime the municipality has identified those flash spots and analysis is conducted to prepare a comprehensive disaster management plan.

8.7.1 DISASTER MANAGEMENT PROGRAM OF THE MSUNDUZI MUNICIPALITY

Disaster Management Legislation (Disaster Management Act {Act 57 of 2002}) requires that a hazard/ risk analysis for the area under consideration must be undertaken. This has nothing to do with response and relief measures other than that the more effective “Disaster Management Plans” are likely to become the need for response and rescue plans. Section 26g of the Municipal Systems Act states that Disaster Management Plans must be part of the Integrated Development Plan. The term “Disaster Management Plan” refers to those remedial plans aimed at preventing or mitigating an identified risk.

The schedules below of natural and manmade hazards and attendant problems are by no means an exhaustive list of occurrences/ hazards/ threats, but rather an overview of things that have happened to have a potential to happen because these events occur frequently within the Msunduzi Municipality.

TABLE 68: Natural Hazards

NATURAL HAZARDS		
	VULNERABILITY	CONSEQUENCE
Flooding and Rivers	Jika Joe Informal Settlement	Loss Of Life/Property Damage/Personal Assets
	Msunduzi Low Level Bridge	Loss Of Life
	Lower Section Ashdown. Houses	Loss Of Life /Property Damage/Personal Assets
	Slangspruit. Houses	Loss Of Life /Property Damage/Personal Assets
	Smero Bridge. Vehicles /Pedestrians	Loss Of Life
	Kwapata Bridge. Vehicles/Pedestrians	Loss Of Life
	Dark City / Sobantu Houses	Loss Of Life /Property Damage/Personal Assets
	Baines Spruit. Khan Rd Informal Settlement	Loss Of Life /Property Damage/Personal Assets
Wind and Rain	Low Level Bridges / Bridges	Damage To Infrastructure, Sewers, Water, Electricity
	Maswazini, Mafakatini, Sweetwaters, Pypini, Shayamoya, Copesville, Tamboville / Houses	Structural Failure / Loss Of Life /Property Damage/ Personal Assets /Damage To Electricity & Communications
Fire	Damage To Informal And Substandard Houses	Loss Of Life /Property Damage/Personal Assets / Accommodation , Re-Establishment Cost
	All Informal Settlements	Structural Failure / Loss Of Life /Property Damage/ Personal Assets /Re-Establishment Cost /Poor Accessibility
	Rural Areas / Grass Fires	Loss Of Life /Property Damage/ Personal Assets /Re-Establishment Cost /Poor Accessibility
Transport	Open Flame Heating And Lighting 1 Informal Settlements 2 Formal Houses / Cannot Afford Electricity	Loss Of Life / Property Damage /Poor Accessibility
	N3 Freeway	Accidents / N3 Road Closure /Main Line Closure /Hazmat Spills /Fires / Loss Of Life / Property Damage / Environmental Damage / Pollution
	Railway Line	Accidents / N3 Road Closure /Main Line Closure /Hazmat Spills /Fires / Loss Of Life / Property Damage / Environmental Damage / Pollution
Disease	Vector Borne /Cholera / HIV Aids	Loss Of Life
	Crop Damage	Loss Income, Food Shortages
	Animal Diseases	Loss Income / Food Shortages
Civil Unrest	Rallies, Political Meetings, Pickets, Strikes, Marches	Work Stoppages/Power Failures, Water Failure, Economic Losses, Serious Disruption, Loss Of Life, Property Damage
Housing	Informal And Substandard Structures	On Going Maintenance / Support
Infrastructure	Poor Maintenance	Infrastructure Failure, High Rehabilitation Costs, Work Stoppages / Power Failures, Water Failure, Economic Losses, Serious Disruption, Loss Of Life
Sport Recreation Rallies Fairs / Shows	Public Safety, Security, Fire, Health	Structural Failure, Loss Of Life, Economic Losses, Serious Disruption, Credibility

See Part 2 of the Document for a full copy of the uMgungundlovu Disaster Management Plan.

8.8 THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

8.8.1 INTRODUCTION

The SDBIP is a key management, implementation and monitoring tool, which provides operational Content to the end-of-year service delivery targets set in the budget and IDP. It determines the Performance agreements for the municipal manager and all top managers, whose performance can Then be monitored through section 71 monthly reports, and evaluated through the annual report Process. The biggest challenge is to develop meaningful nonfinancial service delivery targets and indicators, in addition to the budget indicators, however, this will remain work in progress for the Municipality.

The development of the Service Delivery and Budget Implementation Plans (SDBIPs) is a requirement under the Municipal Finance Management Act (MFMA) and gives effect to the municipality's Integrated Development Plan (IDP) and annual budget.

The SDBIP is an expression of the objectives of the Municipality, in quantifiable outcomes that will be implemented by the administration for the municipal financial year. The SDBIP includes the service delivery targets and performance indicators for each quarter that should be linked to the performance agreements of senior management.

These are integral to the implementation and entrenchment of our performance management system. The SDBIP facilitates accountability and transparency of the municipal administration and managers to the Council and Councilors to the community. It also fosters the management, implementation and monitoring of the budget, the performance of top management and the achievement of the strategic objectives as laid out in the IDP.

The SDBIP enables the Municipal Manager to monitor the performance of senior managers, the mayor to monitor the performance of the municipal manager and for the community to monitor the performance of the municipality as each activity contains outputs, outcomes and timeframes. The SDBIP is compiled on an annual basis and is linked to the 5 year and 1 year organizational scorecards that are contained in the approved SDBIP. The SDBIP is yet another step forward to increasing the principle of democratic and accountable government at local level.

Development objectives are measured through key performance indicators at every level, and continuously monitored throughout the year. The SDBIP is in essence the management and implementation tool which sets in-year information such as quarterly service delivery and monthly budget targets and links each service delivery output to the budget of the municipality. It further indicates the responsibilities and outputs for each of the senior managers and the top management team, the resources to be used and the deadlines set for the relevant activities.

8.8.2 REPORTING ON THE SDBIP

Various reporting requirements are outlined in the MFMA, both the mayor and the accounting officer have clear roles to play in preparing and presenting these reports. The SDBIP provides an excellent basis for generating the reports for which the MFMA requires. The report then allows the Council to monitor the implementation of service delivery programs and initiatives across the Municipality boundaries.

(i) MONTHLY REPORTING

Section 71 of the MFMA stipulates that reporting on actual revenue targets and spending against the budget should occur on a monthly basis. This reporting must be conducted by the accounting officer of a municipality no later than 10 working days, after the end of each month.

Reporting must include the following:

- (i) actual revenue, per source;
- (ii) actual borrowings;
- (iii) actual expenditure, per vote;

- (iv) actual capital expenditure, per vote;
- (iv) the amount of any allocations received

If necessary, explanation of the following must be included in the monthly reports:

- (a) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote
- (b) any material variances from the service delivery and budget implementation plan and;
- (c) any remedial or corrective steps taken or to be taken to ensure that the projected revenue and expenditure remain within the municipalities approved budget

(ii) QUARTERLY REPORTING

Section 52 (d) of the MFMA compels the mayor to submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality within 30 days of the end of each quarter. The quarterly performance projections captured in the SDBIP form the basis for the mayor's quarterly report.

(iii) MID YEAR REPORTING

Section 72 (1) (a) of the MFMA outlines the requirements for mid-year reporting. The accounting officer is required by the 25th January of each year to assess the performance of the municipality during the first half of the year taking into account:

- (i) the monthly statements referred to in section 71 of the first half of the year
- (ii) the municipalities service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
- (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and,
- (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities.

Based on the outcomes of the mid-year budget and performance assessment report, an adjustments budget may be tabled if actual revenue or expenditure amounts are materially different from the projections contained in the budget or the SDBIP.

The SDBIP is also a living document and may be modified based on the mid-year performance review. Thus the SDBIP remains a kind of contract that holds the Msunduzi Local Municipality accountable to the community.

8.8.3 REFERENCES

COGTA (2012) **Benchmark Local Economic Development.** Benchmark Report for the Msunduzi Municipality.

Department of Economic Development and Tourism (2012) **Districts Comparative Advantage Report.** Prepared by the Economic Planning: Policy and Planning Unit.

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Stuart- Hill, S., Bulcock, L. and Schulze, R. (2012) **Identifying Climate Change Hotspots by Understanding Water's Link to Societal Vulnerability.** School of Agricultural, Earth and Environmental Sciences, UKZN.