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INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW FOR 2014/15



IDP REVIEW FOR 2014/15 FINANCIAL YEAR





MAYOR
CLLR CHRIS NDELELA

FOREWORD BY HIS WORSHIP THE MAYOR, CLLR CHRIS NDELELA

The review of the current Integrated Development Plan (IDP) is underpinned by the pillars agreed to nationally and provincially in respect of the following:

- Basic Service Delivery
- Local Economic development
- Municipal Transformation and Institutional Development
- Good Governance
- Financial Viability and Management
- Cross cutting interventions

As the mayor I have attended the izimbizo meetings held late last year and was humbled by the various community needs and the extent of patience our communities have shown, in waiting for the various critical services.

Encouraged by the anniversary of 20 years of democracy, we are more determined to speed up service delivery in this review period, reducing as many backlogs as possible, which we first highlighted at the inception of our term of office in 2011. We recommit to the millennium development goals and other national and provincial priorities. We are excited that various legislative tools are constantly being introduced to fast track service delivery and how we manage development in general. In this regard we welcome the commencement of the Spatial Planning and Land Use Management Act (16 of 2013), which in our view will assist in how we better manage development pressures and create an investor friendly environment as we implement this IDP. We are busy reviewing various planning frameworks in our municipality, notably the Spatial Development Framework and a series of Area Based Plans, to align with the new legislative environment.

To realise the imperatives of the National Development Plan, we are working with the District Municipality to prepare the District Growth and Development Plan which will also provide a sound framework for the implementation of the IDP.

I take keen interest on matters raised by the Honourable MEC for COGTA in respect of the previously submitted IDP as well as the audit comments raised by the Auditor-General. In this regard I have asked my supporting teams to work tirelessly on improving areas of concern and I believe in this IDP there has been significant attention to such detail.



**MUNICIPAL MANAGER
MR MXOLISI NKOSI**

FOREWORD BY THE MUNICIPAL MANAGER: IDP 2013/14 -2015/16

This document is the third review of the third generation Integrated Development Plan (IDP) that was first approved by the Council in 2011. As the annual reviews have been done, the IDP has been adapted to reflect the dynamism of the various stages of development within the municipality, more particularly as the organisation has moved from distress to a point of recovery and on the way to financial sustainability.

During the review period of the previous financial year, the strategic thrust of the municipality took a slightly new turn as the council adopted the Vision 2030; this, for the first time in the history of the municipality, saw the organisation setting a vision and objectives that go far beyond the limited planning timeframe of the 5 year IDP. This Vision 2030 serves as the foundation for the development of the City Development Strategy (CDS) which will translate the municipality's vision and objectives into practical strategic plans over the next 15 year planning horizon. The integral link between the IDP and the CDS will be ensuring that the long term plans as will be contained in the CDS are translated into the IDP which is developed by Council every 5 years and reviewed on an annual basis.

This final reviewed IDP is a culmination of the activities as contained in the IDP/ Budget Process Plan as was approved by the council in August 2013. These activities include, amongst others, the milestones and activities that will be realized to review the IDP in the context of the budget, Performance Management System, Spatial Development Framework and all other sector plans, with an emphasis on four core sector plans such as the Disaster Management Plan, the Financial Plan, Spatial Development Plan and the Institutional Management Plan. Integral to the review of the IDP has been the aspect of public participation as mandated by Chapter 4 of the municipal Systems Act. In this regard, IDP/ Budget izimbizo were held in the five area based management areas of the municipality, namely the Vulindlela, Edendale, Imbali, Central and Northern areas. As part of this process, community needs surveys were conducted at all of these venues. In addition, as part of the stakeholder participation process, stakeholder engagement sessions were held with targeted groups such as business, NGOs, CBOs, traditional leadership, ward committee members, parastatals and government departments. The reviewed IDP has therefore been produced taking into account all input that has been received as a result of the public participation process.

The review of the IDP and budget culminated in the strategic planning sessions held between the political, management and union leadership of the municipality and finally with all councillors. What has come out very strongly during these strategic planning sessions is that the Msunduzi Municipality is now in its final stages of financial turnaround and stability, this coming from out from being placed under administration 4 years ago. The Management under the current leadership has managed to overcome various challenges which include discipline, filling of vacant critical posts, improving planning (IDP), revisiting the financial position of the Municipality, focusing on critical services delivery issues and embarking on economic growth which supports the people for the purpose of addressing the high rate of unemployment.

To date the Municipalities strategy has been guided by the Mayors four priorities being:

- Service Delivery;
- Revenue Generation;
- Professionalisation; and,
- Compliance with the rule of law.

With the above in mind, it is clear that change is necessary and it must come from the top down. In the words of the Honourable Mayor it is also vital that all internal and external stakeholders are engaged and participate in turning this city into one we can all be proud off.

It goes without saying that Management and the Political Leadership must continue to:

- a) Brief the stakeholders on the Strategic Planning process;
- b) Take ownership of the process and sell the vision;
- c) Preach on the municipal priorities (revenue, compliance, professionalization and Service delivery)
- d) Preach the municipality's 6 outcomes
- e) Provide collective leadership;
- f) Lead from the front and lead by example

Having followed a very rigorous programme of consultation, both internally and externally, this reviewed IDP is one which the community, politicians and staff of the municipality can take ownership of and work together in ensuring that the vision, objectives, strategies and plans are implemented to the best of our ability as we move forward to ensure that indeed the Msunduzi Municipality is the City of Choice – Second to None!

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List of Abbreviations:

| | | |
|----------|---|--|
| COGTA | - | Department of Cooperative Governance and Traditional Affairs |
| IDP | - | Integrated Development Plan |
| SDBIP | - | Service delivery and Budget implementation Plan |
| IPMS | - | Individual Performance Management System |
| PMS | - | Performance Management System |
| DFA | - | Development Facilitation Act |
| NSDP | - | National Spatial Development Perspective |
| SPLUMA | - | Spatial Planning and Land Use Management Act (16 of 2013) |
| KZN PGDS | - | KwaZulu Natal Provincial Growth and Development Strategy |
| NDP | - | National Development Plan |
| PICC | - | Presidential Infrastructure Coordinating Committee |
| SIP | - | Strategic Integrated Project |
| MTREF | - | Medium Term Revenue and Expenditure Framework |
| SWOT | - | Strengths, Weaknesses, Opportunities and Threats |
| KZN | - | KwaZulu-Natal |
| MIF | - | Municipal Infrastructure Investment Framework |
| WSP | - | Work Place Skills Plan |
| IWP | - | Integrated Waste Management Plan |
| CITC | - | Comprehensive Integrated Transport Plan |
| RAMP | - | Road Asset Management Plan |
| IRPTN | - | Integrated Rapid Public Transport Network |
| LTFP | - | Long Term Financial Plan |
| SDF | - | Spacial Development Framework |
| CBP | - | Community Based Planning |
| ELRA | - | Edendale Private Land Owners and Rate Payers Association |
| LED | - | Local Economic Development |
| MISA | - | Municipal Infrastructure Support Agency |

SECTION A-CHAPTER 1: EXECUTIVE SUMMARY

1.1 INTRODUCTION

The Msunduzi Municipality is the second largest in KwaZulu/Natal, and is proudly the Capital of the Province. The confirmation of the capital status of Msunduzi has entrenched its role and position as the administrative and political hub of 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 second review of the Msunduzi IDP, originally 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 vision 2030.

1.2 THE MUNICIPALITY AT A GLANCE

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

Table 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% |

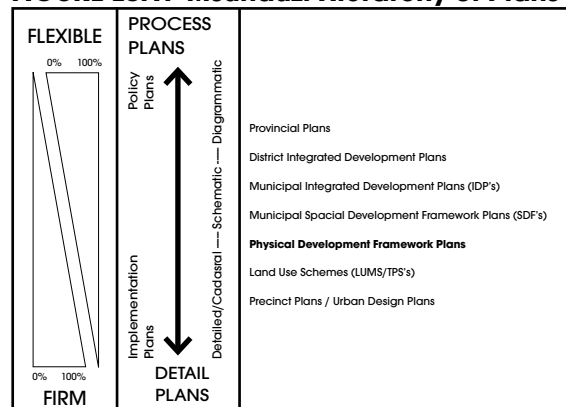
1.2.1 SPATIAL PLANNING

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 is currently under review in a process that will be concluded by the end of 2014. 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.

Detailed planning to the CBD and Ashburton is being undertaken in 2014. This process is aimed at consolidating wall to wall schemes.

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 (SED); 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/Geo-technical);
- 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 of 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
- Agreement on the monitoring, evaluation, reporting, and review framework of the plan.

1.2.2 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, as well as historical and cultural resources.

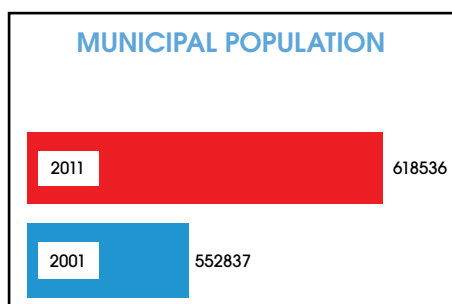
Maintaining a 'green' built environment is important for both the image of the city and the social and environmental health of residents. There is a need to focus on planting programmes in the CBD to replace storm-damaged and old/ dangerous trees with indigenous alternatives that are hardy and drought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

There is a need to focus strategies on climate change, paying particular attention to mitigation factors as well as looking at adaptation strategies. This will reduce communities' susceptibility to climate change.

1.2.3 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% 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.

Figure ES2: Municipal Population



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.

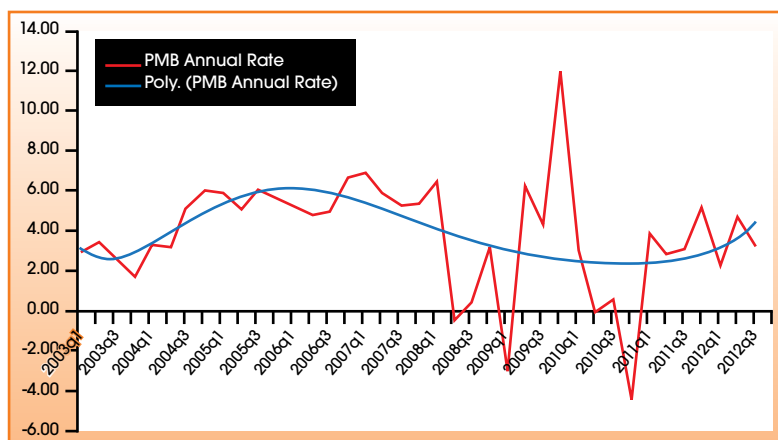
The Census (2011) also indicates that the majority (68.4%) of the population fall within the economically active age cohorts (15 to 64 years), with 26.6% being under 15 years of age, and 5% being 65 years and older. A further positive trend is that the dependency ratio of people within the 15 to 64 age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

In terms of education levels, 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 adults 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 increased, from 9.2% in 2001 to 13.1% in 2011.

In 2010, the uMgungundlovu District Municipality 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.

1.2.4 THE ECONOMY

Figure ES3: GDP



As at 2014 The economy of the Msunduzi Municipality still experiences a period of positive growth after a period of negative growth in 2010. The recorded GDP growth rate for 2010 was 3.85%

Census (2011) indicates that levels of unemployment have declined from the high figure 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 logistical corridor linking Gauteng with Durban Harbour;
- **Natural/ Geographic Advantages:** Highly fertile land;
- **Human Capital Advantages:** Good schools and tertiary institutions; and
- **Institutional Advantages:** Msunduzi enjoys 'Capital City' status.

1.2.5 INFRASTRUCTURE

Census (2011) indicates that houses receiving piped water inside their dwelling have 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 – 1 000 m from piped (tap) water.

Households with flush toilets connected to sewerage, however, have declined from 52.3% in 2001 to 51.6% (84 675 households) in 2011. 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 and the highest levels of pit latrines. The review of the WSDP (Water Services Development Plan) is essential to address this problem.

Households with electricity for lighting have also increased 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 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:

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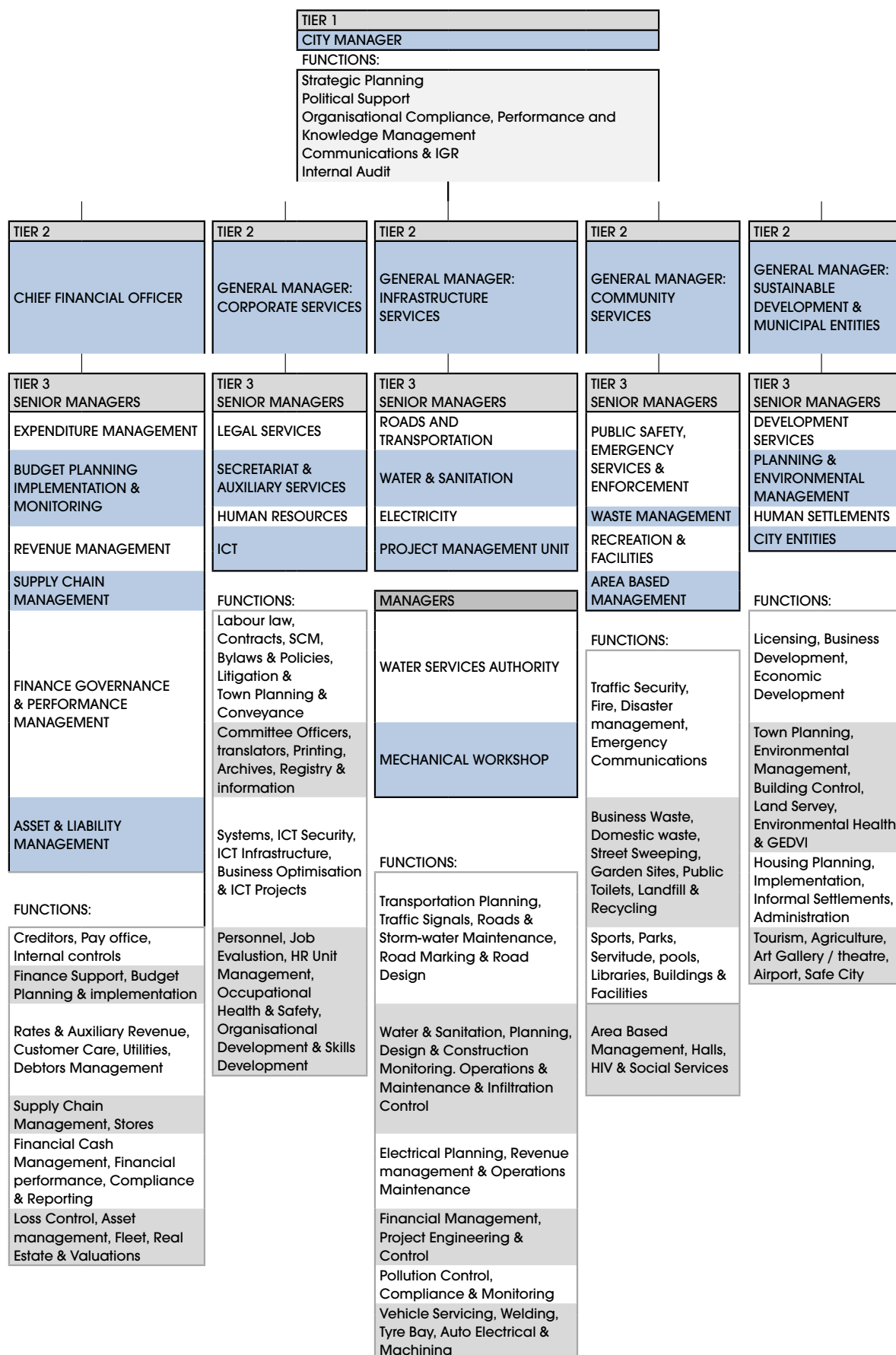
Table 2: Indigent Support in the Msunduzi Municipality

| CATEGORY | DESCRIPTION |
|-----------------|---|
| Property Rates | <p>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.</p> <p>If a property is worth more than R100 000.00 and residents approach Council for relief, a means test is applied.</p> |
| 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, with a 20 Amp circuit breaker. |
| Water | Indigents qualify for 7kl of water per month, an amount determined from time to time by Council and as reflected in the applicable Tariff Register. |
| Refuse | Indigents qualify for free refuse removal as determined by Council from time to time, and as reflected in the applicable Tariff Register. |
| Sewerage | Indigent households qualify for 4.2 kl of free sewerage discharge as determined by Council from time to time and as reflected in the applicable Tariff Register. |

1.3 THE NEW INSTITUTIONAL STRUCTURE

The following diagram summarises the new approved functional organogram of the Municipality:

FIGURE ES.4: Organogram of Top Management



1.4 THE IDP REVIEW PROCESS FOR THE DEVELOPMENT OF THE 2014/15 IDP

1.4.1 MEC ASSESSMENT OUTCOMES

The Msunduzi 2013/14 IDP was assessed by the MEC's panel in 2013. The results of such an assessment placed Umsunduzi Municipality amongst the 10 best performing municipalities in the province within the period of assessment.

Table 3: MEC Assessment of the 2012/13 Msunduzi IDP

| CATEGORY | COMMENTS |
|--|---|
| Good Governance & Public Participation | <ul style="list-style-type: none"> No indication of the steps taken to fill the two vacant seats in Audit Committee. Provide status of the problematic War room |
| Basic Service Delivery & Infrastructure Investment | <ul style="list-style-type: none"> Review and/or develop infrastructure plans such as Water Services Development Plan, Bulk Water Master Plan and Bulk Sanitation Master Plan and incorporate in the IDP; and Fill critical posts within the Infrastructure Unit. |
| Municipal Transformation & Institutional Development | <ul style="list-style-type: none"> Develop a Human Resource Strategy Address the high vacancy rate |
| Spatial Development Frameworks | Detailed comments provided, which will be addressed in the preparation of the Long-term Spatial Strategy. |
| Local Economic Development | <ul style="list-style-type: none"> Adoption and implementation of the LED strategy. Develop and outline initiative to assist SMME's and boost the informal economy Align LED strategy with the national and provincial priorities for economic development. Identify LED projects and expand the existing economic sectors. |
| Financial Viability & Financial Management | <ul style="list-style-type: none"> Review asset management plans Provide status and progress of the measures in place to respond to the issues raised by the AG. Provide progress made by the LTFP to address the short term challenges |

1.4.2 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 the budget preparation process. The process plan ensures alignment between the preparation processes for the budget, the IDP, and the 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.

1.4.3 PUBLIC PARTICIPATION

Various forms of public engagements have been held in this financial year to ensure public involvement in the development of the IDP. This process has further been bolstered by the District Municipality as well as the NGOs and private sector, notably the built environment support Group that facilitated area based plans around the different wards. In terms of the Municipal Systems Act the Plan is further advertised for public comment before the final submission in June this year.

1.4.4 SERVICE PROVIDER CONSULTATION

With the assistance from COGTA the District municipality has facilitated Sector Departments during the IDP Review. These meetings are planned to continue until the completion of the review period in June just before the submission of the IDP to the MEC for COGTA.

1.5 THE IDP STRATEGIC APPROACH

This review of the IDP sees a fundamental shift from the previous information-laden and clumsily 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 2014)
- (v) PROVINCIAL PRIORITIES (STATE TO THE PROVINCE ADDRESS 2014)
- (vi) PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY
- (vii) NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE
- (viii) PROVINCIAL SPATIAL DEVELOPMENT STRATEGY (PSEDS)

1.5.1 IDP KEY ISSUES

The following highlights the main KPAs:

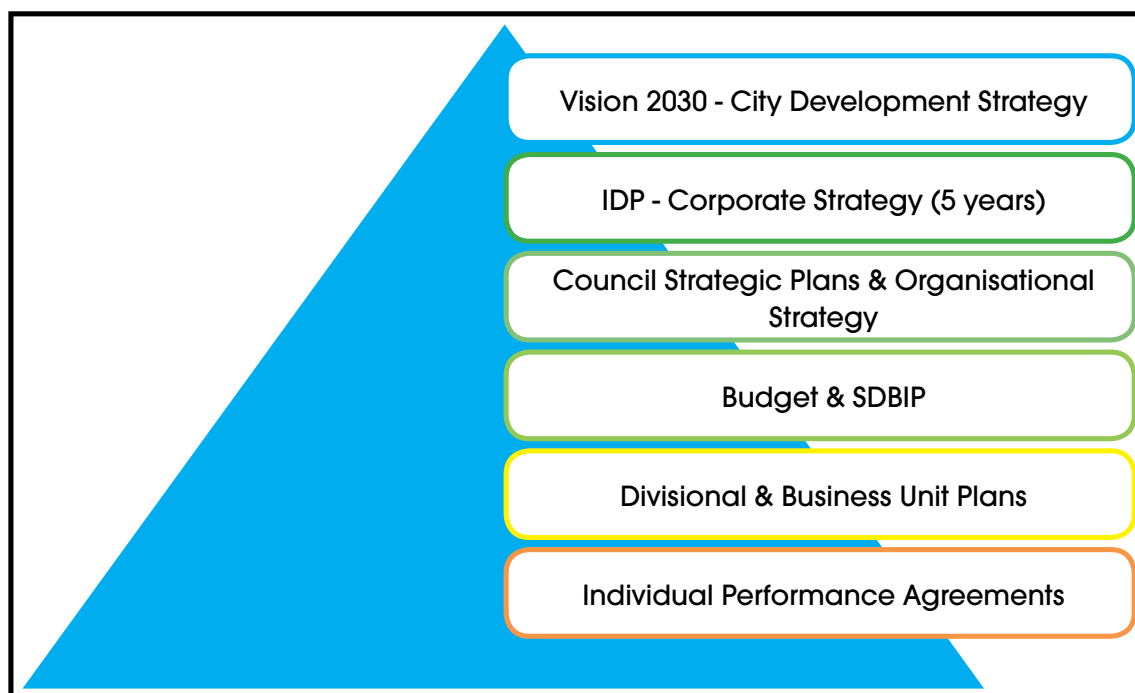
- Basic Service Delivery
- Local Economic Development (Social Development Are To Be Included Here As A Sub-Heading As Per Cogta Guidelines)
- Municipal Transformation And Institutional Development
- Good Governance
- Financial Viability And Management
- Cross Cutting Interventions (Including Spatial And Environment As Per Cogta Guidelines)

1.6 DEVELOPING A STRATEGY TOWARDS DEVELOPMENT

1.6.1 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 Vision 2030. This is briefly summarised below.

FIGURE ES.5: Corporate Strategy for the Msunduzi Municipality



1.6.2 VISION 2030: CITY DEVELOPMENT STRATEGY

The Vision of the City of Choice, Second to None, is to develop a city where the 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, thereby 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 4: 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 Ventilated Improved Pit-latrines 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% to 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. 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 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. |

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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. | 1.8 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 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. |

STRATEGIC PRIORITY 2: AN ACCESSIBLE AND CONNECTED CITY

| GOAL | VALUE STATEMENT | TARGET |
|--|--|---|
| <p>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.</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. 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.</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. 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> |
| | <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 (e.g. 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> |

IDP REVIEW FOR 2014/15 - 2016/17

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.</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> |

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 The 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 drive 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 rates 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 through 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. |

Table 5: IDP Key Issues and Corresponding Vision Statement

| KPA | KEY ISSUE | CORRESPONDING VISION STATEMENT WITH STRATEGIES HAVE BEEN DEVELOPED TO ADDRESS THE KEY ISSUE |
|---|--|---|
| <ul style="list-style-type: none"> Financial Viability And Management Good Governance | Revenue protection and enhancement. | 6. A Financially Viable and Well-Governed City |
| <ul style="list-style-type: none"> Basic Service Delivery | Addressing service delivery challenges in terms of water, sanitation, and electricity. | 1. A Well-Served City |
| | Integrated waste management and renewable energy. | 1. A Well-Served City 3. A Clean, Green City |
| <ul style="list-style-type: none"> Cross Cutting Interventions | 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 |
| <ul style="list-style-type: none"> Municipal Transformation And Institutional Development | 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 |
| <ul style="list-style-type: none"> Local Economic Development | Economic growth leading to the creation of decent jobs. | 5. An Economically Prosperous City |

1.6.3 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 is also embarking upon a Long-Term Spatial Plan, 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).

1.6.4 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

The SDBIP has been operational for several years. Previously through its implementation, the Auditor General 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);
- 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 that better alignment exists between the IDP, Budget, and SDBIP. Major strides have been made towards improvement in this regard in 2014. With the approval of the Performance Management System (PMS) and the Individual Performance Management System (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.

1.6.5 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, which 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 and the IDP have 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.

1.7 IMPLEMENTATION OF THE IDP

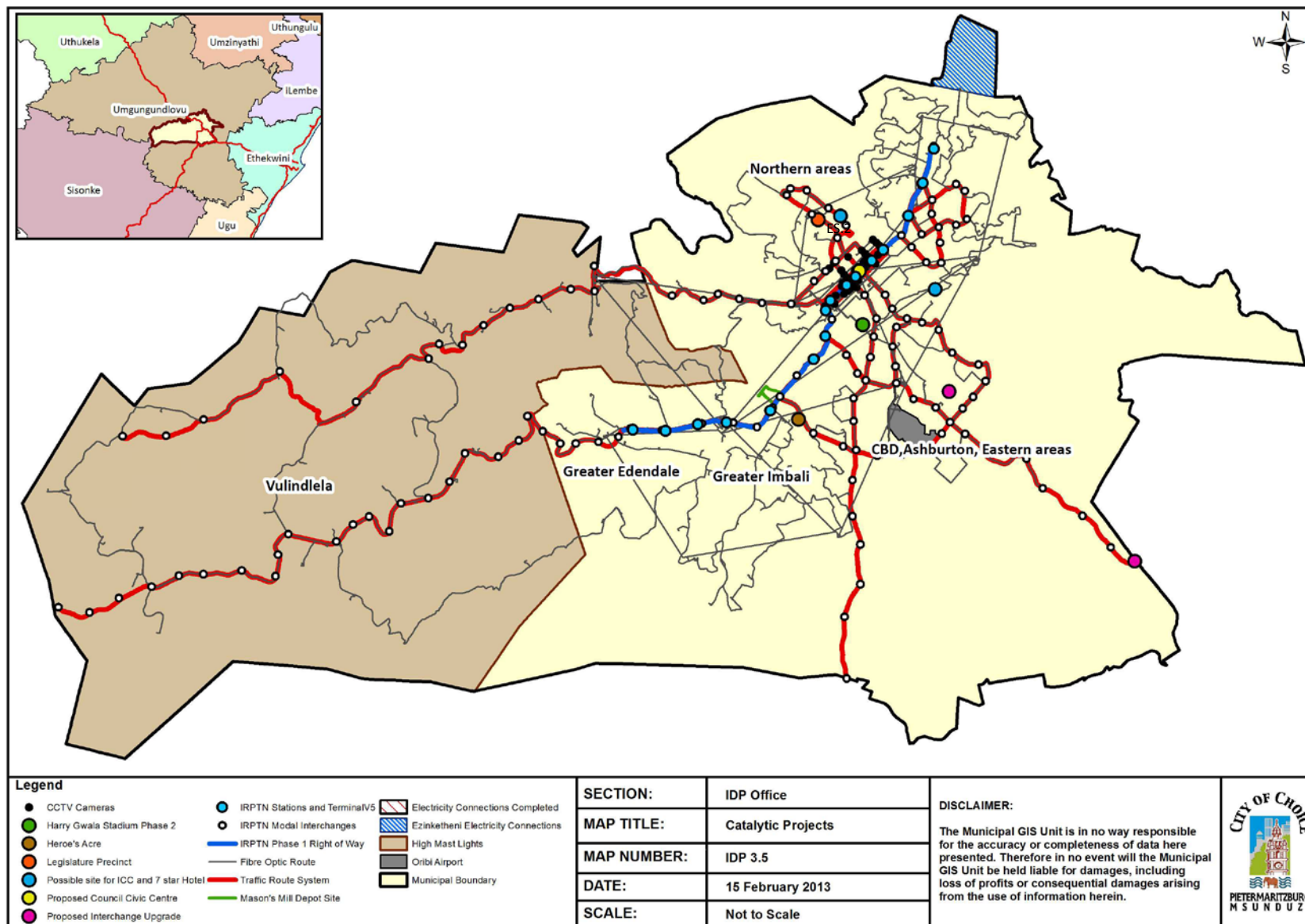
1.7.1 CATALYTIC PROJECTS

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 municipal area. The following catalytic projects are aimed at revitalising the economy and the growth trajectory of 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 facilitation and enabling role.

Table 6: Msunduzi Catalytic Projects

| PROJECT | DESCRIPTION | EST. BUDGET |
|--|---|--------------------|
| Legislative Precinct Development | This is a medium to long-term initiative which will see the development of a new legislative 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 amount of 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 |
| Fibre Optic 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 Province 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 |

MAP ES.2



The following table summarises the municipal capital expenditure.

Table 7: Capital Projects to 2014/2016

| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | 2015 / 2016 BUDGET | 2016 / 2017 BUDGET | PROJECT PRIORITISATION |
|-----------------------------|----------------------------------|-------|---|------|--------------------|--------------------|--------------------|------------------------|
| Cross Cutting Interventions | A Well-Serviced City | 27 | CNL - REPLACEMENT OF LIFTS PROFESSOR A S CHETTY BUILDING | CNL | 500 000 | 0 | 0 | Maintenance |
| Cross Cutting Interventions | A Well-Serviced City | 27 | CNL- LIGHTING UPGRADE 4TH, 2ND, 1ST FLOORS AS CHETTY BUILDING | CNL | 150 000 | 175 000 | 200 000 | Maintenance |
| Cross Cutting Interventions | A Well-Serviced City | 27 | CNL- A S CHETTY BUILDING - WATERPROOFING ROOF SLAB | CNL | 250 000 | | | Maintenance |
| Cross Cutting Interventions | A Well-Serviced City | 27 | CNL - AIR-CONDITIONING UPGRADE 4TH, 2ND, 1ST FLOORS AS CHETTY BUILDING | CNL | 2 000 000 | 500 000 | 0 | Maintenance |
| Cross Cutting Interventions | A Well-Serviced City | | CNL - FURNITURE | CNL | 80 000 | | | |
| Cross Cutting Interventions | An Accessible and Connected City | 27 | CNL - BURGER ST EXTENSION | CNL | 10 000 000 | 10 000 000 | 1 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 5 | MIG - UPGRADE DESIGN OF GRAVEL ROADS - VULINDLELA - D 1128 (Phase 1, 2 and 3) | MIG | 3 000 000 | 7 500 000 | 0 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 14 | MIG - UPGRADE OF GRAVEL ROADS - WILLOWFOUNTAIN ROADS | MIG | 5 000 000 | 6 000 000 | 2 000 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 15/19 | MIG - HORSE SHOE ACCESS RD AND PASSAGES IN IMBALI STAGE 1 & 2 | MIG | 1 000 000 | 1 000 000 | 1 000 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 12 | MIG - UPGRADING OF GRAVEL RDS - EDN - WARD 12 - MOSCOW AREA RDS | MIG | 4 500 000 | 4 000 000 | 1 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 13 | MIG - UPGRADING OF ROADS IN EDENDALE - KWANYAMAZANE ROADS | MIG | 2 700 000 | 2 500 000 | 2 500 000 | Committed |



| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | 2015 / 2016 BUDGET | 2016 / 2017 BUDGET | PROJECT PRIORITISATION |
|------------------------|----------------------------------|---------|--|------|--------------------|--------------------|--------------------|------------------------|
| Basic Service Delivery | An Accessible and Connected City | 13 | MIG - UPGRADING OF ROADS IN EDENDALE - Route 7B | MIG | 300 000 | 2 000 000 | 4 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 16 | MIG - UPGRADING OF GRAVEL ROADS - EDENDALE - WARD 16 | MIG | 2 500 000 | 2 500 000 | 2 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 29 | MIG - UPGRADE OF INTERNAL ROADS - HANIVILLE | MIG | 1 500 000 | 2 500 000 | 2 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 12 | MIG - UPGRADE GRAVEL ROADS IN EDENDALE IN ESIGODINI | MIG | 5 000 000 | 3 500 000 | 3 000 000 | Committed |
| Basic Service Delivery | An Accessible and Connected City | 11 | MIG - UPGRADING OF GRAVEL ROADS - EDENDALE - STATION RD | MIG | 13 000 000 | 2 500 000 | 0 | Committed |
| Basic Service Delivery | An Accessible and Connected City | 23 | MIG - REHABILITATION OF ROADS IN ASHDOWN | MIG | 2 500 000 | 2 500 000 | 2 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | | MIG - UPGRADING OF GRAVEL ROADS - EDENDALE - Roads in Unit 14/Unit P - Design | MIG | 450 000 | 2 500 000 | 2 000 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 21 | MIG - UPGRADING OF GRAVEL ROADS - EDENDALE - MACHIBISA / DAMBUZA RDS | MIG | 400 000 | 2 000 000 | 2 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 17 | MIG - UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - WARD 17 Roads | MIG | 1 000 000 | 1 500 000 | 1 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 37 | CNL - UPGRADING OF ROADS IN ASHBURTON - Design | CNL | 800 000 | 5 000 000 | 5 000 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 23 / 26 | MIG - UPGRADING OF ROADS IN PEACE VALLEY - (Plan & Design in 2014/15) - 10km | MIG | 250 000 | 3 500 000 | 2 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 17 | MIG - UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - WARD 17 Roads (Phase3, Unit 13) | MIG | 1 500 000 | 1 500 000 | 150 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 21 | MIG - UPGRADING OF GRAVEL ROADS - EDENDALE - DAMBUZA MAIN ROAD Major SWD Upgrade | MIG | 300 000 | 1 500 000 | 1 500 000 | Upgrade |



| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | 2015 / 2016 BUDGET | 2016 / 2017 BUDGET | PROJECT PRIORITISATION |
|------------------------|----------------------------------|------|--|------|--------------------|--------------------|--------------------|------------------------|
| Basic Service Delivery | An Accessible and Connected City | 12 | MIG - UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - GEORGETOWN & SURROUNDING AREA | MIG | 800 000 | 2 000 000 | 1 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 2 | MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - D2069 (MTHALANE RD) -Phase2 | MIG | 5 000 000 | 8 000 000 | 9 000 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 20 | MIG - UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - CALUZA ROADS | MIG | 2 500 000 | 1 500 000 | 1 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 10 | MIG - UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - Ward 10 Roads - Stormwater upgrade | MIG | 1 000 000 | 2 000 000 | 2 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 12 | MIG - 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 | 800 000 | 1 000 000 | 1 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 3 | MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD 3 ROADS | MIG | 1 000 000 | To be advised | To be advised | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 20 | MIG - UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - HAREWOOD AREA | MIG | 400 000 | 3 500 000 | 4 000 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 1 | MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD 1 ROADS | MIG | 2 000 000 | 2 500 000 | To be advised | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 4 | MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD 4 ROADS | MIG | 350 000 | To be advised | To be advised | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 5 | MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD 5 ROADS - incl. Henley Dam Area | MIG | 350 000 | To be advised | To be advised | Upgrade |

| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | 2015 / 2016 BUDGET | 2016 / 2017 BUDGET | PROJECT PRIORITISATION |
|-----------------------------|----------------------------------|-------|---|------|--------------------|--------------------|--------------------|------------------------|
| Basic Service Delivery | An Accessible and Connected City | 6 | MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD 6 ROADS | MIG | 350 000 | To be advised | To be advised | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 7 | MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD 7 ROADS | MIG | 350 000 | To be advised | To be advised | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 8 | MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD 8 ROADS - Masoyi Rd, etc | MIG | 350 000 | To be advised | To be advised | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 9 | MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD 9 ROADS | MIG | 350 000 | To be advised | To be advised | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | Var | CNL - ROAD REHABILITATION - PMS | CNL | 25 000 000 | 25 000 000 | 25 000 000 | Rehabilitation |
| Basic Service Delivery | An Accessible and Connected City | 25/32 | CNL - CONNOR - OTTO'S BLUFF ROADS - LINK | CNL | 2 000 000 | 13 000 000 | 1 600 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 36 | CNL - LESTER BROWN LINK ROAD | CNL | 5 000 000 | 10 000 000 | 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 22 | MIG - UPGRADING OF GRAVEL ROADS - EDENDALE - WARD 22 - 8,4km roads - Storm-water drainage provision | MIG | 300 000 | 0 | 0 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 35 | NEW FOOTPATHS, PASSAGES, KERBING & CHANNELING - SOBANTU | MIG | 300 000 | 150 000 | 200 000 | Rehabilitation |
| Cross Cutting Interventions | A Clean, Green City | 23 | ASHDOWN BANK PROTECTION AGAINST COLLAPSING OF ADJACENT HOUSES - P15 | MIG | 800 000 | 0 | 0 | Rehabilitation |
| Cross Cutting Interventions | A Clean, Green City | 31/33 | CNL - CANNALIZATION OF A STREAM IN NORTHDAL (Revised design) | CNL | 100 000 | 6 000 000 | 800 000 | Rehabilitation |
| Basic Service Delivery | A Clean, Green City | | CNL - Upgrade SWD system in the Imbali Roads - Lower Sinkwazi Rd flooding, etc | CNL | 300 000 | 2 500 000 | 1 500 000 | Rehabilitation |
| Basic Service Delivery | A Clean, Green City | 27/33 | CNL - Upgrade SWD system in the CBD Roads - Chapel Street floods, etc | CNL | 350 000 | 1 700 000 | 2 000 000 | Upgrade |

| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | 2015 / 2016 BUDGET | 2016 / 2017 BUDGET | PROJECT PRIORITISATION |
|-----------------------------|------------------------------------|------------------------|---|------|--------------------|--------------------|--------------------|------------------------|
| Cross Cutting Interventions | A Clean, Green City | 20 | MIG -UPGRADE SWD IN GREATER EDENDALE - FLOODING HOUSES IN SIYAMU | MIG | 300 000 | 200 000 | 0 | Rehabilitation |
| Basic Service Delivery | . An Accessible and Connected City | 20 | MIG - UPGRADE OF BRIDGES - Pedestrian Bridge Over River - Smero/Esigodini | MIG | 300 000 | 2 800 000 | 0 | Upgrade |
| Basic Service Delivery | . An Accessible and Connected City | 35 | CNL - GRIMTHORPE ROAD BRIDGE (DESIGN AND EIA) | CNL | 200 000 | 6 000 000 | 7 000 000 | Committed |
| Cross Cutting Interventions | . An Accessible and Connected City | 33/35 | MIG - WOODHOUSE PEDESTRIAN BRIDGE | MIG | 2 700 000 | 0 | 0 | Upgrade |
| Cross Cutting Interventions | A Well-Serviced City | Var | CNL - TRAFFIC CALMING MEASURES | CNL | 1 500 000 | 1 500 000 | 1 500 000 | Upgrade |
| Basic Service Delivery | . An Accessible and Connected City | 12, 21, 22, 23, 27, 32 | DOT - PUBLIC TRANSPORT INFRASTRUCTURE | DOT | DORA Allocation | DORA Allocation | DORA Allocation | |
| Cross Cutting Interventions | . An Accessible and Connected City | | CNL - NON MOTORISED TRANSPORT INFRASTRUCTURE DESIGN | CNL | 500 000 | 3 000 000 | 3 000 000 | Upgrade |
| Cross Cutting Interventions | . An Accessible and Connected City | | MIG - BUS STOP SHELTERS | MIG | 1 000 000 | 1 000 000 | 1 500 000 | Upgrade |
| Cross Cutting Interventions | . An Accessible and Connected City | | CNL - CHOTA MOTALA INTERCHANGE | CNL | 7 121 832 | 0 | 0 | |
| Cross Cutting Interventions | A Well-Serviced City | | CNL - BROOKSIDE TAXI HOLDING AREA | CNL | 4 500 000 | 0 | 0 | Committed |
| Cross Cutting Interventions | A Well-Serviced City | Var | CNL - TRAFFIC LIGHT SPARES, EQUIPMENT & TOOLS | CNL | 100 000 | 100 000 | 100 000 | Maintenance |
| Cross Cutting Interventions | A Well-Serviced City | Var | CNL - INSTALLATION OF TRAFFIC SIGNALS | CNL | 1 000 000 | 800 000 | 0 | Upgrade |
| Cross Cutting Interventions | A Well-Serviced City | 32 | MIG - REHABILITATION OF PUBLIC ABLUTIONS | MIG | 500 000 | 500 000 | 0 | Refurbishment |
| Cross Cutting Interventions | A Well-Serviced City | All | CNL - REPLACEMENT OF WORKSHOP FLOOR IN PARKS SMALL PLANT WORKSHOP | CNL | 60 000 | 0 | 0 | Development / HIGH |

| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | 2015 / 2016 BUDGET | 2016 / 2017 BUDGET | PROJECT PRIORITISATION |
|-----------------------------|----------------------------|-------|---|------|--------------------|--------------------|--------------------|--------------------------|
| Cross Cutting Interventions | A Well-Serviced City | All | CNL - PALISADE FENCING TO ENCLOSE AREA FOR VEHICLE REPAIRS | CNL | 100 000 | 0 | 0 | Development / HIGH |
| Cross Cutting Interventions | A Well-Serviced City | All | CNL - REPLACEMENT OF MECHANICAL WORKSHOP EQUIPMENT | CNL | 100 000 | 0 | 0 | Development / HIGH |
| Cross Cutting Interventions | A friendly, safe city; | | CNL- REPLACEMENT EDENDALE ROAD DEPOT ROOF - DAMAGED BY WHITE ANTS | CNL | 400 000 | 0 | 0 | Refurbishment |
| Cross Cutting Interventions | A friendly, safe city; | All | CNL - NEW VEHICLE MONITORING CONTROL ROOM AT FLEET FACILITY | CNL | 150 000 | 0 | 0 | Development / HIGH |
| Cross Cutting Interventions | A friendly, safe city; | All | CNL - PALISADE FENCING TO ENCLOSE AREA FOR VEHICLE ACCIDENT DAMAGE & DISPOSAL | CNL | 100 000 | 0 | 0 | Development / HIGH |
| Cross Cutting Interventions | A friendly, safe city; | All | CNL - NEW VEHICLE WASHING FACILITY AT FLEET FACILITY | CNL | 150 000 | 0 | 0 | Development / HIGH |
| Cross Cutting Interventions | A friendly, safe city; | All | CNL - REPLACEMENT OF VEHICLES, PLANT & EQUIPMENT | CNL | 30 000 000 | 31 200 000 | 32 450 000 | Development / HIGH |
| Cross Cutting Interventions | A Clean, Green City | 35 | MIG - LANDFILL UPGRADE | MIG | 10 000 000 | 12 000 000 | 14 000 000 | Legal / Maintenance |
| Basic Service Delivery | A Well-Serviced City | Var | MIG - SANITATION INFRASTRUCTURE FEASIBILITY STUDY | MIG | 12 000 000 | 6 000 000 | 3 000 000 | Legal / Maintenance |
| Basic Service Delivery | A Well-Serviced City | 18 | DOHS - SHENSTONE AMBLETON SANITATION SYSTEM | DOHS | 1 000 000 | 10 000 000 | 15 000 000 | Developmental / Economic |
| Basic Service Delivery | A Well-Serviced City | Var | MIG - REHABILITATION OF SANITATION INFRASTRUCTURE | MIG | 16 200 000 | 15 000 000 | 20 000 000 | Developmental |
| Basic Service Delivery | A Well-Serviced City | 16 | MIG - SEWER PIPES UNIT H | MIG | 14 000 000 | 11 000 000 | 8 000 000 | Developmental / Economic |
| Basic Service Delivery | A Well-Serviced City | 10 | MIG - SEWER PIPES AZALEA - PHASE 2 | MIG | 16 000 000 | 18 000 000 | 14 000 000 | Developmental / Economic |
| Basic Service Delivery | A Well-Serviced City | | DOHS - BASIC SANITATION | DOHS | 5 000 000 | 3 000 000 | 3 000 000 | Legal |
| Basic Service Delivery | A Well-Serviced City | 20/21 | MIG - ELIMINATION OF CONSERVANCY TANKS - (SEWER) | MIG | 1 000 000 | 12 000 000 | 10 000 000 | Developmental / Economic |



| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | 2015 / 2016 BUDGET | 2016 / 2017 BUDGET | PROJECT PRIORITISATION |
|-----------------------------|----------------------------|----------------------------|--|------|--------------------|--------------------|--------------------|--------------------------|
| Basic Service Delivery | A Well-Serviced City | 14, 15, 17, 18, 19, 23, 35 | MIG - SERVICE MIDBLOCK ERADICATION IN SOBANTU, ASHDOWN & IMBALI (SEWER) | MIG | 8 000 000 | 10 000 000 | 10 000 000 | Developmental / Economic |
| Cross Cutting Interventions | A friendly, safe city; | Var | CNL - TELEMETRY / INSTRUMENTATION EQUIPMENT | CNL | 400 000 | 400 000 | 500 000 | Maintenance |
| Cross Cutting Interventions | A friendly, safe city; | 27 | CNL -REPLACEMENT OF LIFTS PROFESSOR NYEMBEZI BUILDING | CNL | 300 000 | 0 | 0 | Committed |
| Cross Cutting Interventions | A friendly, safe city; | 27 | CNL- REPAIRS TO BRICKWORK PROFESSOR NYEMBEZI BUILDING | CNL | 500 000 | 500 000 | 0 | Upgrade |
| Cross Cutting Interventions | A friendly, safe city; | 27 | CNL- PROFESSOR NYEMBEZI BLDG - REPLACEMENT OF AIRCON CONSOLE UNITS | CNL | 600 000 | 500 000 | 500 000 | Upgrade |
| Cross Cutting Interventions | A friendly, safe city; | | CNL- NEW PLANT AND EQUIPMENT | CNL | 100 000 | 150 000 | 200 000 | Upgrade |
| Cross Cutting Interventions | A friendly, safe city; | 27 | CNL - REPLACEMENT OF LIFT CITY HALL | CNL | 700 000 | 0 | 0 | Upgrade |
| Cross Cutting Interventions | A friendly, safe city; | 27 | CNL - REFURBISHMENT OF CITY HALL BUILDING - (Door, Windows, Gutters, Down Pipe, Moldings, Toilets Etc) Appt AMAFA Consultant for application and costing | CNL | 250 000 | 2 500 000 | 1 000 000 | Rehabilitation |
| Cross Cutting Interventions | A friendly, safe city; | | CNL - COMPLETION OF MOSES MABHIDA MULTI-PURPOSE BUILDING | CNL | 3 000 000 | 4 500 000 | 0 | Rehabilitation |
| Cross Cutting Interventions | A friendly, safe city; | | MIG - REGIONAL ATHLETIC TRACK SPORT COMPLEX | MIG | 20 000 000 | 29 000 000 | 0 | Committed |
| Cross Cutting Interventions | A friendly, safe city; | All | CNL - SYSTEM REINFORCEMENT | CNL | 11 000 000 | 11 539 000 | 11 539 000 | Development |
| Basic Service Delivery | A Well-Serviced City | All | CNL - NETWORK REFURBISHMENT | CNL | 20 000 000 | 20 980 000 | 20 980 000 | Development |
| Basic Service Delivery | A Well-Serviced City | All | CNL - CROSSWAYS CABLES | CNL | 26 000 000 | 26 225 000 | 26 225 000 | Development |
| Basic Service Delivery | A Well-Serviced City | All | INEP - ELECTRIFICATION | INEP | 20 000 000 | 30 000 000 | 12 000 000 | Development |

| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | 2015 / 2016 BUDGET | 2016 / 2017 BUDGET | PROJECT PRIORITISATION |
|-----------------------------|----------------------------|----------------------------|---|------|--------------------|--------------------|--------------------|--------------------------|
| Basic Service Delivery | A Well-Serviced City | All | DME - NETWORK 132kV REHABILITATION PLAN | DME | 100 000 000 | 400 000 000 | 500 000 000 | Development |
| Basic Service Delivery | A Well-Serviced City | | CNL - NETWORK 132kV REHABILITATION PLAN | CNL | 20 000 000 | 0 | 0 | |
| Basic Service Delivery | A Well-Serviced City | All | CNL - LV PROTECTION RETROFIT | CNL | 1 500 000 | 1 573 500 | 1 573 500 | Development |
| Basic Service Delivery | A Well-Serviced City | All | CNL - QOS SYSTEMS | CNL | 1 000 000 | 1 049 000 | 1 049 000 | Development |
| Basic Service Delivery | A Well-Serviced City | All | CNL - RE-ROUTING OF OHL IN CLARIDGE | CNL | 6 000 000 | 6 398 900 | 6 398 900 | Development |
| Basic Service Delivery | A Well-Serviced City | All | CNL - SMART METERS | CNL | 15 000 000 | 15 735 000 | 15 735 000 | Development |
| Basic Service Delivery | A Well-Serviced City | All | CNL - STREETLIGHTING | CNL | 8 000 000 | 8 392 000 | 8 392 000 | Development |
| Basic Service Delivery | A Well-Serviced City | | MIG - HIGH MAST LIGHTS IN VULINDLELA & GREATER EDENDALE | MIG | 10 000 000 | 10 000 000 | 10 000 000 | Development |
| Cross Cutting Interventions | A Clean, Green City | All | DOE - ENERGY EFFECIENCY AND DEMAND SIDE MANAGEMENT | DOE | 8 000 000 | 5 000 000 | 10 000 000 | Development |
| Basic Service Delivery | A Well-Serviced City | All | CNL - UPGRADE OF TRANSFORMER | CNL | 17 000 000 | 17 833 000 | 17 833 000 | Development |
| Basic Service Delivery | A Well-Serviced City | All | CNL - SUBSTATION BATTERY CHARGERS | CNL | 3 000 000 | 3 147 000 | 3 147 000 | Development |
| Basic Service Delivery | A Well-Serviced City | All | MIG -REDUCTION OF NON REVENUE WATER | MIG | 20 000 000 | 20 000 000 | 25 000 000 | Maintenance / Economic |
| Basic Service Delivery | A Well-Serviced City | | MWIG - REDUCTION OF NON REVENUE WATER | MWIG | 8 000 000 | 15 000 000 | 25 000 000 | Maintenance / Economic |
| Basic Service Delivery | A Well-Serviced City | 14, 15, 17, 18, 19, 23, 35 | MIG - SERVICE MIDBLOCK ERADICATION IN SOBANTU, ASHDOWN & IMBALI (WATER) | MIG | 300 000 | 500 000 | 500 000 | Developmental / Economic |
| Basic Service Delivery | A Well-Serviced City | | MWIG - BASIC WATER SUPPLY | MWIG | 7 200 000 | 5 000 000 | 0 | Legal |
| Basic Service Delivery | A Well-Serviced City | 20 | MIG - EDENDALE PROPER NEW MAINS & RETICULATION | MIG | 500 000 | 2 350 000 | 2 350 000 | Developmental |
| Basic Service Delivery | A Well-Serviced City | 26 | MWIG -MASONS RESERVOIR & PIPELINE | MWIG | 15 000 000 | 4 000 000 | 0 | Developmental |



| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | 2015 / 2016 BUDGET | 2016 / 2017 BUDGET | PROJECT PRIORITISATION |
|-----------------------------|----------------------------|------|--|------|--------------------|--------------------|--------------------|------------------------|
| Basic Service Delivery | A Well-Serviced City | Var | CNL - REHABILITATION OF WATER INFRASTRUCTURE | CNL | 4 000 000 | 10 000 000 | 200 000 000 | Developmental |
| Basic Service Delivery | A Well-Serviced City | 29 | MIG - COPEVILLE RESERVOIR | MIG | 300 000 | 6 000 000 | 1 000 000 | Developmental |
| Cross Cutting Interventions | A Well-Serviced City | Var | CNL - LEAK DETECTION EQUIPMENT | CNL | 300 000 | 350 000 | 0 | Maintenance |
| | | | | | 590 361 832 | 952 197 400 | 1 142 322 400 | |

1.7.3 BUDGET ALLOCATIONS FOR THE 2013/14 FINANCIAL YEAR

The table below summarises the Msunduzi municipal budget.

Table 8: Msunduzi Budget

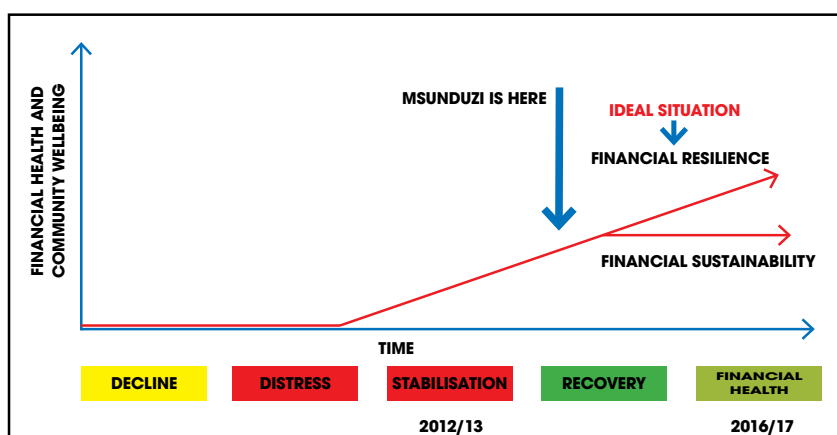
| CAPITAL EXPENDITURE SUMMARY BY FUNDING | | | |
|---|--------------------|--------------------|--------------------|
| Capex MTREF 2014-15 to 2016-17 | | | |
| Funding Source | 2014- 2015 | 2015- 2016 | 2016- 2017 |
| Council Funding | 370 000 000 | 319 316 380 | 195 037 679 |
| Department Of Transport | 100 000 000 | 220 000 000 | 250 000 000 |
| INEP | 3 000 000 | 9 000 000 | 9 000 000 |
| Municipal Infrastructure Grant | 159 158 000 | 166 213 000 | 173 983 000 |
| Capex MTREF Budget | 632 158 000 | 714 529 380 | 628 020 679 |
| MWIG | 11 389 000 | 58 332 990 | 26 271 000 |
| NDPG | 10 350 000 | 10 737 000 | 11 288 000 |
| Total Capex MTREF Budget | 653 897 000 | 783 599 370 | 665 579 679 |
| Capital Expenditure Summary by Business Unit | | | |
| Strategic Business Unit | 2014- 2015 | 2015- 2016 | 2016- 2017 |
| Financial Services | 21 017 868 | 352 000 | 342 000 |
| Community Services | 102 876 075 | 78 255 400 | 42 309 592 |
| Infrastructure Services | 492 782 057 | 687 674 970 | 606 440 087 |
| Good Governance | 37 221 000 | 17 317 000 | 16 488 000 |
| Total Capex MTREF Budget | 653 897 000 | 783 599 370 | 665 579 679 |

1.8 KEY MUNICIPAL REPORTS

1.8.1 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 and moving towards recovery.

FIGURE ES.6: Summary of the Long-term Financial Plan



1.8.2 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). 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, with copies sent to various authorities and made available to the wider community. The Msunduzi Municipality has prepared an Annual Report which complies with the MFMA requirements.

1.8.3 AUDITOR GENERAL'S REPORT

The Auditor General has expressed a qualified opinion with emphasis of matters relating to:

- Restatement of corresponding figures.
- Material losses/impairment.
- Material under spending of the conditional grants and capital budget.
- Irregular expenditure.

The audit opinion from the previous financial year was an unqualified opinion with similar emphasis of matter items that were reported.

Whilst there is no significant improvement on the above matters but there is an improvement of 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.

Great strides have been made to improve irregular expenditure by implementing controls and processes of identifying contracts which had 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 the SCM Regulations.

An audit action plan has been prepared to address these matters going forward.

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

2.1 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.

2.2 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 (SPLUMA);
- 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 area's 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).

2.3 POLICY FRAMEWORK

2.3.1 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 lists key components that an IDP must reflect, which are summarised as follows:

- The 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).

2.3.2 THE MILLENNIUM 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.

2.3.3 THE NATIONAL DEVELOPMENT PLAN (VISION 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 (which are also prevalent in the Msunduzi Municipality), namely:

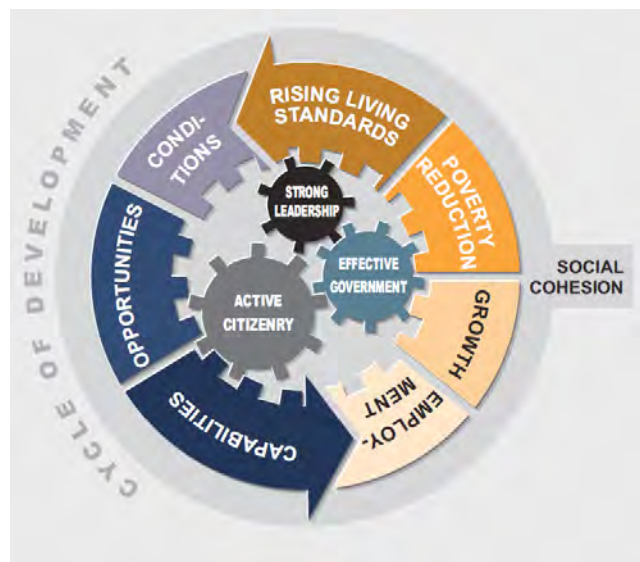
- Too few people work;
- The quality of school education for black people is poor;
- Infrastructure is poorly located, inadequate, and under- maintained;
- Spatial divides hobble inclusive development;
- The economy is unsustainably resource intensive;
- The public health system cannot meet demand or 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 9: 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 full-time 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% of supply), resolve maintenance and refurbishment backlogs, and develop a financing plan, alongside investment in human capital. Revise national electrification plan and ensure 90% 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. |

| OBJECTIVE | ACTIONS |
|--|--|
| 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. 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 in 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"> Reform of 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. |

| OBJECTIVE | ACTIONS |
|--|--|
| 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 9 indicates the NDP objectives with relevance to the Msunduzi Municipality. The strategic framework of the IDP addresses these objectives.

2.3.4 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, but the following three have direct bearing on the Municipality, hence the IDP has been aligned to them:

- **SIP2** refers to the Durban-Free State-Gauteng logistical and industrial corridor, which seeks to strengthen the logistical 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 logistical activities as well as marginalised rural production centres surrounding the corridor that are currently isolated from the main logistical 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 for 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.

2.3.5 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 that 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 insists 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. Creation of a better South Africa, and contributing 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.

2.3.6 NATIONAL PRIORITIES (STATE OF THE NATIONS ADDRESS 2014)

The President of the Republic delivered his last State of the Nation Address (SONA 2014) of the current administration on 13 February 2014. This SONA was different in that it coincided with events such as South Africa celebrating 20 years of democracy. The SONA reported on the past five years in particular and over the past 20 years in general. Many achievements have been made during the 20 years of democracy, however South Africa still faces the triple challenge of poverty, inequality and unemployment. In dealing with the challenge, the government elected to focus on five priorities, education, health, the fight against crime and corruption, rural development and land reform as well as creating decent work. In turn, two key functions were created i.e. long term planning as well as monitoring and evaluation. Furthermore the National Planning Commission (NPC) was established which produced the landmark National Development Plan (NDP). It is important to note the following issues that were extracted from the SONA as they affect Msunduzi Municipality:

- Government has put measures in place to reduce unemployment including the Employment Tax Incentive Act which encourages employers to hire younger workers.
- The Expanded Public Works Programme (EPWP) and the Community Work Programme (CWP) continue to be an effective cushion for the poor and the youth. Through these programmes people obtain an income and skills which they use to seek formal employment.
- Cabinet has set a target of 6 million work opportunities from this year to 2019, targeting the youth.
- Agriculture remains the key job driver and a provider of opportunities for entrepreneurship. However the tourism industry has shown some promise and has become an important industry in creating job opportunities in South Africa.

- Government has invested one trillion rand in public infrastructure over the past five years of which many of the projects are completed or are nearing completion.
- A decision has been taken to improve functioning of local government. The amendment of the Municipal Systems Act is intended to improve the capacity of municipalities to deliver services.
- In fighting corruption, government has decided to establish a central tender board to adjudicate tenders in all spheres of government.
- The NDP is ready to be implemented by the next administration after the 2014 Elections. The Medium Term Strategic Framework (MTSF) has been designed by the current Cabinet as the first five year building block of the NDP, from 2014 to 2019.

2.3.7 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 (i.e. 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, as well as social transfers such as poverty-relief programmes. It should also reduce migration costs by providing labour-market intelligence to give people better information, opportunities, and capabilities, to enable them to gravitate (if they so choose) 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.

2.3.8 THE SPATIAL PLANNING AND LAND USE MANAGEMENT ACT

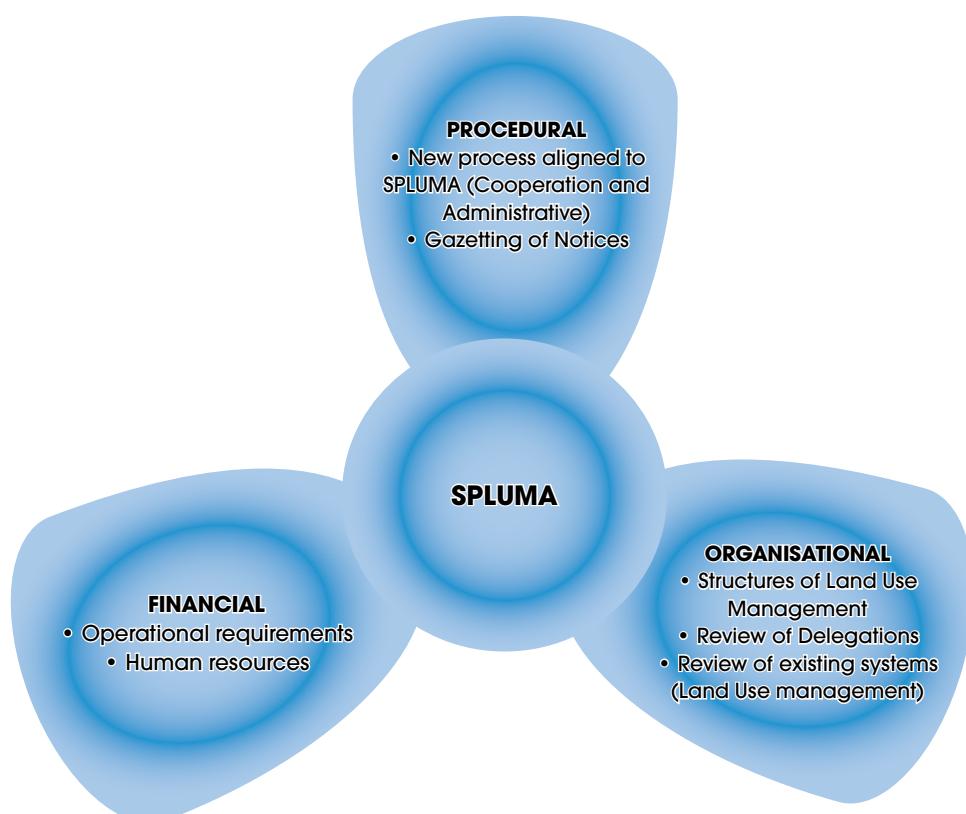
The Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) was signed into law on 2 August 2013 by the President. SPLUMA is a single piece of legislation aimed at promoting uniformity in development for the whole country. Currently SPLUMA is not in operation, however Section 13(3) interpretation Act allows different sections of SPLUMA to be brought into operation on different dates. Upon operation, SPLUMA will replace all existing provincial and municipal legislation that regulate spatial planning, land development and land use management which might be inconsistent with this Act. SPLUMA makes provision for the following:

- Development principles
- Norms and standards
- Inter-governmental support
- Spatial development frameworks (SDF) across national, provincial and municipal scales
- Land use schemes
- Municipal planning tribunals
- Applications affecting national interests

The following highlights some of the implications of SPLUMA on Msunduzi municipality:

- Chapter 3 Section 24 (1) of SPLUMA requires each municipality to adopt a single land use scheme for its entire municipal area after 5 years SPLUMA has been enacted into law of parliament
- Once adopted and approved the land use schemes will have the force of law and must give effect to Municipal Spatial Development Frameworks.
- All land owners, land users, spheres of government, land developers will be bound by the provisions of such a land use scheme.
- Municipalities will be required to establish Municipal Planning Tribunals (comprising of municipal officials and suitably qualified external persons appointed by Council) to take decisions on land development.
- The Minister of the Department of Rural Development and Land Reform must monitor compliance to this requirement.
- The diagram below illustrates a summary of the implications of SPLUMA on Msunduzi municipality:

Figure 2: 6 SPLUMA implications



2.3.9 PROVINCIAL PRIORITIES (STATE OF THE PROVINCE ADDRESS)

The State of the Province Address (SOPA) was delivered by the honourable Premier, Senzo Mchunu on 5 March 2014. In keeping with celebrating 20 years of democracy and the SONA, the SOPA also reflects on the progress made province in the last 20 years. The Premier echoed the sentiments raised in the SONA that the province of KwaZulu Natal still faces the triple challenge of poverty, inequality and unemployment. However the province has made tremendous strides in promoting peace and political tolerance, improving the economy, providing better education, health care and sustainable human settlements. The Premier reiterated that the focus was on the five key priorities in the next five years. The following are focus areas for provincial spending, and those with an impact on the Msunduzi Municipality have been highlighted:

- Job creation will be achieved through a firm focus on investing in strategic infrastructure. Msunduzi municipality can benefit in the two new Special Economic Zones (SEZs) namely Dube Trade Port and the Richards Bay Industrial Development Zone which will provide further incentives to attract much needed investment in the province.
- The speedy implementation of the Agricultural Policy Action Plan and the KZN Rural Development Plan will be important in poverty reduction.
- In basic education, the promotion of early childhood development and implementation of Grade RR, deliver professional management and relevant teacher support programmes will ultimately improve the quality of teaching and learning.
- In Higher education, the need to expand and improve the capacity of the higher education and training system, as well as to expand the enrolment of youth in FET College programmes and in other post-school training institutions. The Department of Higher Education has also announced building 5 FET Campuses and 4 Skills Centres in our province.
- The province will continue to promote a healthy lifestyle, disability and mental health programs, extend infrastructure programmes to ensure access and quality care for all, accelerates programmes to improve maternal, women and health outcomes, and ensure that Immunization reaches every district.
- Fighting crime through measures such as the United Front Against Crime concept, the Communities in Dialogue (CiDs) programme, and the KwaZulu-Natal Community Crime Prevention Association (KZNCCPA).

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

2.3.10 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, and 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 will live, work, and play. The principles of putting people first and leadership, partnership, and prosperity in action have 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 province's 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 3: 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.

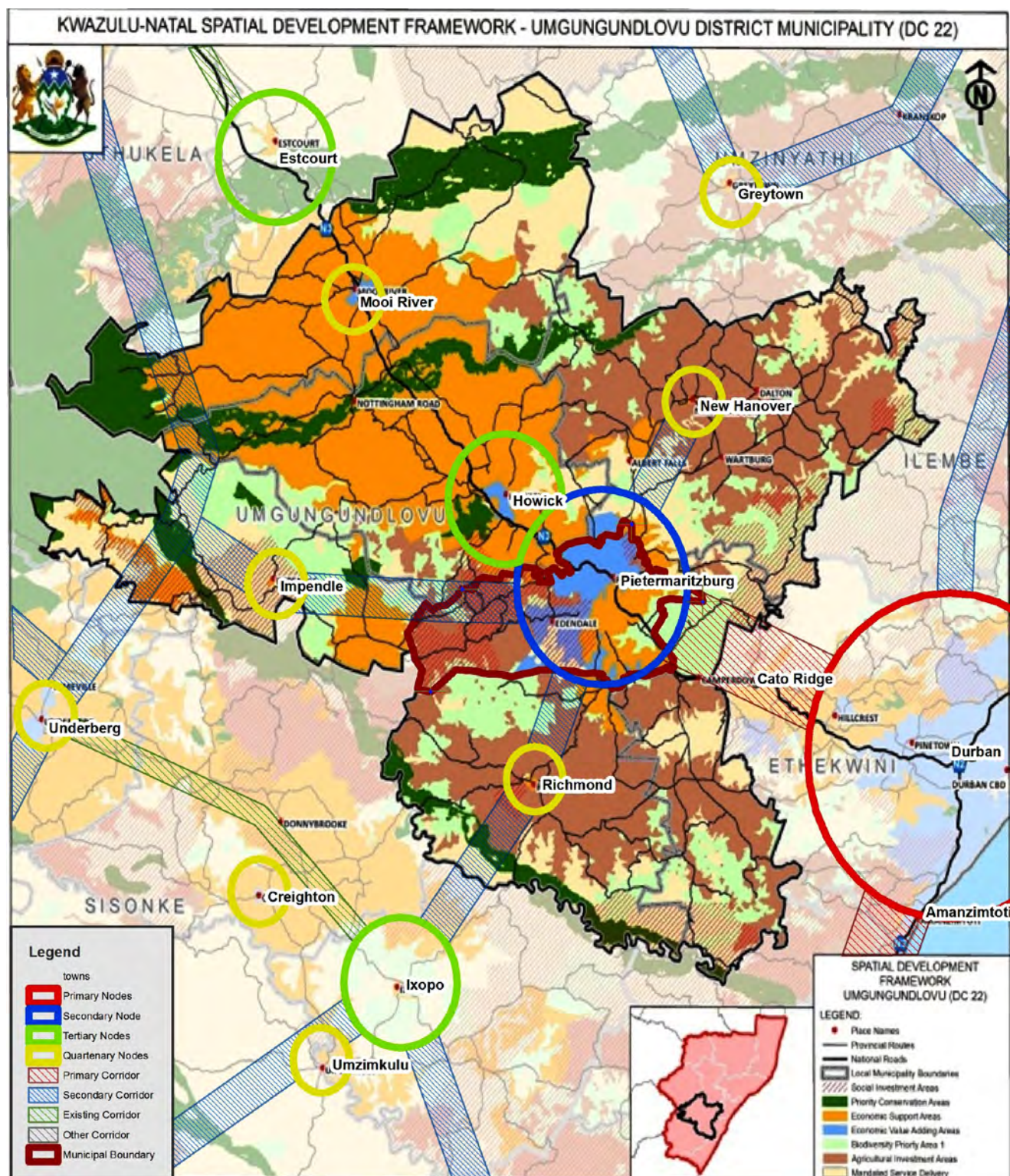
Table 10: NDP -PGDS alignment

| NDP (VISION 2030) | PGDS STRATEGIC GOALS |
|--|---------------------------------|
| Create Jobs | Job Creation |
| Expand infrastructure | Strategic Infrastructure |
| Use resources properly (Low-Carbon Energy) | Respond to Climate change |
| Inclusive planning | Spatial Equity |
| Quality education | Human Resource Development |
| Build a capable state | |
| Quality health care | Human and Community Development |
| Unite the nation | |
| Fight corruption | Governance and Policy |

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



SECTION C-CHAPTER 3: SITUATIONAL ANALYSIS

3.1 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.

C1-SPATIAL, ENVIRONMENTAL AND DISASTER MANAGEMENT PGDS GOAL: SPATIAL EQUITY

3.2 SPATIAL PLANNING

3.2.1 INTRODUCTION

Section 26(e) of the Municipal Systems Act (32 of 2000) requires all municipalities to prepare a 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 in order to achieve the Municipality's Vision.

The primary aim of the Msunduzi SDF is to:-

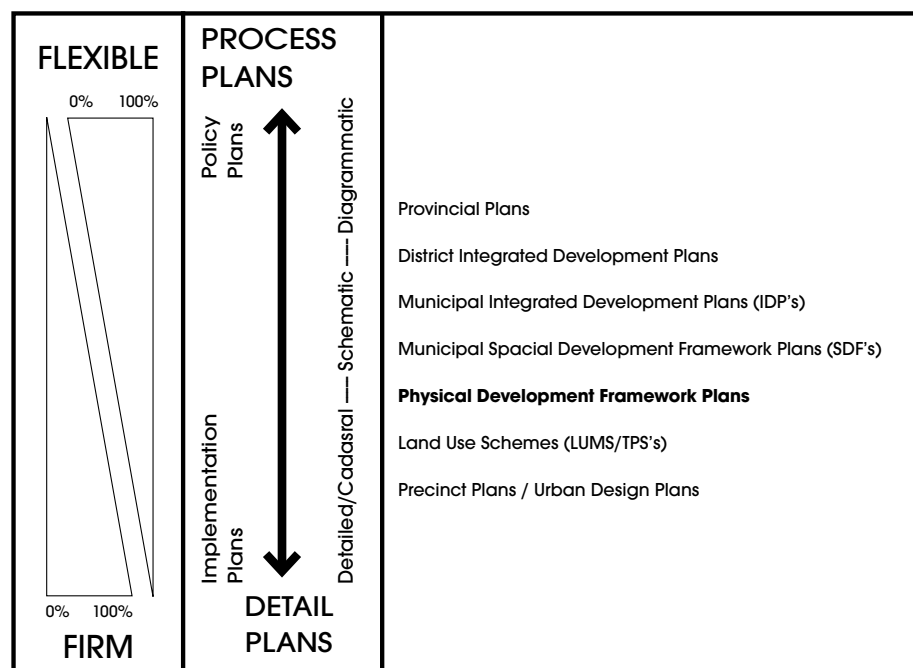
- Serve as a strategic, indicative, and flexible forward planning tool, to guide public and private sector decisions on land development and investment;
- Present a set of policies and principles, and an approach to the management of spatial development within the municipal area, to guide decision-makers 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 facilitates 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.

3.2.2 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.

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

FIGURE 4: Msunduzi Hierarchy of Plans



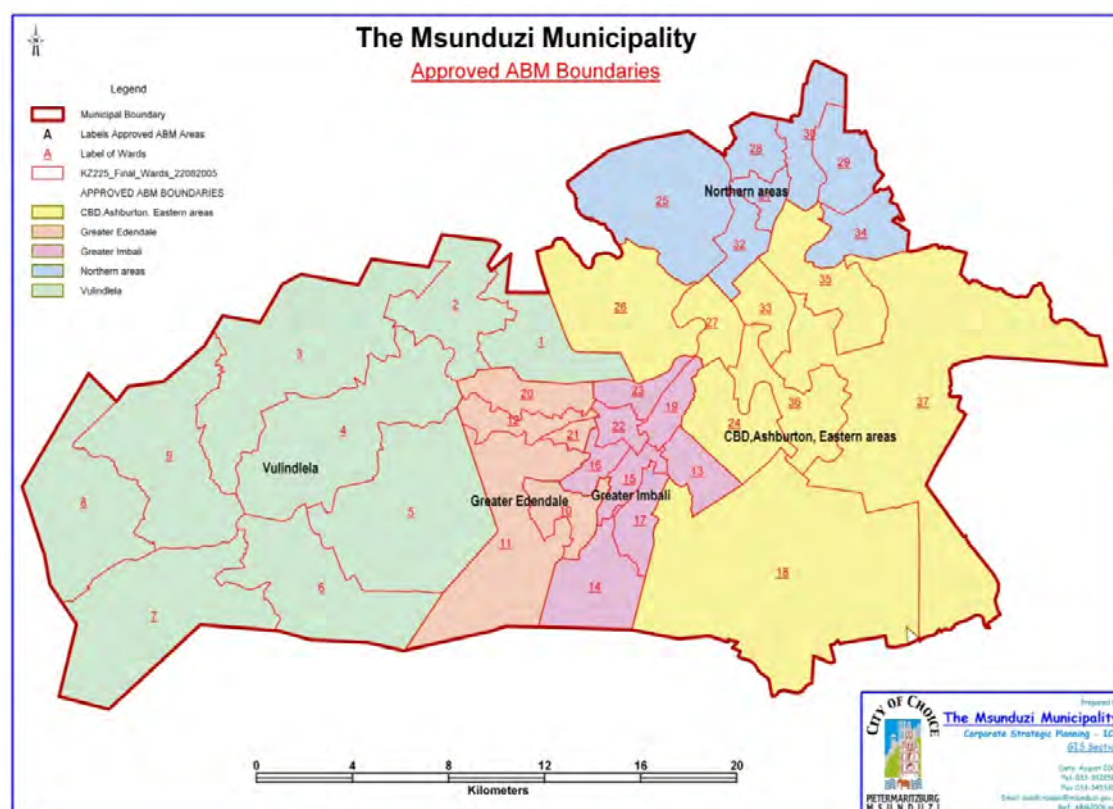
3.2.2.1 Vulindlela

Vulindlela is situated to the west of Pietermaritzburg, 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 (approximately 28 000 ha in extent). The study area is made up of 9 wards. The leadership in these areas consists of ward councillors, as well as Amakhosi for Mafunze TA, Inadi TA, Mpumuza TA, Nxamalala TA, and Ximba TA.

3.2.2.2 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.

MAP 2: Area Based Management Plan Boundaries and Ward Boundaries



The majority of the population in the Greater Edendale and Imbali areas are located to the east and south east of Edendale Road. Older areas on either side of 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.

3.2.2.3 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.

3.2.2.4 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 City Status, and subsequent 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 areas, 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, and include the University of KwaZulu-Natal and Durban University of Technology in Scottsville, and UNISA and FET College/s in the central area.

3.2.2.5 The Spatial Development Framework

3.2.2.5.1 The Existing Spatial Development Framework

A consolidated Spatial Development Framework (SDF) was adopted by Council in 2009. It is currently under review and will be finalised by the end of 2014. The guiding principles for the SDF are summarised below:

Table 11: 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 |

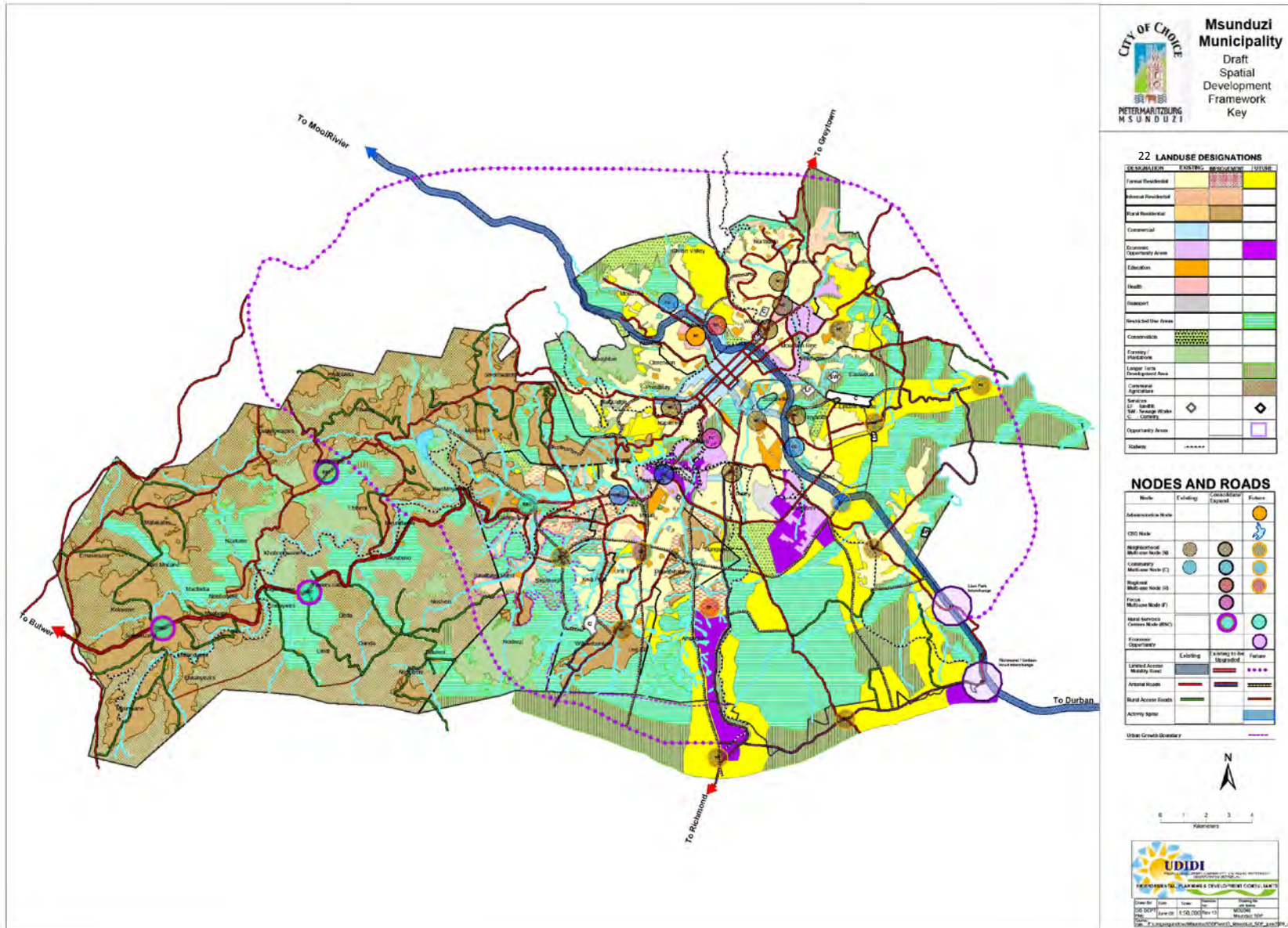
Spatial Structuring elements of the Municipality include:

- 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)

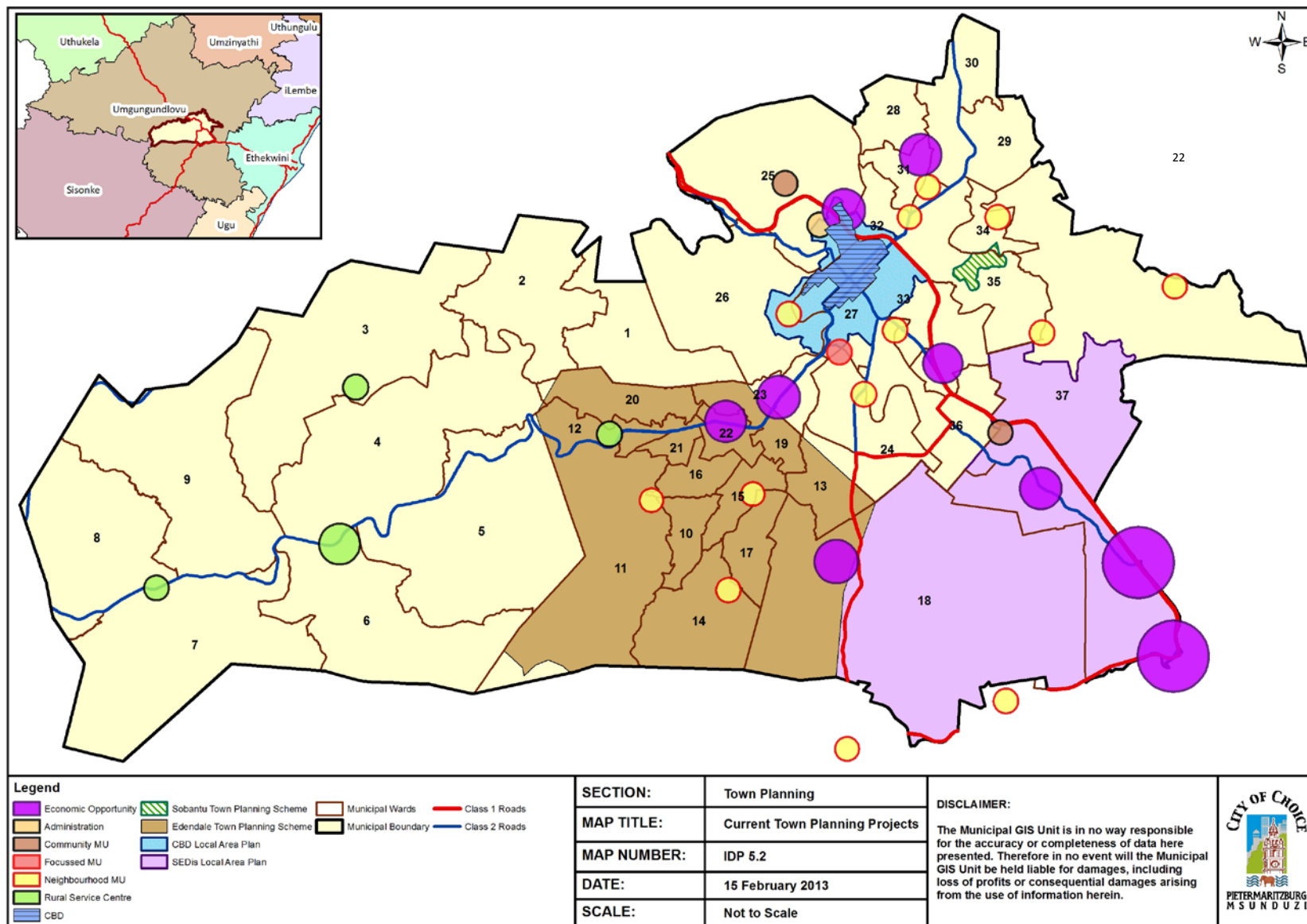
3.2.2.5.2 Towards A Long-Term Spatial Development Framework

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:

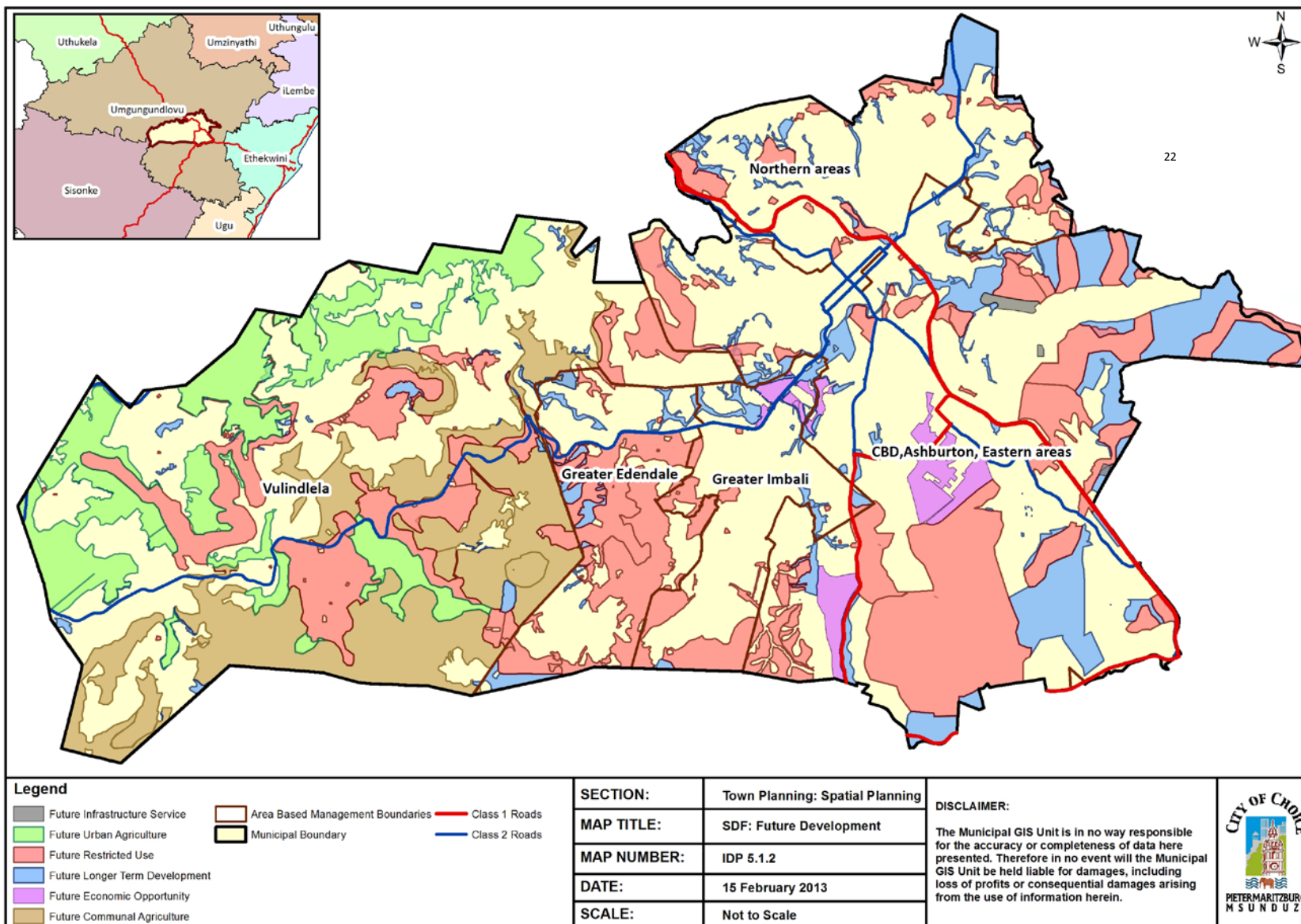
- A description of the desired 2030 outcomes in terms vision, goals, and objectives;
- Agreement on the set of indicators that will be applied to measure the progress being made to achieve the desired outcomes;
- Agreement on the targets and the City growth path in respect of each of the indicators;
- 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.



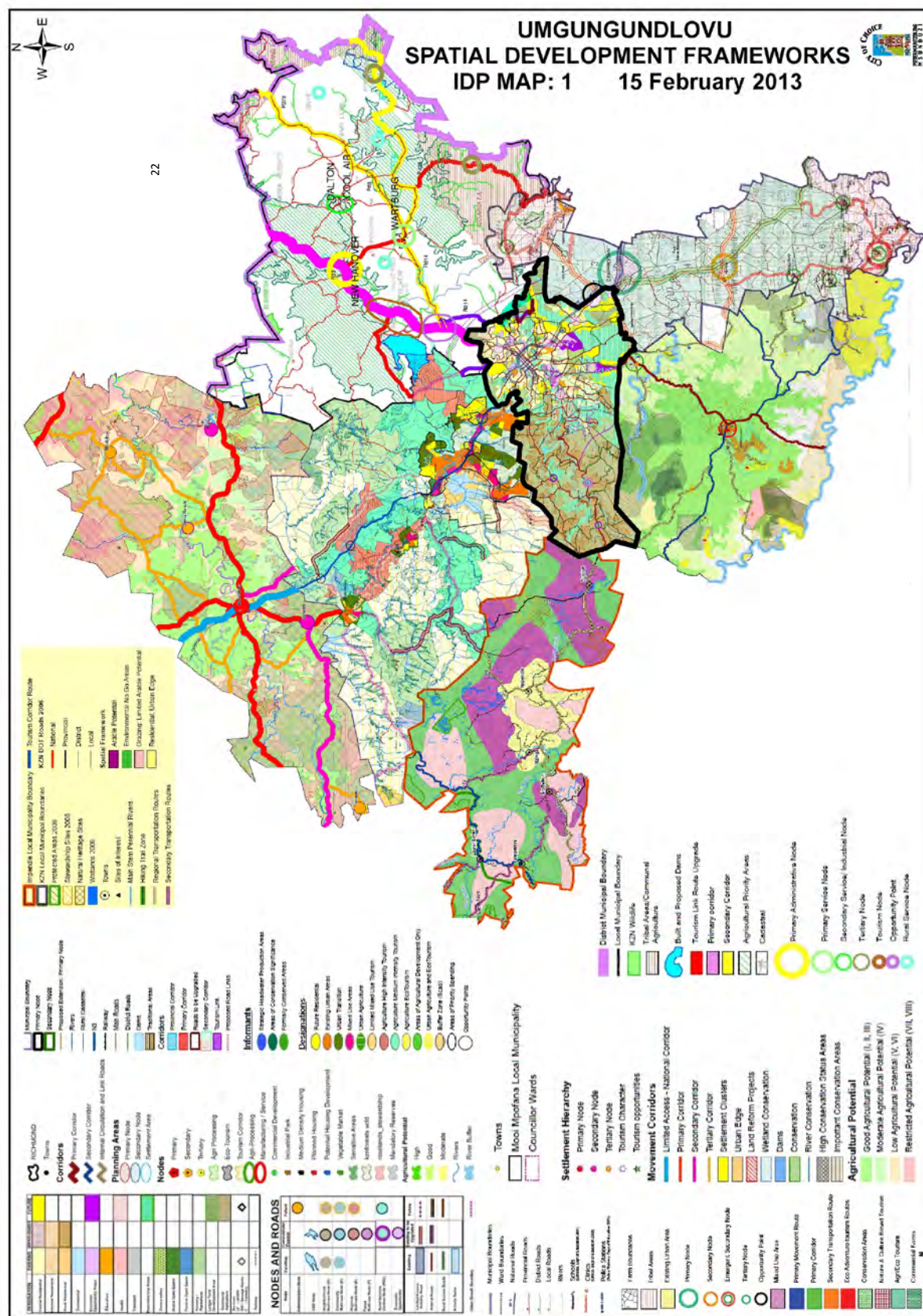
MAP 4: Current Town Planning Projects



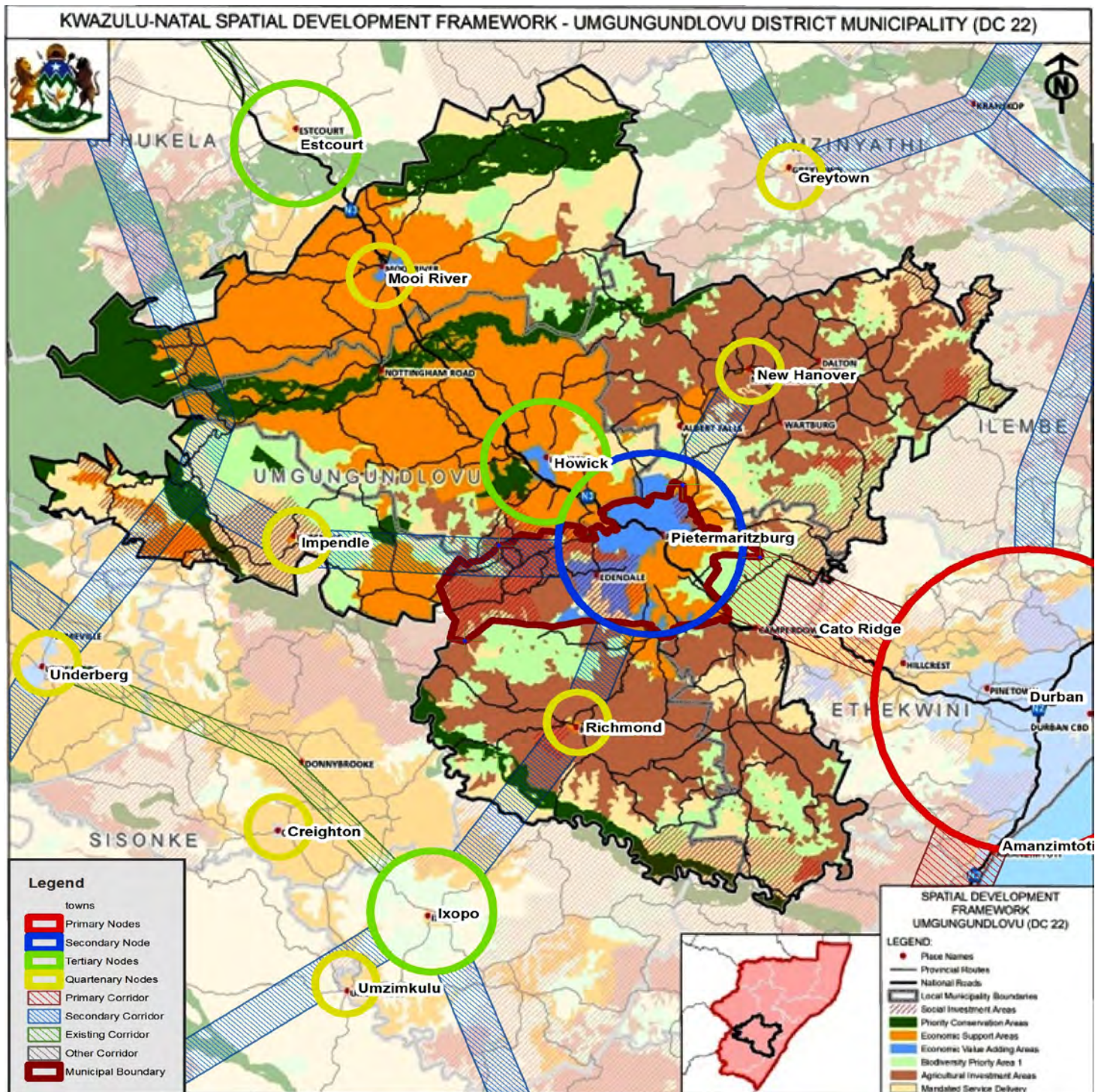
MAP 5: SDF Future Development



MAP 6: Spatial Development Framework



MAP 7: KZN Spatial Development Framework UMDM



3.2.2.5.3 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.

3.2.2.5.4 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 12: 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. |

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| Name | Description |
|--|--|
| 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 that are to be maintained or expanded, and future nodes. |
| Focussed Multi-use Nodes | This node includes light industrial, warehousing, "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 | Rural Service Centres (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. The RSC's are based on the Rural Service System model which seeks to spatially distribute economic activities (including 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. |
| Large Scale Mixed-Use Nodes (Corridor Opportunity Areas) | Large scale mixed-use nodes are identified along the N3. These offer opportunities for integrated and coordinated mixed use developments, which include activities such as industry, offices, and commercial land uses. 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. |

(ii) CORRIDORS

Table 13: Development Corridors within the Msunduzi Municipality

| MSUNDUZI CORRIDORS | |
|---|--|
| Description | The main objectives of development corridors are 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, as well as the identification of alternative development axes. |
| 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. |

| Name | Description |
|-----------------------------|--|
| 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 areas in order to improve connectivity to all parts of the city, especially new employment areas. |

3.2.2.6 Broad land uses

A broad land use analysis was prepared as part of the SDF (2009) preparation process. This will be updated as more up to date information comes through from the review process. It must be noted that the percentages used to indicate land use trends, and to inform overall spatial planning at an SDF level, are an approximation. A more detailed land use audit is required at the Scheme level, which will follow the preparation of the SDF.

Table 14: Land Uses per Area Based Management Area

| | |
|--------------------------------------|--|
| GENERAL LAND USE PERCENTAGES | The Grasslands takes about 31.7 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, 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 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. |

| ABM | DESCRIPTION |
|----------------|--|
| VULINDLELA ABM | This area is under traditional authorities, and is predominantly rural with largely traditional settlements. There are, however, 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 under-served. The majority of people are unemployed and dependant on government grants, while 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 around area, and the lack of health facilities is clear. |

3.2.2.7 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 15: Existing Scheme Coverage

| SCHEME NAME | COVERAGE (ha) |
|------------------|---------------|
| Pietermaritzburg | 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 (SED); 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 currently, no plans to regulate land use within the Vulindlela area, which falls under a tribal authority.

3.2.3 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 results in the production of a ward plan, which 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.

The Municipality's ABM Unit is spearheading the programme. 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.

Table 16: SWOT

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 of 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 the city with a focus on Shenstone and Ashburton;
- Encouraging new economic opportunities in identified growth areas and adjacent to major roads;
- Better integration within the city through the creation of east-west and north-south road linkages between 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:
 - 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, in situ upgrading of informal settlements, and upgrading residential areas with appropriate infrastructure.

STRENGTHS

- 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.

OPPORTUNITIES

- 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 efficiency.
- Densification.
- Community based plans.

WEAKNESSES

- Not all Key spatial plans have been developed.
- The need to review the SDF.

THREATS

- 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.

3.3 THE ENVIRONMENT

3.3.1 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 the environmental objectives identified in the SEA.

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

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

Table 17: Msunduzi Environmental Management Unit: Policies and Plans

| Plan / Policy | Status | Time Frame | Comments |
|--|--|--------------------------------------|---|
| Environmental Status Quo | Complete - Approved July 2010 | 1st review due July 2015 | Contains twelve specialist studies |
| Strategic Environmental Assessment | Complete - Approved July 2010 | 1st review due July 2015 | |
| Ecosystems Service Plan / Conservation Plan | 1st Draft | 2nd Draft in progress - Ongoing | Biodiversity based conservation plan |
| Environmental Management framework | Complete - Approved July 2010 | 1st review due July 2015 | GIS environmental spatial layers linked to spatial decision support tool (SDST) |
| Sustainability Framework | Complete - Approved July 2010 | | Tool for the sustainability appraisal of all Municipal plans, policies and projects |
| Strategic Environmental Management Plan | Complete - Approved July 2010 | 1st 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 redefining of C-plan boundaries underway | Ongoing 3-5 year Projected Timeframe | |
| Conservation Land Use Ownership Models | 1st Draft in Preparation | 18 Months | |
| Ecosystems Services information Booklet | 1st Draft in Preparation | 12 Months | |
| Climate Change Policy | 1st Draft in Progress | First Draft 12 Months | |
| Municipal Climate Change Adaptation Strategies | 1st Draft in Progress | First Draft 12 Months | |

3.3.2 THE NATURAL ENVIRONMENT

3.3.2.1 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, and 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 this area are affecting the productivity of the land. Map 27 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 map 27, 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 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 in 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 type 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 grazing 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.

3.3.2.2 River and wetlands

Msunduzi Municipality is almost entirely one catchment area. 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 in 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, covering an area of approximately 1001 Ha. Most wetlands within the Municipality are 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 convenient for the disposal of 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, as 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. 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 have direct, and on occasion, 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.

3.3.2.3 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 16.3oC and 17.9oC. 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.

Msunduzi 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.

3.3.2.4 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.

The Draft Ecosystem Services Plan identified a land footprint of 22 000 hectares, portion of which is currently undergoing refinement and ground truthing. Five key areas are currently being assessed, as below, with the sixth area (Greater Edendale) to come on stream with the appointment of a Consultant. This appointment process is underway.

- **Key area 1:** Bisley Valley Nature Reserve/ Mpushini Valley – 5 900ha (26.8% of total area)-GROUNDTRUTH IN PROCESS
- **Key area 2:** Ferncliff Nature Reserve/Worlds View are – 2 600ha (11.8% of total area)-COMPLETE
- **Key area 3:** Albany Park – 450ha (2.04% of total area)-COMPLETE
- **Key area 4:** Heskith Conservation /Sobantu area – 1 480ha (6.7% of total area)-BIODIVERSITY/PROPERTY DATA COMPLETE
- **Key area 5:** Willowfountain – 1 750ha (8% of total area)-BIODIVERSITY/PROPERTY DATA ONGOING
- **Key area 6:** Greater Edendale area – 9 000ha (40% of total area, incl. key area 5)-PENDING APPOINTMENT OF CONSULTANT

This is an on-going, large and detailed process with the six areas identified above being Phase 1. A public consultation process early in 2015 will follow the completion of Phase 1 during which Phase 2 will commence.

3.3.3 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, as well as 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, as well as 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.

As part of the Heritage Resource Study, a number of archaeological sites were also identified in the Msunduzi Municipality. However, as no systematic archaeological survey of the municipal area has been undertaken to date, the extent of the Municipality's 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 in approved landfill and garden refuse sites.

3.3.4 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.

• ENVIRONMENTAL HEALTH

In terms of Environmental Health and Social Services in the Municipality, Environmental Health (defined as 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;

It excludes port health, malaria control, and control of hazardous substances. The Municipality fulfils these functions in terms of the Act.

3.3.5 CLIMATE CHANGE

3.3.5.1 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 an in-house Climate Change Policy.

3.3.5.2 Adaptation

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, and 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.

3.3.5.3 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 socio-economic 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; promoting 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 upon 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 other Southern African countries. The country will also need to ensure significant strategic streamlining of carbon-intensive investments.

Table 18: SWOT
KEY ISSUES RELATING TO THE NATURAL ENVIRONMENT INCLUDE:

- Clearing of alien-invasive plants as they impact on biodiversity, 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, and in 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 the 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.

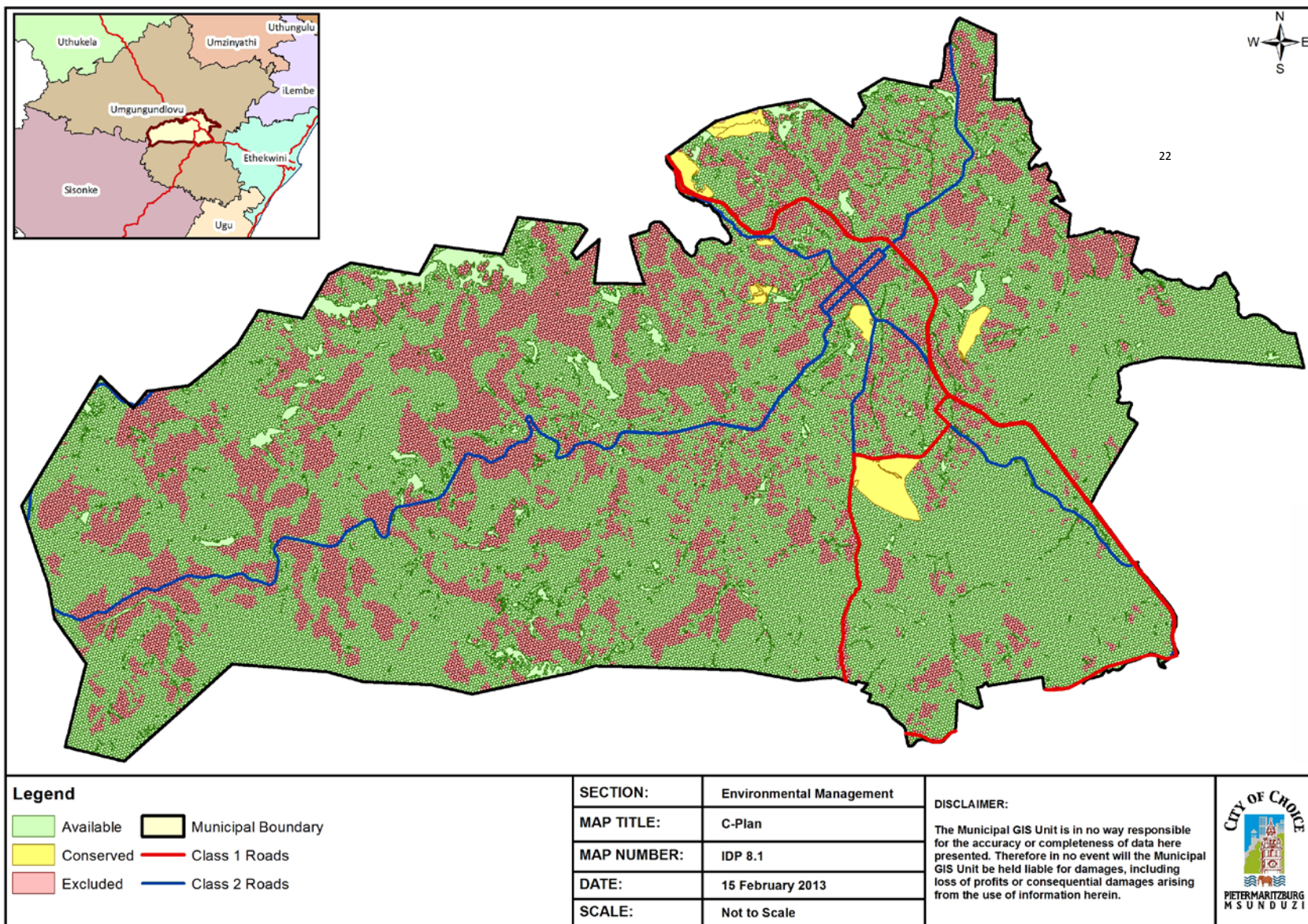
OPPORTUNITIES

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

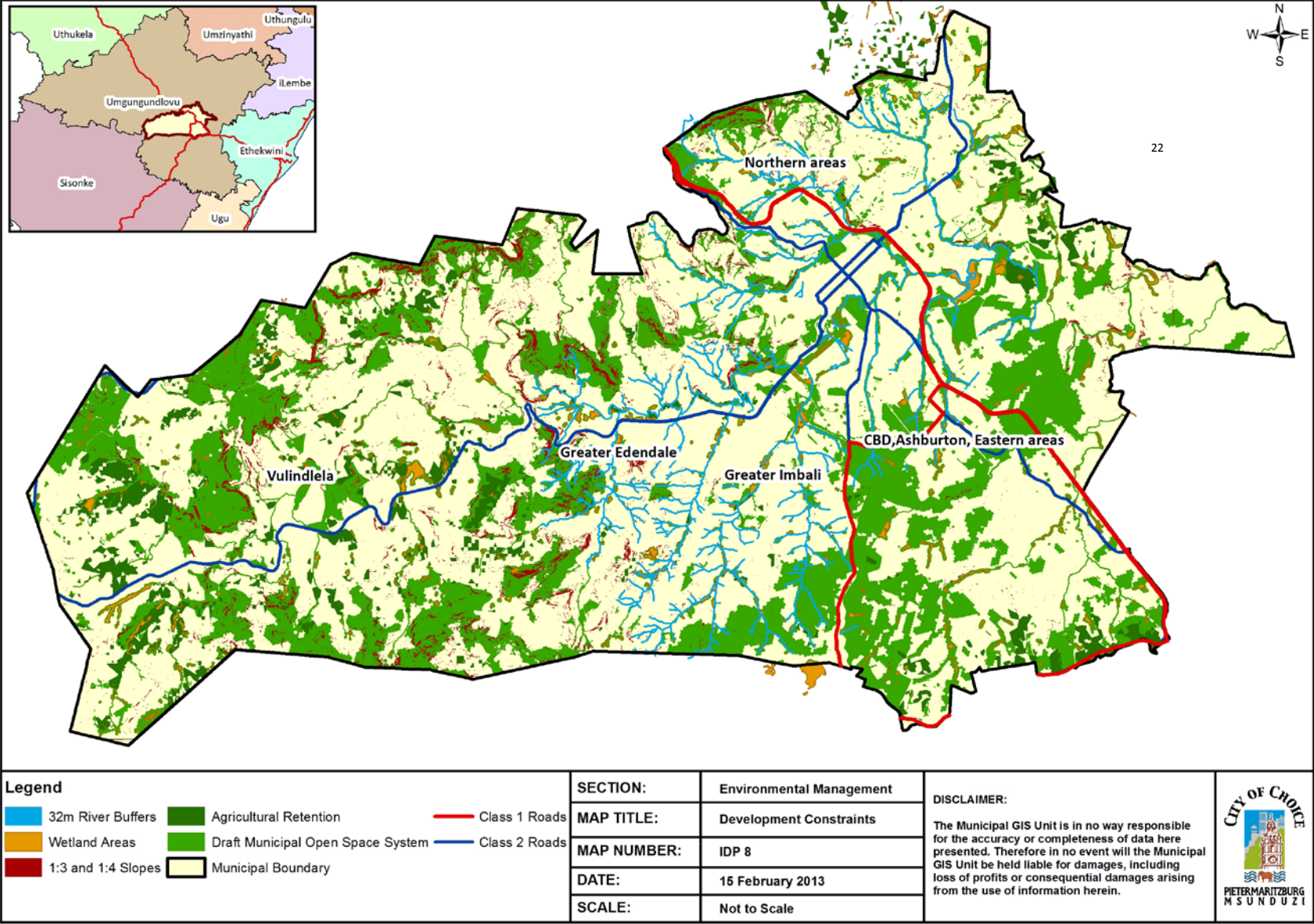
THREATS

- 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.

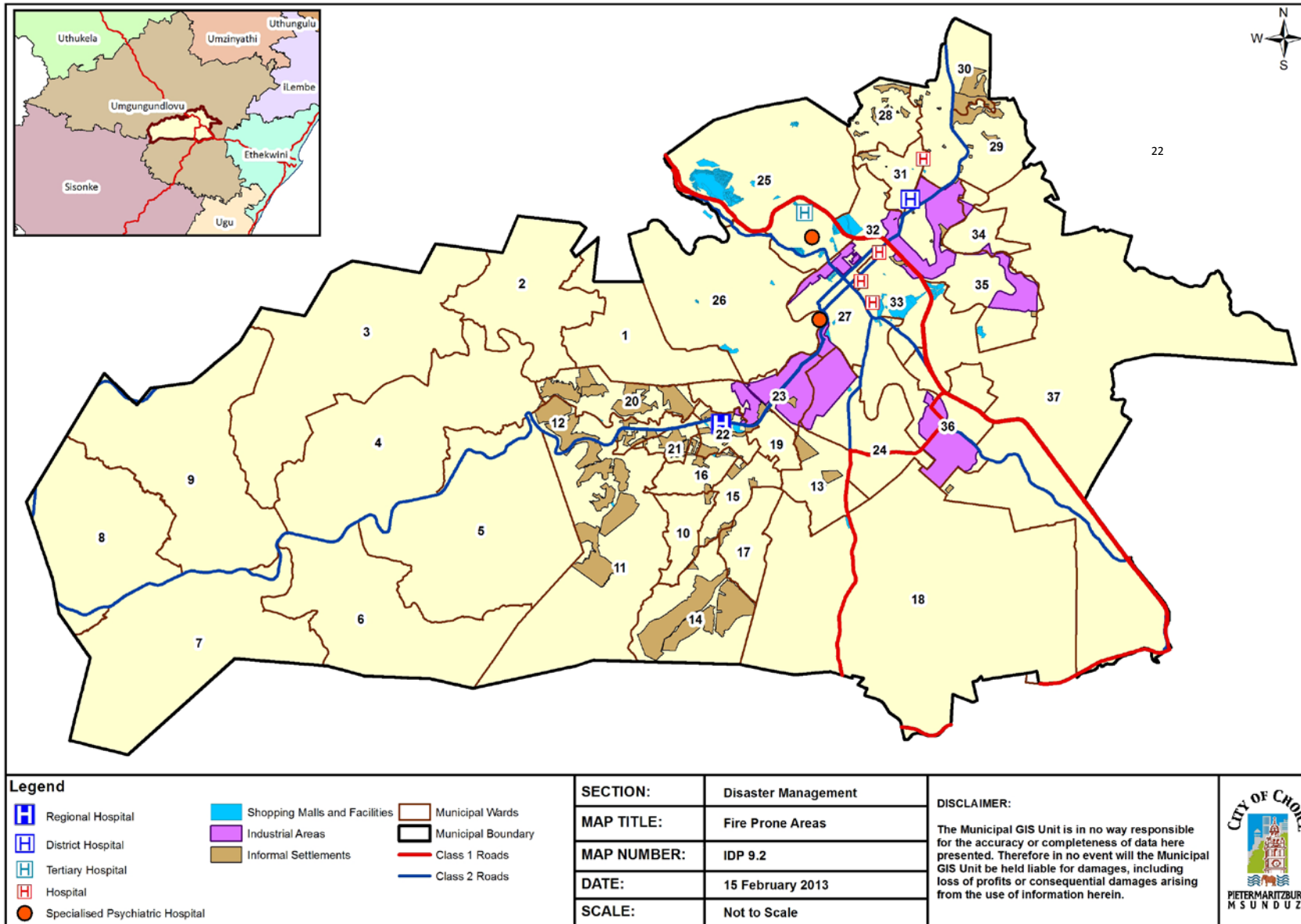
MAP 8: Environmental Management: C-Plan



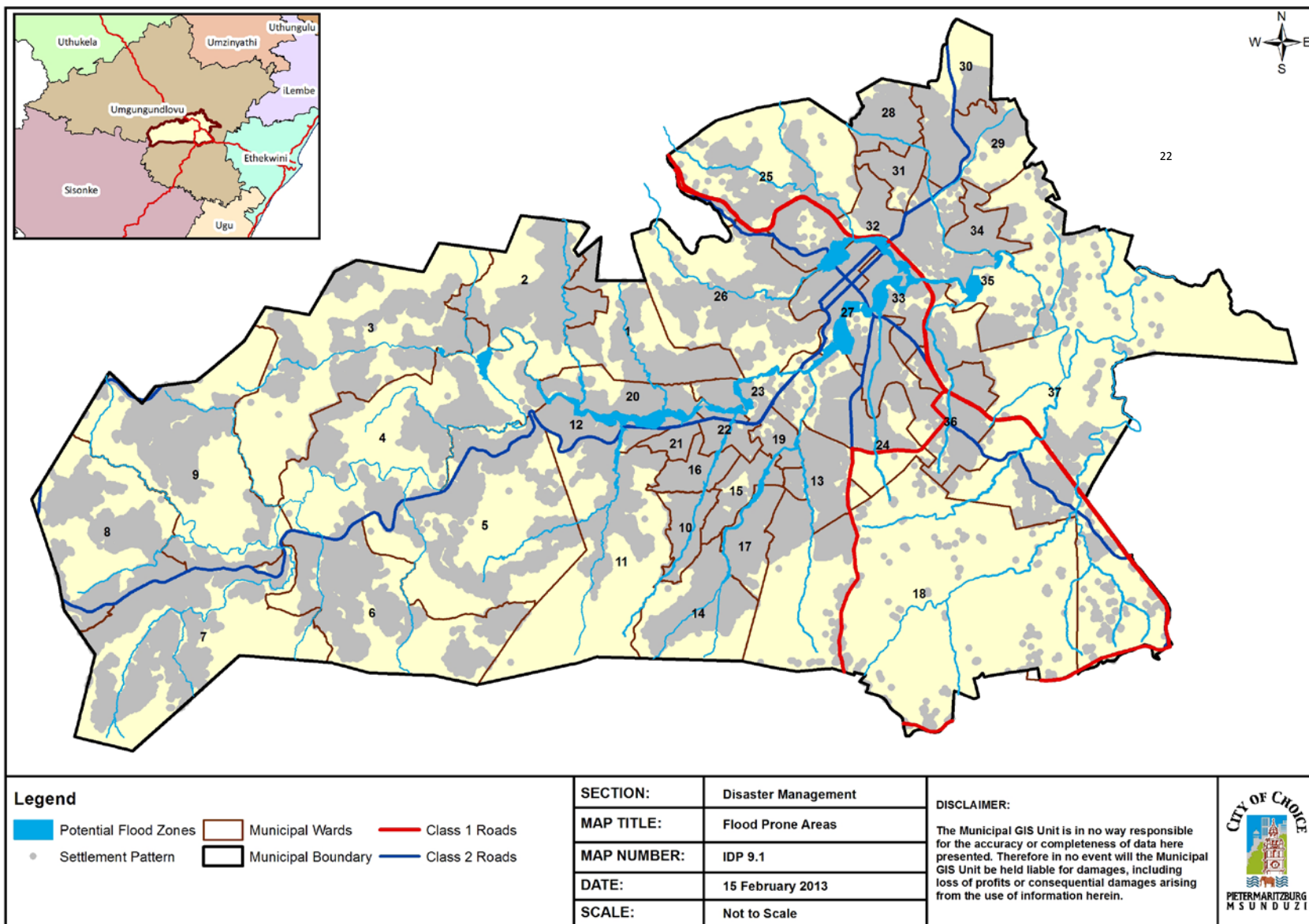
MAP 9: Evenviromental Management: Development Constraints



MAP 10: Disaster Management: Fire Proof Areas



MAP 11: Disaster Management: Flood Prone Areas



3.4 DISASTER MANAGEMENT

3.4.1 INTRODUCTION

The Disaster Management Act (57 of 2002) clearly outlines initiatives that must be undertaken to make sure that organs of state comply with the Act and policy framework on disaster management. The Msunduzi Municipality is prone to different types of disasters, both natural and human made. It is therefore important to understand that natural disasters cannot be prevented, but that the least the Municipality can do is to develop strategies to mitigate the effectiveness of such natural disasters. In addition, it is important to note that human disasters can be prevented by making sure that continuous sharing of information takes place with the community at all times.

The uMgungundlovu District Municipality has prepared a draft Disaster Management Plan, which the Msunduzi Municipality has been part of. The Municipality is in the process of an in-house review of the Consolidated Disaster Management Framework and Disaster Management Plan.

3.4.2 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 communities are faced with, so as to provide a safe environment, and to provide relief assistance for 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 it is 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 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 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 fires, 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. During the 2011/12 financial year, 1 455 fires were attended to. Average response times in urban areas improved from 10 minutes during 2010/11, to 8 minutes in 2011/12. In rural areas, the average response time for both financial years was 25 minutes.

KEY ISSUES RELATING TO FIRE FIGHTING:

- The need for two fire stations, one each 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 improves 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 in road and traffic safety;
- Attend scenes of motor vehicle collisions and assist with traffic control, removal of 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 (ie. Illegal occupations, illegal dumping);
- Escorting municipal officials on disconnections (ie. water and electricity); and
- Enforcing by-laws with regard 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 19: 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 by-law 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 by-law arrests for infringements detected by 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.

3.4.3 RISK ASSESSMENT

The following classification of hazards has been developed for the Municipality. These will be finalized in the Disaster Management Plan.

Table 20: 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 (MCSF) |
| 9 | Transportation accidents |
| 10 | Building collapse |

3.4.4 RISK REDUCTION AND PREVENTION

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

- The development of an early warning system for 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 and 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); and
- Implementation of regular patrols.

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

Table 21: SWOT

KEY ISSUES RELATING TO THE 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.

STRENGTHS

- The in-house review of the Consolidated Disaster Management Framework and Disaster Management Plan.

WEAKNESSES

- Ageing infrastructure and equipment to deliver on the legal mandate.
- Obtain capital funding to extend the existing system into new areas.

OPPORTUNITIES

- The development of an in-house Disaster Management Plan.
- The establishment of two new fire stations to bring response times down and extend services to previously un-serviced areas.

THREATS

- Human Resource issues relating to current levels of skills and training needs.
- Staff suitability for accreditation as Peace Officers.

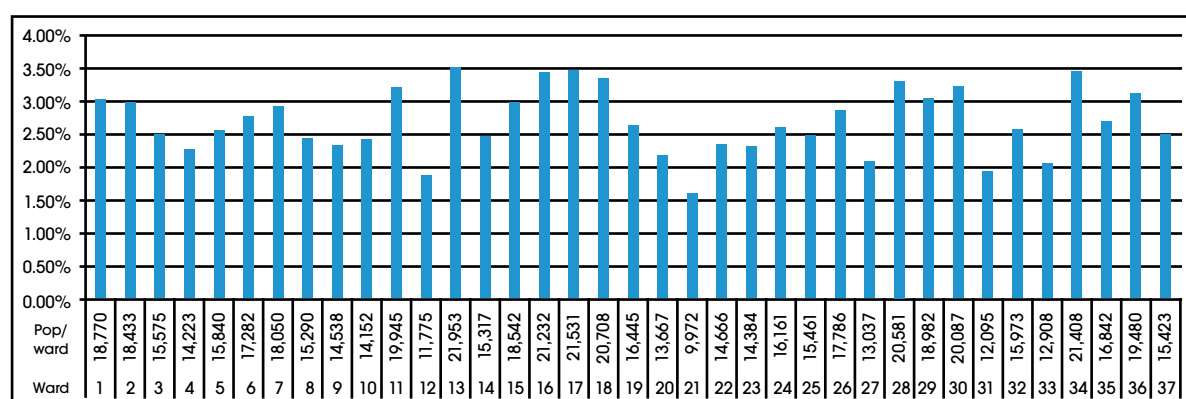
C2-DEMOGRAPHIC CHARACTERISTICS

3.5 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, each with more than 20,000 people per ward.

Figure 5: 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.

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.

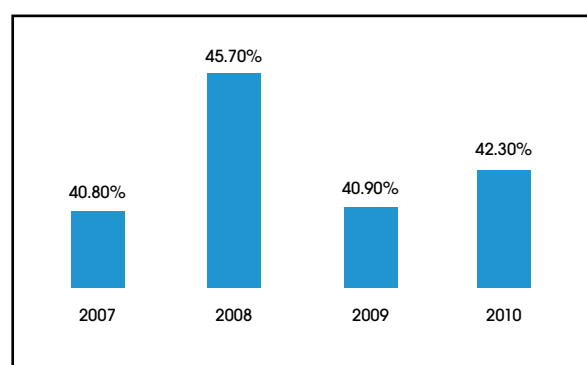
In terms of education levels, Census (2011) indicates that the percentage of adults over 20 years with no schooling has decreased from 10.9% in 2001, to 5.5% in 2011. The percentage of adults with a matric qualification has also increased from 24.5% in 2001 to 33.7% in 2011. Residents with qualifications higher than a matric have also improved, from 9.2% in 2001 to 13.1% in 2011. What is worrying though, is the number of children of school-going age that are not attending classes. This figure 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 previous three Censuses, as compared to the uMgungundlovu District Municipality 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 22: 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 ante-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-level Aids Committees and involving Ward Councillors in this regards.

FIGURE 6: HIV/Aids Prevalence Rates in the Msunduzi Municipality (DOH, 2011)


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, will cause existing impacts to become more firmly established, whilst new ones will take root in communities. Both existing and potential impacts have the potential to reverse 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 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, contribute 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".

Table 23: SWOT

KEY ISSUES RELATING TO POPULATION

- 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

- A stabilising population growth rate.
- A relatively low number of child- headed households
- The majority of the population in the economically active age cohorts

OPPORTUNITIES

- The majority of the population in the economically active age cohorts
- Good levels of education amongst adults
- Improving levels of literacy and tertiary training.

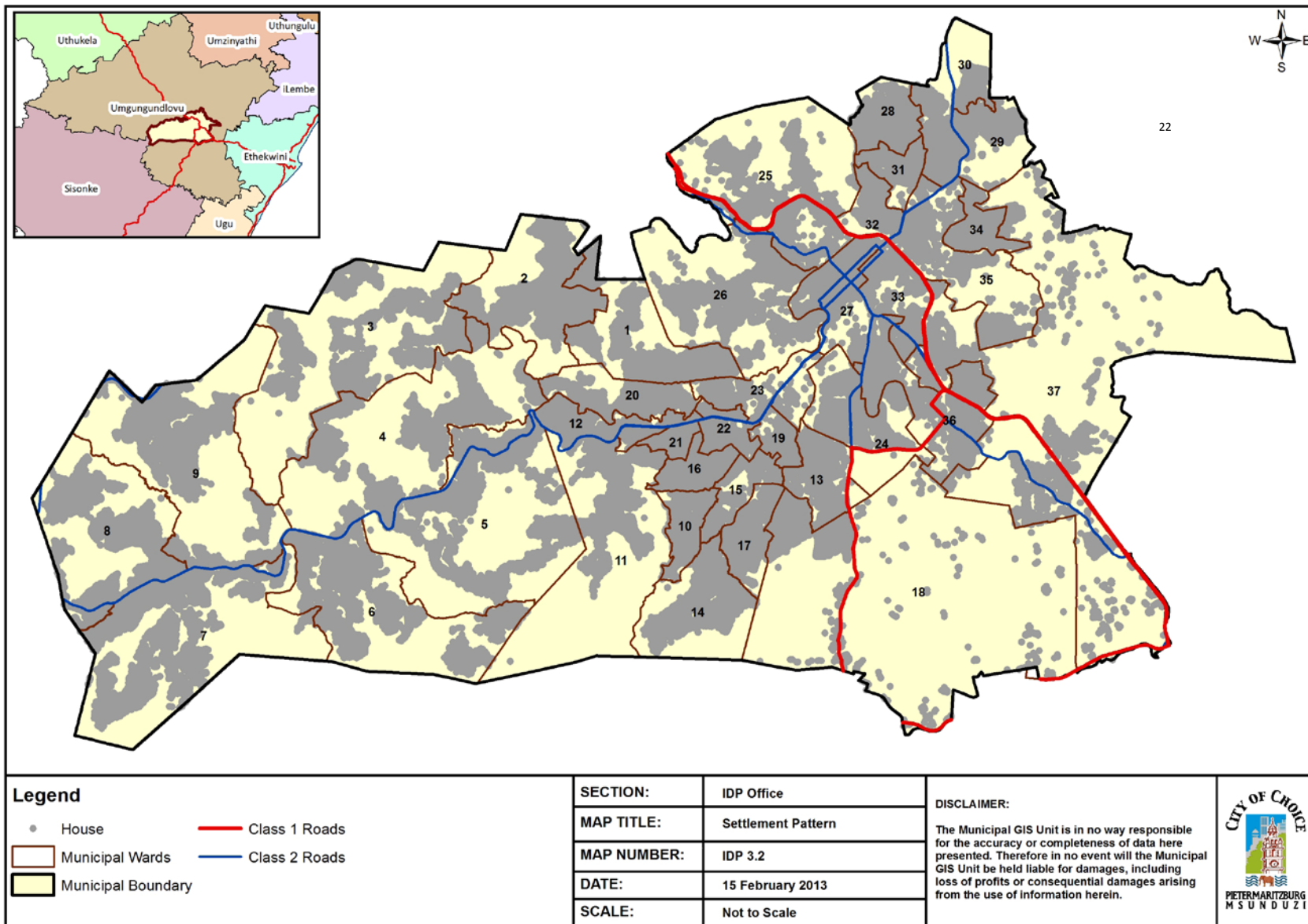
WEAKNESSES

- High number of economically vulnerable households
- Places of residence some distance from work opportunities.
- High levels of unemployment.

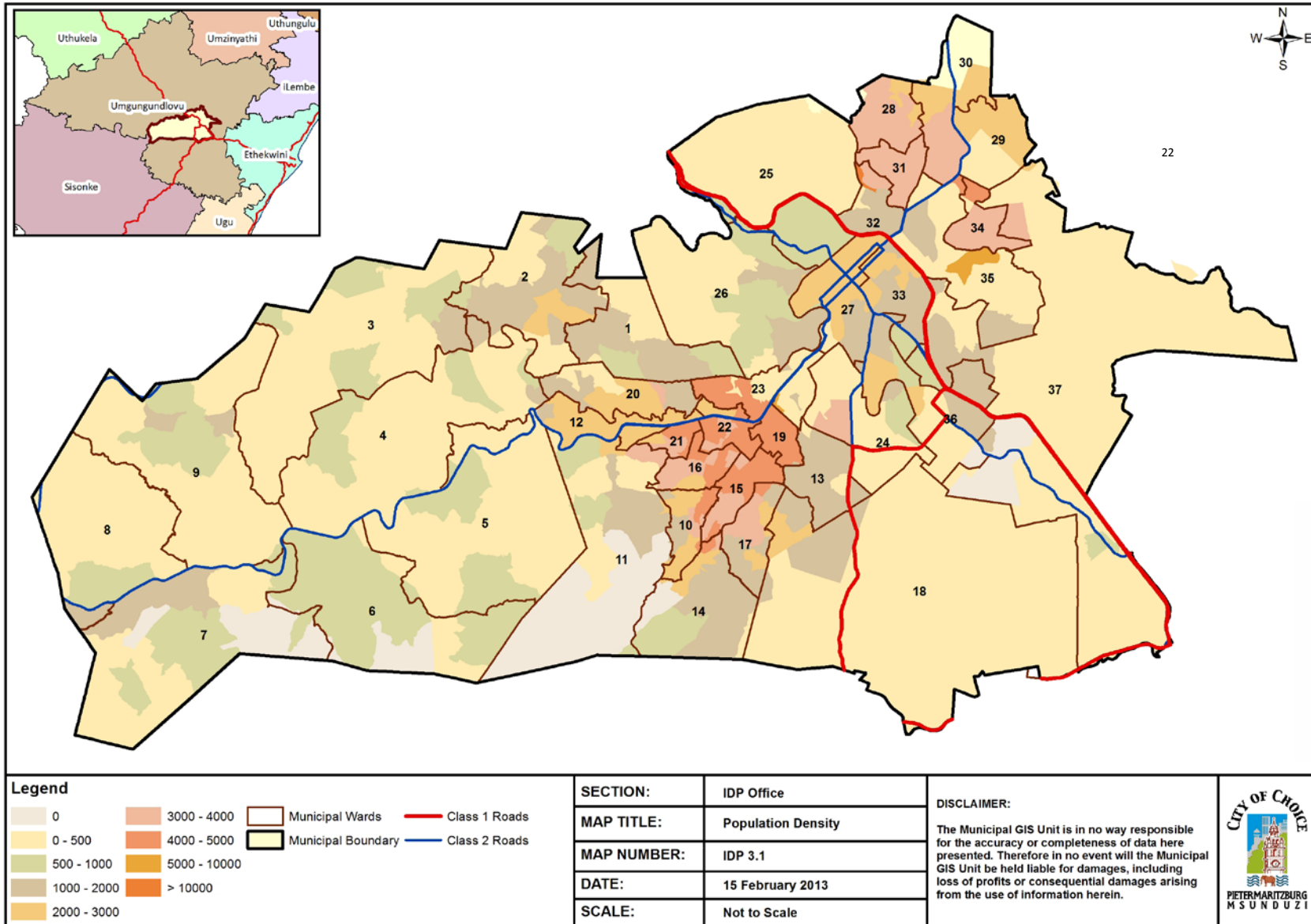
THREATS

- High levels of HIV/Aids
- Increasing in migration

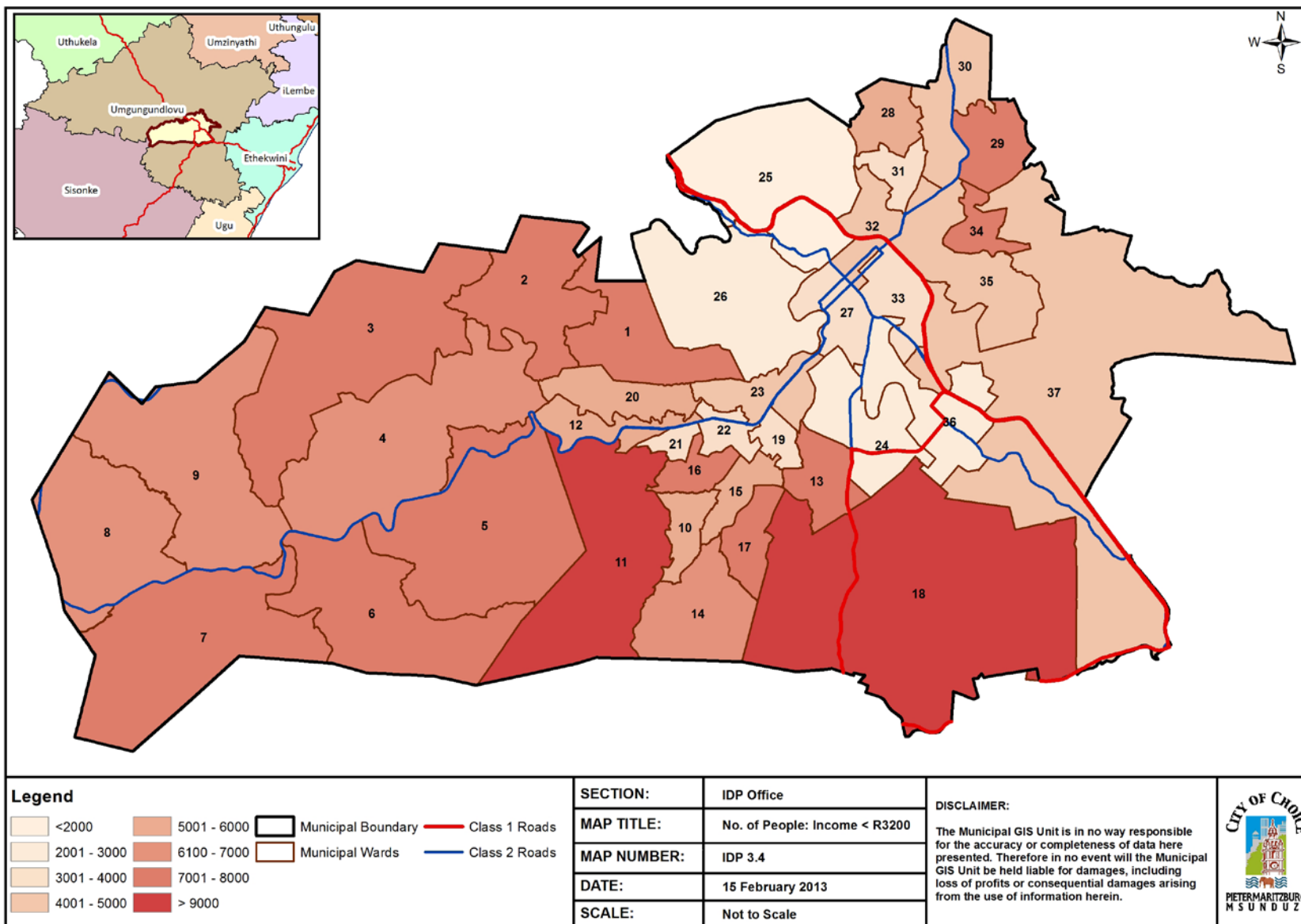
MAP 12: IDP Office: Settlement Pattern



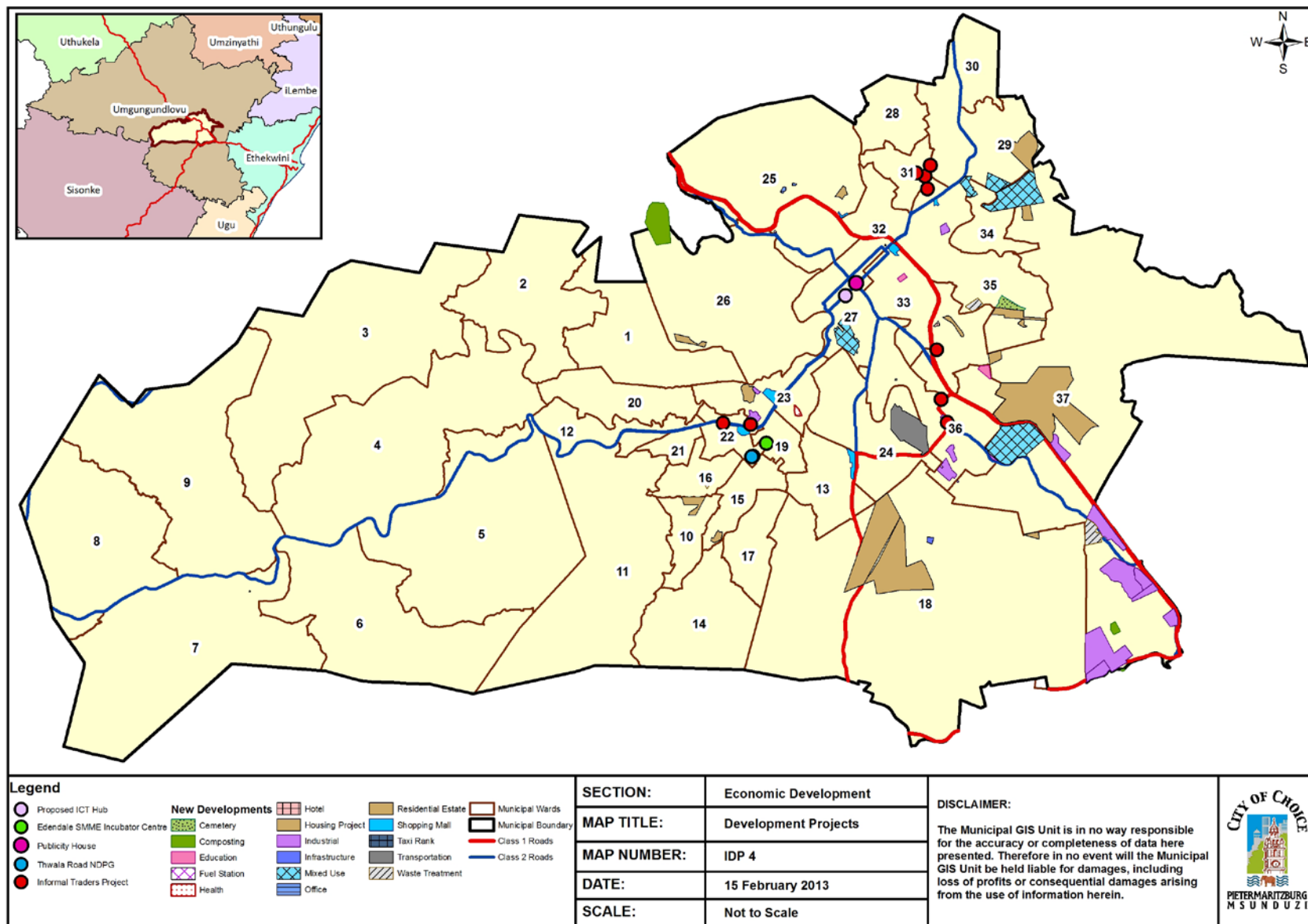
MAP 13: IDP Office: Population Density



MAP 14: IDP Office: No. of People Income < R3200



MAP 15: Economic Development: Development Projects



C 3-PGDS GOAL: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

3.6 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, and failure to prepare the mid-year Adjustments Budget and the 2010/11 Budget by deadline. By mid-March 2010, when the Provincial Intervention Team (PIT) was appointed, the budget deficit for 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 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 occurred in June of 2012, extending the review and beyond level 3.

3.7 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, and Council.

(ii) POWERS AND FUNCTIONS

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

Table 24: 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. <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 • Firefighting services • Local tourism • Municipal airports • Municipal planning • Municipal public transport • Municipal public works (internal) • Stormwater 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, and economic and environmental development. The second is concerned with the provision of specific services, such as housing, water, and electricity.

- **Planning and Promotion of Integrated Development**

- **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.

- **Planning and promotion of land development**

The Municipal Systems Act requires that each municipal 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.

- **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.

- **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.

- **Service delivery**

- **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.

- **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 free basic water and sanitation services to the poor.

- **Electricity Distribution Services**

This relates to the provision of electricity services to certain areas of the municipality. ESKOM is responsible for the coverage of limited areas.

- **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 may be difficult due to a lack of resources.

- **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.

- **Community Development Services**

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

- **Emergency Services**

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

- **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**

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**

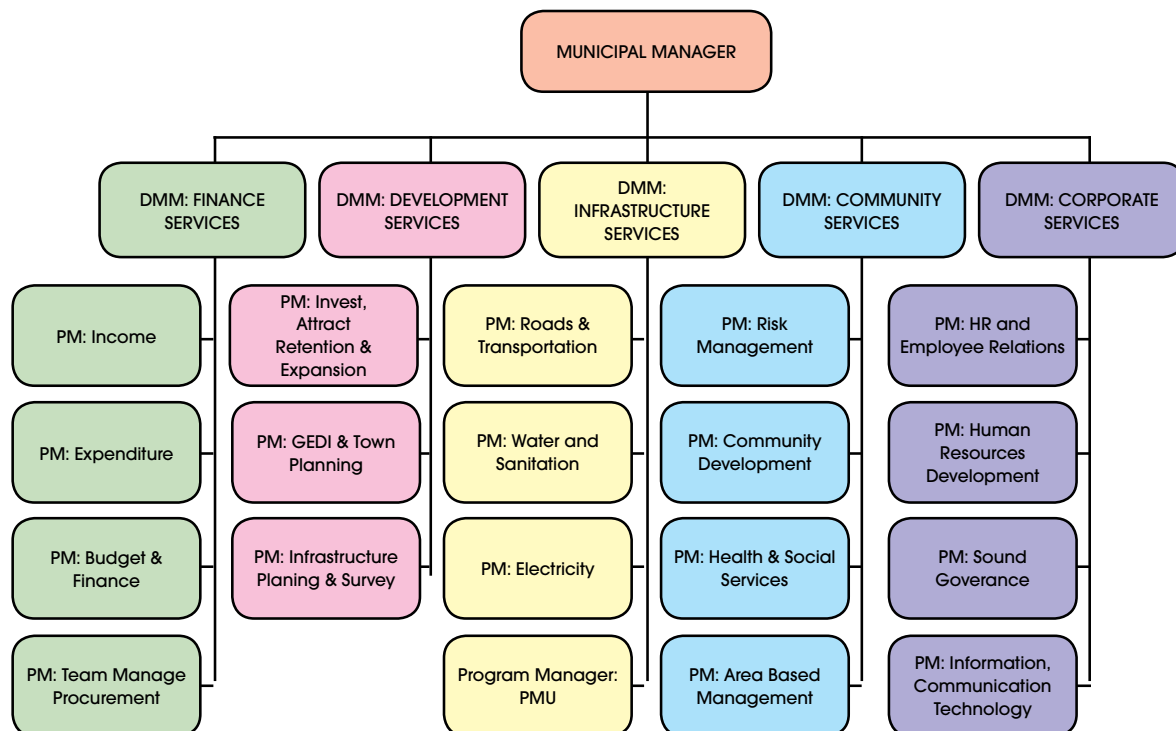
There are five Business Units in the Municipality, which mirror the committee portfolios and report to the Municipal Manager. These Business Units, each headed by a Deputy Municipal Manager, ensure that services are delivered to the people of the Msunduzi Municipality, and are structured as follows:

- 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, and Environmental Planning and Social Services.

CURRENT TOP ADMINISTRATIVE STRUCTURE

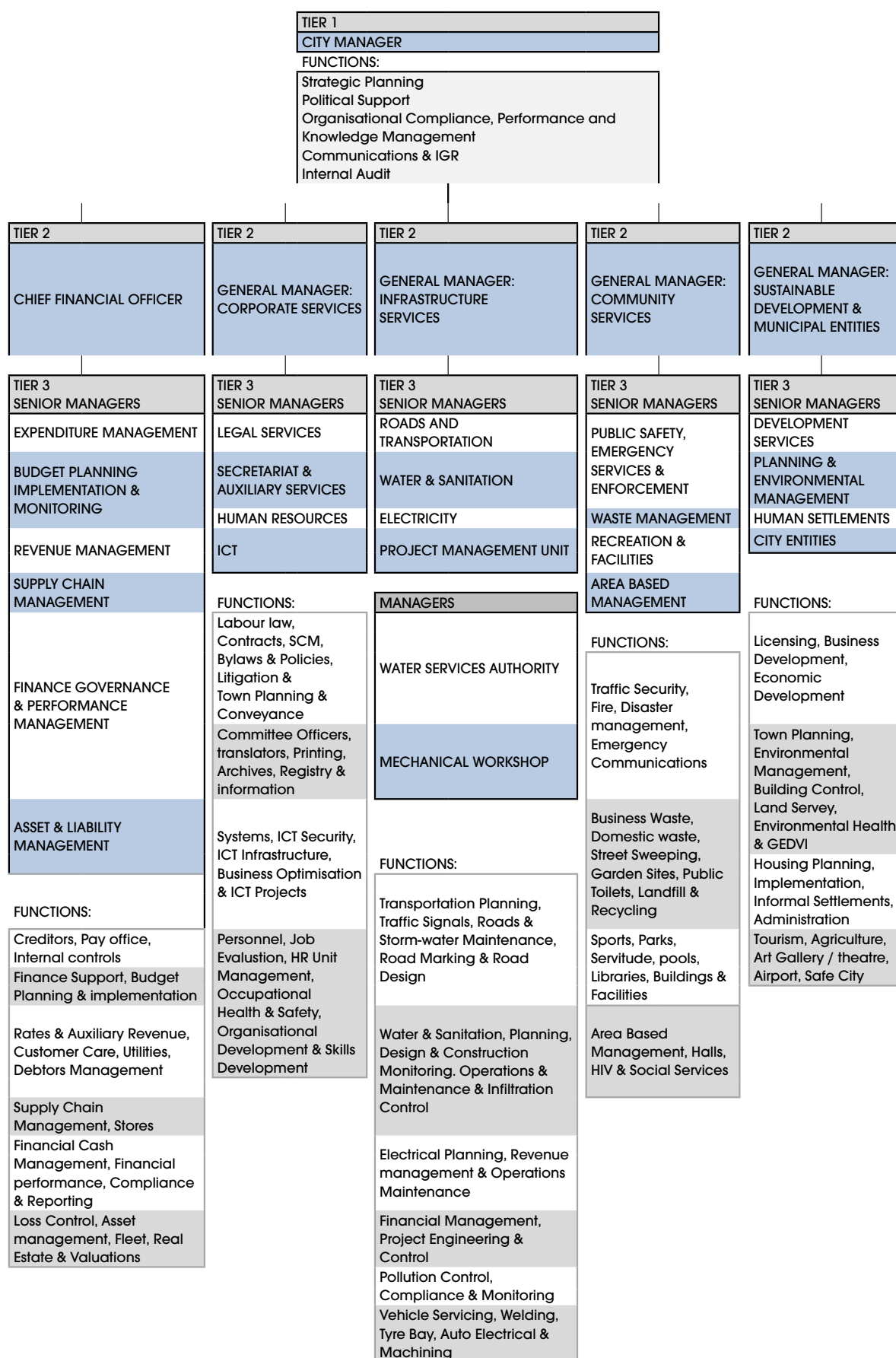
FIGURE 7: Top Administrative Structure of the Msunduzi Municipality



NEW APPROVED FUNCTIONAL ORGANOGRAM

The following diagram summarises the new approved functional organogram of the Municipality:

FIGURE 8: Organogram of Top Management



(iv) MUNICIPAL INSTITUTIONAL CAPACITY AND STATUS OF CRITICAL POSTS

(a) MUNICIPAL MANAGER AND SECTION 56 POSTS

The Municipal Manager and four Section 56 posts are now all filled. There is one vacancy, deputy Municipal Manager: Infrastructure Services, due to the resignation of the incumbent on the 31st of March 2014

- Municipal Manager - Filled
- Chief Financial Officer - Filled
- Deputy Municipal Manager Infrastructure – vacant
- Deputy Municipal Manager: Community Services- filled
- Deputy Municipal Manager: Economic Development- filled
- Deputy Municipal Manager: Corporate Services –filled

(b) FILLING OF VACANT POSTS

The unacceptably high vacancy rate in the organisation is a matter of grave concern. For instance, a vacancy rate of 48% or 2318 vacant posts were reported in February 2014. Delays with the filling of the vacancies have impacted negatively on service delivery, and the filling of critical posts is now a priority within the organisation. 68 vacancies were advertised in the month of February 2014. The selection and recruitment of staff is guided by an existing employment process and will be further directed with the approval of a drafted Selection and Recruitment Policy.

Table 25: Vacant Post Advertised

| BUSINESS UNIT | POSTS ADVERTISED |
|-------------------------|------------------|
| Infrastructure Services | 11 |
| Community Services | 14 |
| Corporate Services | 8 |
| Finance | 12 |
| Corporate Business Unit | 5 |
| Development Services | 18 |
| Total Posts Advertised | 68 |

The filling of critical vacancies is to be addressed alongside the implementation of workable staff-retention strategies. The management of staff vacancies within the municipality must be proactive in identifying possible incentives for retaining scarce skills and ensuring that roles and responsibilities are clearly defined within job descriptions.

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 Apartheid employment policies. To date, the Municipality has complied with the required provisions of the Employment Equity Act.

Table 26: Employment Equity within the Msunduzi Municipality

| OCCUPATIONAL CATEGORY | FEMALE | | | | MALE | | | | TOTAL | | | | TOTAL |
|--|------------|-----------|------------|-----------|-------------|-----------|------------|------------|-------------|------------|------------|------------|-------------|
| | A | C | I | W | A | C | I | W | A | C | I | W | |
| 11 - LEGISLATORS | 23 | 2 | 2 | 2 | 30 | 2 | 6 | 6 | 53 | 4 | 8 | 8 | 73 |
| 12 - MANAGERS | 4 | 0 | 0 | 0 | 4 | 1 | 1 | 1 | 8 | 1 | 1 | 1 | 11 |
| 2 - PROFESSIONALS | 59 | 3 | 31 | 28 | 58 | 2 | 27 | 14 | 117 | 5 | 58 | 42 | 222 |
| 3 - TECHNICIANS AND TRADE WORKERS | 53 | 9 | 8 | 0 | 155 | 17 | 67 | 75 | 208 | 26 | 75 | 75 | 384 |
| 4 - COMMUNITY AND PERSONAL SERVICE WORKERS | 92 | 23 | 21 | 9 | 206 | 7 | 61 | 14 | 298 | 30 | 82 | 23 | 433 |
| 5 - CLERICAL AND ADMINISTRATIVE WORKERS | 216 | 46 | 83 | 29 | 103 | 15 | 53 | 27 | 319 | 61 | 136 | 56 | 572 |
| 6 - SALES WORKERS | 7 | 2 | 5 | 1 | 2 | 1 | 3 | 0 | 9 | 3 | 8 | 1 | 21 |
| 7 - MACHINE OPERATORS AND DRIVERS | 10 | 0 | 0 | 0 | 40 | 1 | 6 | 4 | 50 | 1 | 6 | 4 | 61 |
| 8 - ELEMENTARY WORKERS | 242 | 3 | 8 | 0 | 480 | 8 | 39 | 1 | 722 | 11 | 47 | 1 | 781 |
| TOTALS | 706 | 88 | 158 | 69 | 1078 | 54 | 263 | 142 | 1784 | 142 | 421 | 211 | 2558 |

(a) 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 the 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 intended 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. The Municipality collects in full almost all of what is due to it in training rebates, on an annual basis. Whilst the Human Resources Development Unit is tasked to improve the competency of our employees, the unit is also responsible for working in partnership with various departments, training providers, and communities to improve the level of skills, knowledge, and behaviour of our employees and citizens, enabling them to be active participants in the economic development and growth of the city.

Table 27: Total Number of Employees who Received Training

| OCCUPATIONAL CATEGORY | FEMALE | | | | MALE | | | | TOTAL | | | | TOTAL | % OF TOTAL EMPLOYEES |
|--|------------|-----------|-----------|----------|------------|-----------|-----------|----------|------------|-----------|------------|----------|------------|----------------------|
| | A | C | I | W | A | C | I | W | A | C | I | W | | |
| 11 - LEGISLATORS | | | | | | | | | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 12 - MANAGERS | 6 | | 2 | 1 | 6 | 1 | 4 | 3 | 12 | 1 | 6 | 4 | 23 | 209.09% |
| 2 - PROFESSIONALS | 37 | | 21 | | 35 | 3 | 14 | 1 | 72 | 3 | 35 | 1 | 111 | 50.00% |
| 3 - TECHNICIANS AND TRADE WORKERS | 2 | | | | 4 | 1 | 1 | | 6 | 1 | 1 | 0 | 8 | 2.08% |
| 4 - COMMUNITY AND PERSONAL SERVICE WORKERS | 66 | | 9 | | 110 | | 15 | | 176 | 0 | 24 | 0 | 200 | 46.19% |
| 5 - CLERICAL AND ADMINISTRATIVE WORKERS | 56 | 11 | 22 | 4 | 17 | 6 | 5 | | 73 | 17 | 27 | 4 | 121 | 21.15% |
| 6 - SALES WORKERS | | | | | | | | | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 7 - MACHINE OPERATORS AND DRIVERS | 33 | | | | 43 | | 11 | | 76 | 0 | 11 | 0 | 87 | 142.62% |
| 8 - ELEMENTARY WORKERS | 31 | | | | 154 | | 2 | | 185 | 0 | 2 | 0 | 187 | 23.94% |
| TOTALS | 231 | 11 | 54 | 5 | 369 | 11 | 52 | 4 | 600 | 22 | 106 | 9 | 737 | 28.81% |

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 2013 and the latest review was in 2013.

(b) HUMAN RESOURCE STRATEGY

The Human Resource Strategy was developed in 2013 with the assistance of COGTA. The Strategy is still in draft and is still in its consultative stage.

(c) 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 for scarce skills training, and bursaries are granted in key disciplines (such as architecture, town planning, quantity surveying, engineering, land surveying, professional valuers, etc.). Coaching and mentoring, job satisfaction surveys, and career path planning, are all part of the Policy.

(vi) WORKPLACE SKILLS PLAN (WSP)

The WSP is an annual plan developed by the Msunduzi Municipality that describes the training and development strategy of the organization, 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 started in March 2014, when all Strategic Business Unit Managers were 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 2014/2015.

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 2014/ 2015 and the Annual Training Report 2013 / 2014 to the Municipal Manager, The Chairperson of the Corporate Services Portfolio Committee, and Union Leadership for signing before 20 June 2013, as the reports must reach the Local Government SETA by the 30th of June, 2014.

(vii) PROCESS FOR PREPARING THE WSP:

The plan to address skills needs is developed from 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.

Table 28: SWOT

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;
- Outdated processes and systems; and
- The development of a more customer focused organisation (Incorporation of Batho Pele principles).

STRENGTHS

- Reviewing of the organogram.
- The development of a more customer focused organisation (Incorporation of Batho Pele principles).

WEAKNESSES

- Human Resource Strategy not in place.
- Outdated processes and systems.

OPPORTUNITIES

- The development of a cohesive organisational structure.
- Changing organisational culture to be performance driven.

THREATS

- Low morale in staff.
- Shortages of key skills.
- Fraud and corruption.
- Uncoordinated and disintegrated systems development.

C4-SERVICE DELIVERY AND INFRASTRUCTURE ANALYSIS

38 INTRODUCTION

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

Table 29: 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 is to align with new Census 2011 information. | It is anticipated that the WSDP will be completed and adopted by council in June 2014. Not done |
| 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 were not previously covered. | A consultant has been appointed. It is anticipated that this process will be completed the next financial year |
| 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 | This is now being implemented |
| 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 | 1st Draft approved, 2nd Draft in progress | Currently refining data on 5 focus areas |
| Climate Change Policy and adaptation strategies | 1st Draft in progress | |
| Comprehensive Integrated Transport Plan (CITP) (2012) | Approved by Council | Legislative Requirement. To be updated every 5 years i.e. in 2017. It incorporates / consolidates a range of smaller plans |
| 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 | Under review , being integrated with IRTPLAN |
| Roads Asset Management Plan (RAMP) (2006) | Not Approved | Under review completion 2014/15 |

| | | |
|--|-------------------------------------|---|
| 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 | Budgeted for next financial year. 14/15 |

3.9 WATER

3.9.1 Levels of service

Census (2011) indicates that houses receiving piped water inside their dwelling have 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.

3.9.2 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 has recently appointed a consultant team to undertake the revision of the WSDP. It is anticipated that this plan will be ready by December 2015. 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.

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 2016.

3.9.3 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 Municipality 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 adequate and sustainable access to water and sanitation for 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;

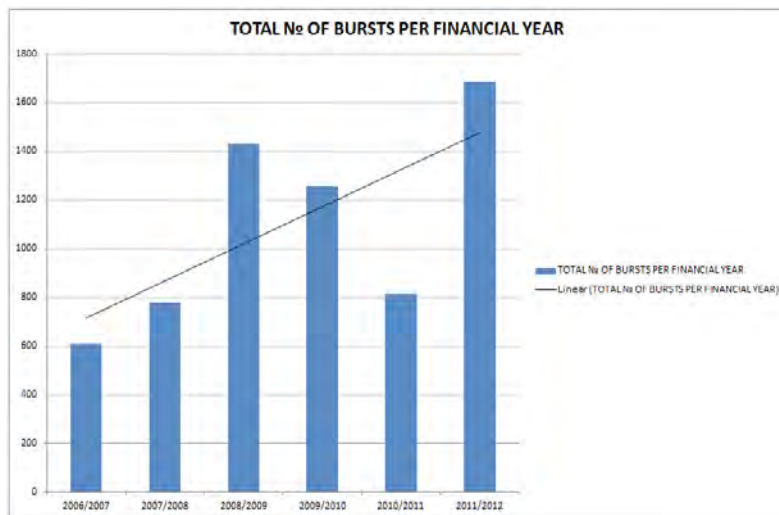
- Umgeni Water is responsible for meeting the hourly, daily, and monthly peak flow demands;
- Meter at Strategic points in order to regulate and measure the sale of bulk water;
- Pay bulk water supply service charges as follows:-
 - Volume based charges in respect of water consumed;
 - Installation charges 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.

(i) OPERATIONAL MANAGEMENT

The Department of Water Affairs initiated a drinking and waste water quality regulation programme during 2005, with the specific objective of ensuring the improvement of tap water (potable) and waste water quality, by means of compliance monitoring. The Msunduzi Municipality was awarded 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 been increasing, with a current average of 5 bursts per day, which highlights the precarious nature of the existing infrastructure. This is depicted in the graph below.

FIGURE 9: Burst Main Trends per financial year



As per the in 2013, President's State of the Nation address, municipalities are obliged to halve water losses by 2014. This directive was prepared by the Department of Water Affairs, which 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 with MIG funding of R 214,464,626.00, 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 30: 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 |

3.10 SANITATION

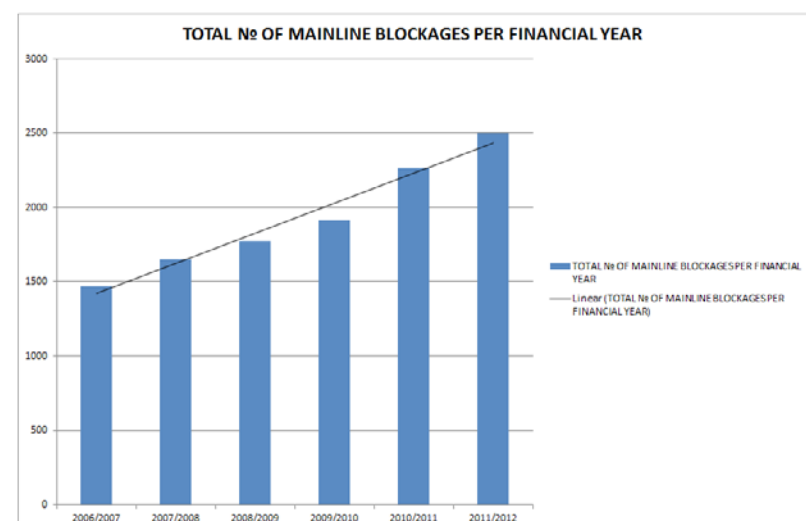
3.10.1 Levels of service

Households with flush toilets connected to sewerage, however, have declined from 52.3% in 2001 to 51.6% (84 675 households) in 2011. 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.

3.10.2 Operational management

The municipal sewer system is also aging, and broken pipes and dislodged joins 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, and shows increasing frequency of these occurrences.

FIGURE 10: Total Number of Mainline Blockages per Financial Year



By analysing and trending our current financial year statistics, and in comparing with 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 - 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 regard to maintenance and overtime. This is further compounded by increases in labour, fuel, and materials.

3.11 ELECTRICITY

3.11.1 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 problems, which is being undertaken in this financial year.

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

3.11.2 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.

3.11.3 Operational management

The electrical department is stabilising with regard 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 regard, 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 on a 10 year transformer replacement programme. Vandalism, tampering, and theft of electricity assets are 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.

3.12 SOLID WASTE

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

3.12.1 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 the '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
- Eradication of Illegal Dumping.

3.12.2 Solid waste disposal

The New England Road 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 filled. 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 of an organic waste composting facility to treat organic waste.

3.13 TELECOMMUNICATIONS

3.13.1 Backlogs

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 for high income areas;
- Project investment needs a short-term return to shareholders; and
- Servicing under-developed areas has low priority, and is a branding exercise at best.

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

3.13.2 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, National Building Regulations, the KwaZulu-Natal Planning and Development Act 6 of 2008, and any other relevant legislation, bylaws, and Council Policy.

3.13.3 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 telecommunications 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 telecommunications infrastructure.

This policy is intended for the use by Council, members of the public, and cellular telecommunications 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.

3.13.4 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.

3.14 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 uMgungundlovu District Municipality (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 on 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, and storm water 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.

3.14.1 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. There are still huge backlogs for construction of new roads and upgrading of gravel roads in the Greater Edendale, Vulindlela, and the North 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).

In the 2009/10 financial year the construction of 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 by southbound peak-hour traffic from the Northern Areas into and out of 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. Due to internal budgetary constraints, the Municipality continues to use externally sourced funds (i.e. COGTA, DoT, MIG, etc.) for funding its programmes and projects. 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 on the city's roads over the last few years because of fatigue to road infrastructure.

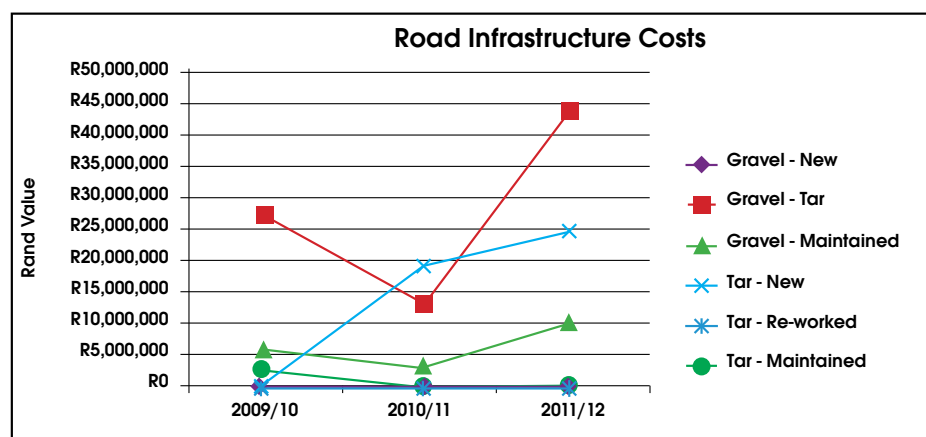
Table 31: Gravel Roads Infrastructure (kilometres)

| | 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 32: 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 road 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 gravel roads is so huge that substantial amounts of additional funding is required.

3.14.2 Rail

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

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

3.14.3 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 December 2014.

3.14.4 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 and 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 IRPTN 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.

3.14.5 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 Interchange.
- On the 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.

3.15 INDIGENT SUPPORT

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

Table 33: 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, with a 20 Amp circuit breaker. |
| Water | Indigents qualify for 7kl of water per month, an amount determined from time to time by Council and as reflected in the applicable Tariff Register. |
| Refuse | Indigents qualify for free refuse removal as determined by Council from time to time, and as reflected in the applicable Tariff Register. |
| Sewerage | Indigent households qualify for 4.2 kl of free sewerage discharge as determined by Council from time to time and as reflected in the applicable Tariff Register. |

Table 34: SWOT
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.
- 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 in service delivery.

STRENGTHS

- Investment in stabilising water and electricity provision in the Municipality.
- Relatively high levels of service provision with relatively low backlogs against RDP standards.

WEAKNESSES

- Staff and skills shortages in key positions.
- An ageing fleet of vehicles.
- Varying levels of service provision.

OPPORTUNITIES

- The existence of a number of sector plans.
- An increased drive to recycle waste.
- The IRPTN roll-out in the Municipality.
- Expansions to the airport, resulting in larger planes being able to use runways.
- Proximity to the N3 corridor.
- Potential high-speed rail link through the Municipality, linking Gauteng to Durban.

THREATS

- 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.

3.16 HOUSING

3.16.1 Introduction

Housing delivery is currently the responsibility of the Department of Human Settlement, with the Municipality assisting 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 was 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.

3.16.2 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.

3.16.3 Informal settlements

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

Table 35: 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 |
| 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 & Balhambra) | 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 | Jesmond Dene | 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 | Willowfontein – Papa/Terminus | 360 | Edendale/Imbali | Upgrade |
| 40 | Willowfontein – KwaKuswayo | 178 | Edendale/Imbali | Upgrade |
| 41 | Willowfontein - Bulwer | 380 | Edendale/Imbali | Upgrade |
| 42 | Edendale BB | 175 | Edendale/Imbali | Relocate |

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| No. | Name | No. of structures | Area | Action |
|--------------|----------------------------|-------------------|-----------------|--------------------|
| | | | | Upgrade / Relocate |
| 43 | Edendale unit T | 70 | Edendale/Imbali | Relocate |
| 44 | Willowfontein - 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 |
| 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 | | |

3.16.4 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 36: 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 slum 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)

3.16.5 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 37: 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)

Table 38: SWOT
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.

STRENGTHS

- Accreditation level 1 with the Department of Human Settlement (DOHS).
- Funding forthcoming from the DOHS.

OPPORTUNITIES

- 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.

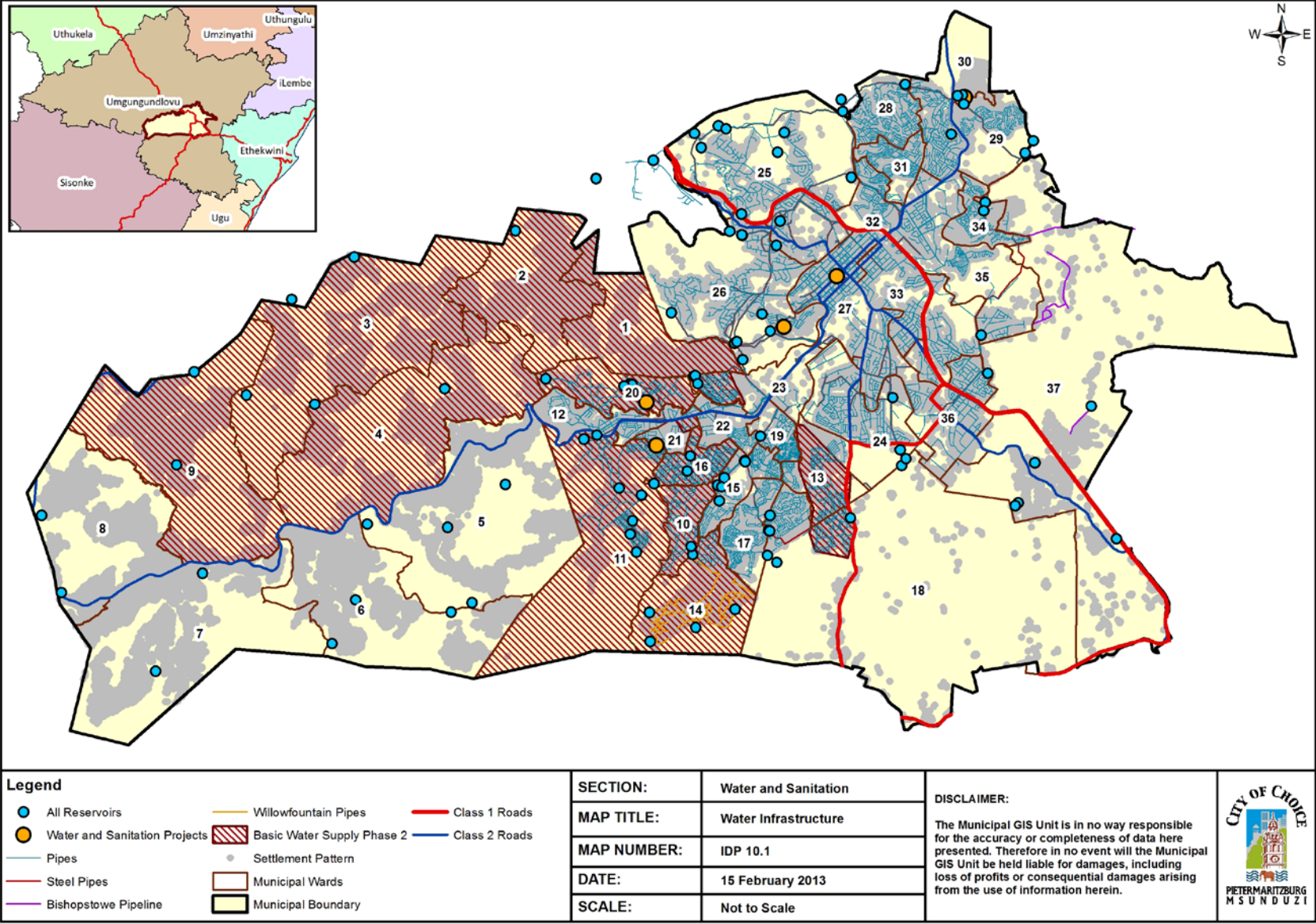
WEAKNESSES

- Ageing rental stock.
- Insufficient funding for repairs and maintenance.

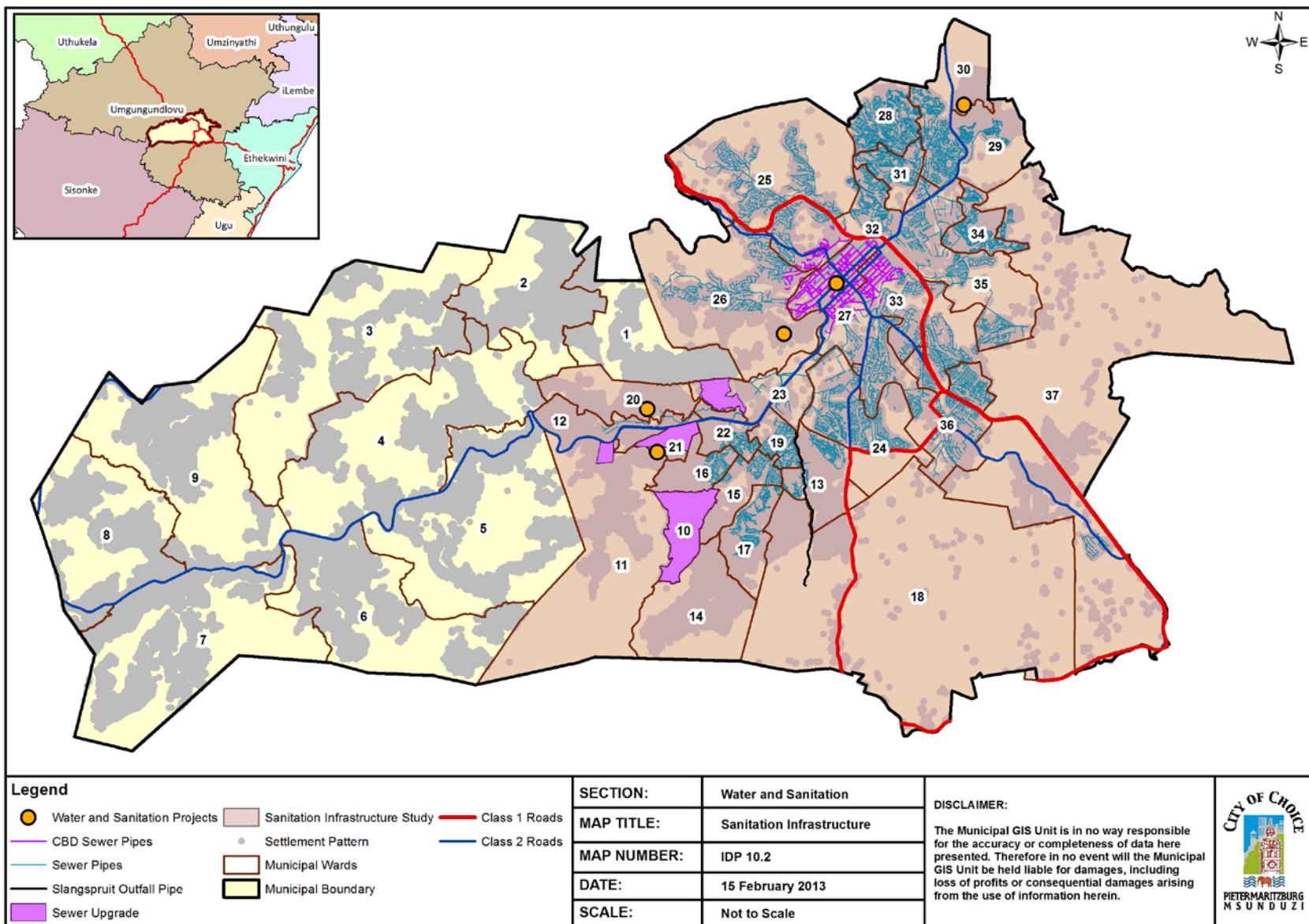
THREATS

- Illegal occupation of land.
- Land legal problems affecting the transfer of land and housing.

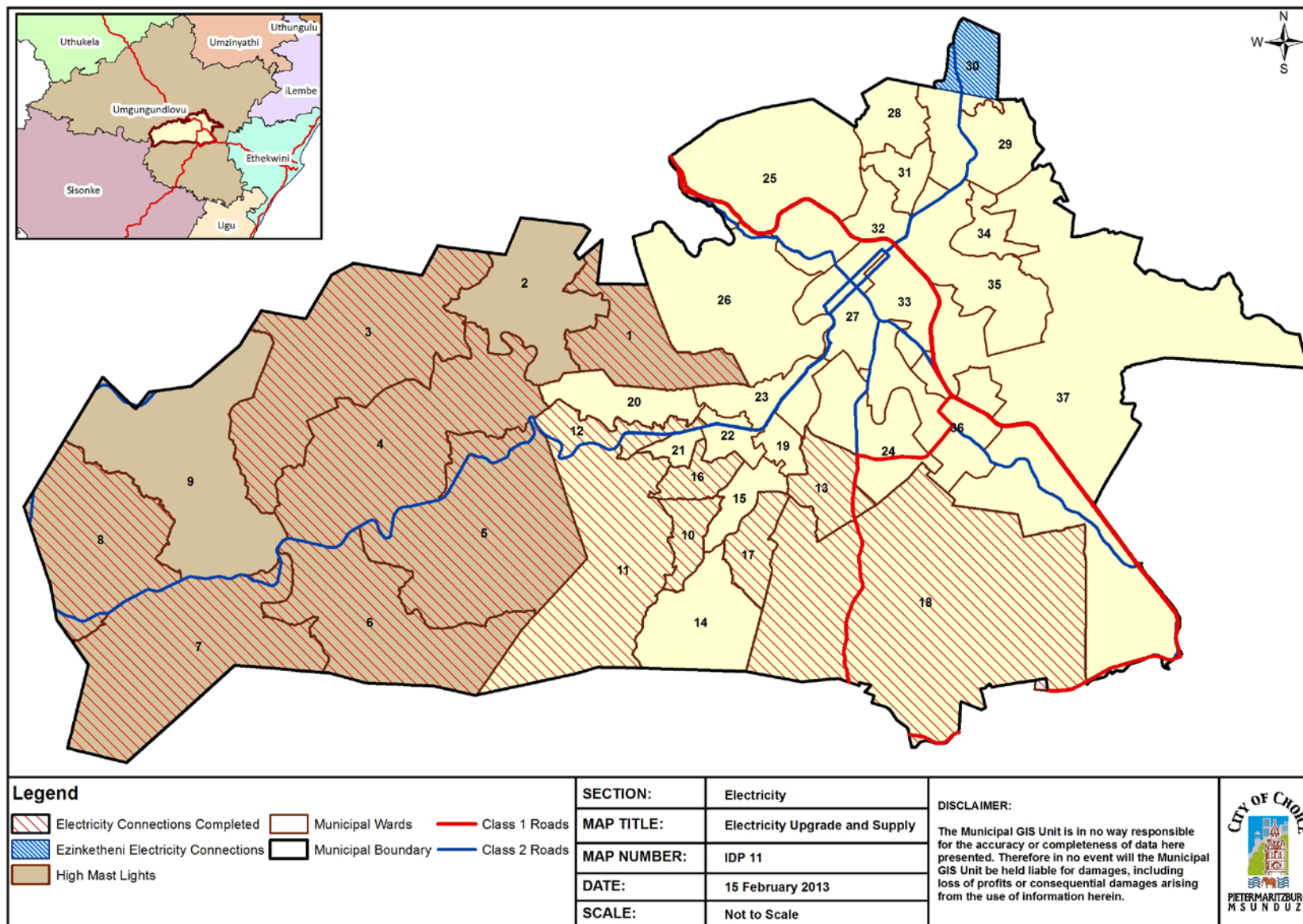
MAP 16: Water and Sanitation: Water Infrastructure



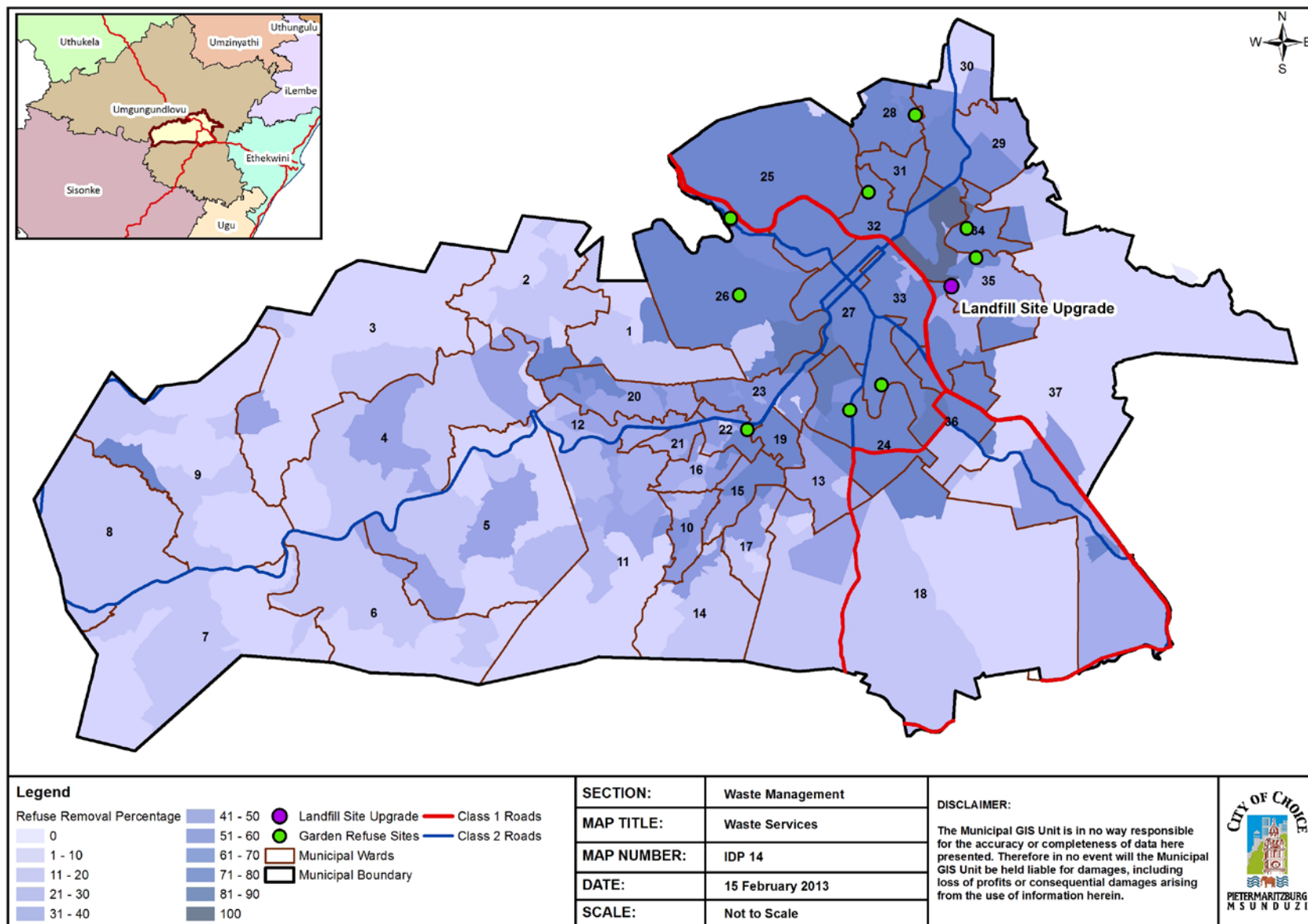
MAP 17: Water and Sanitation: Sanitation Infrastructure



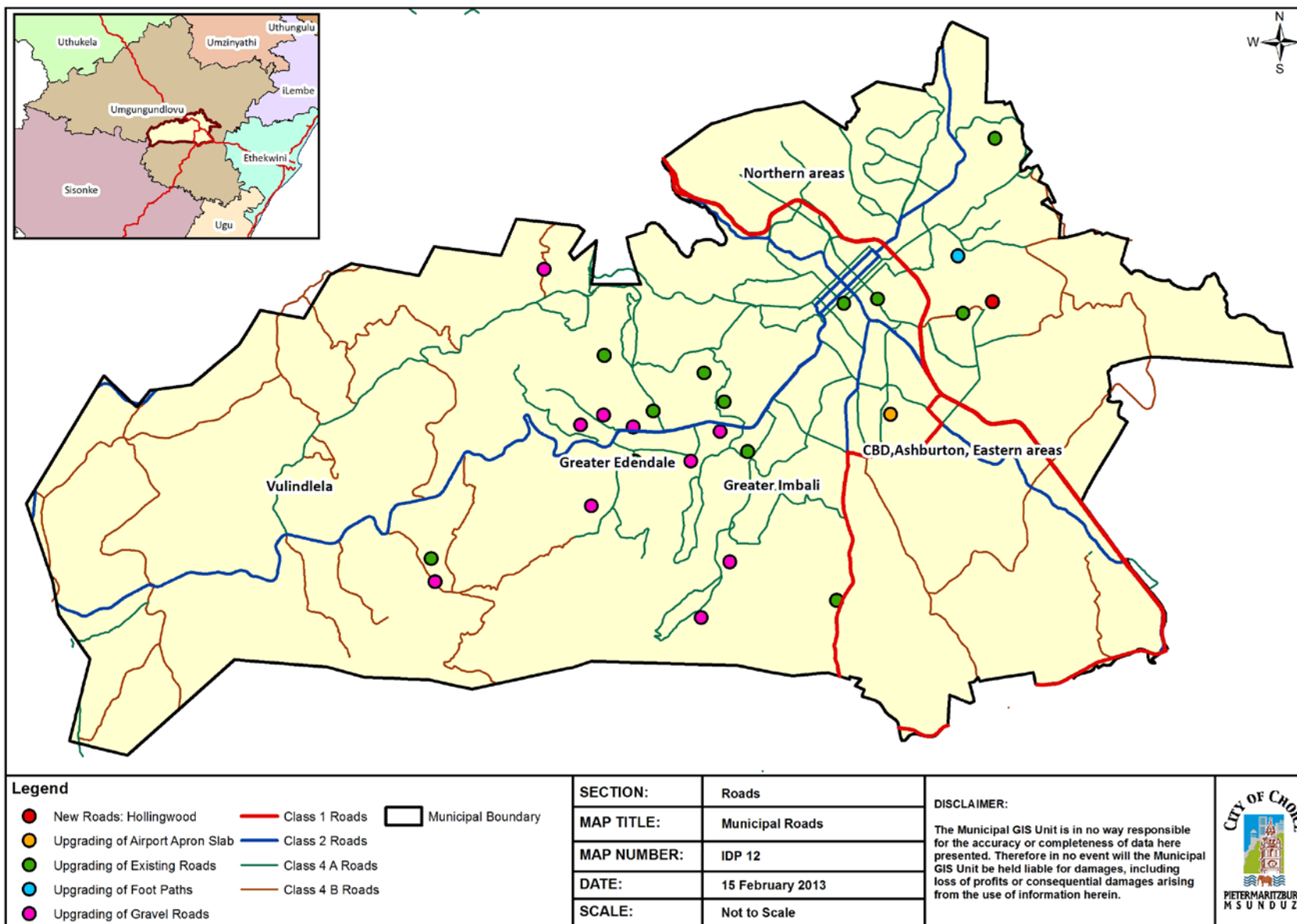
MAP 18: Electricity: Electricity Upgrade and Supply



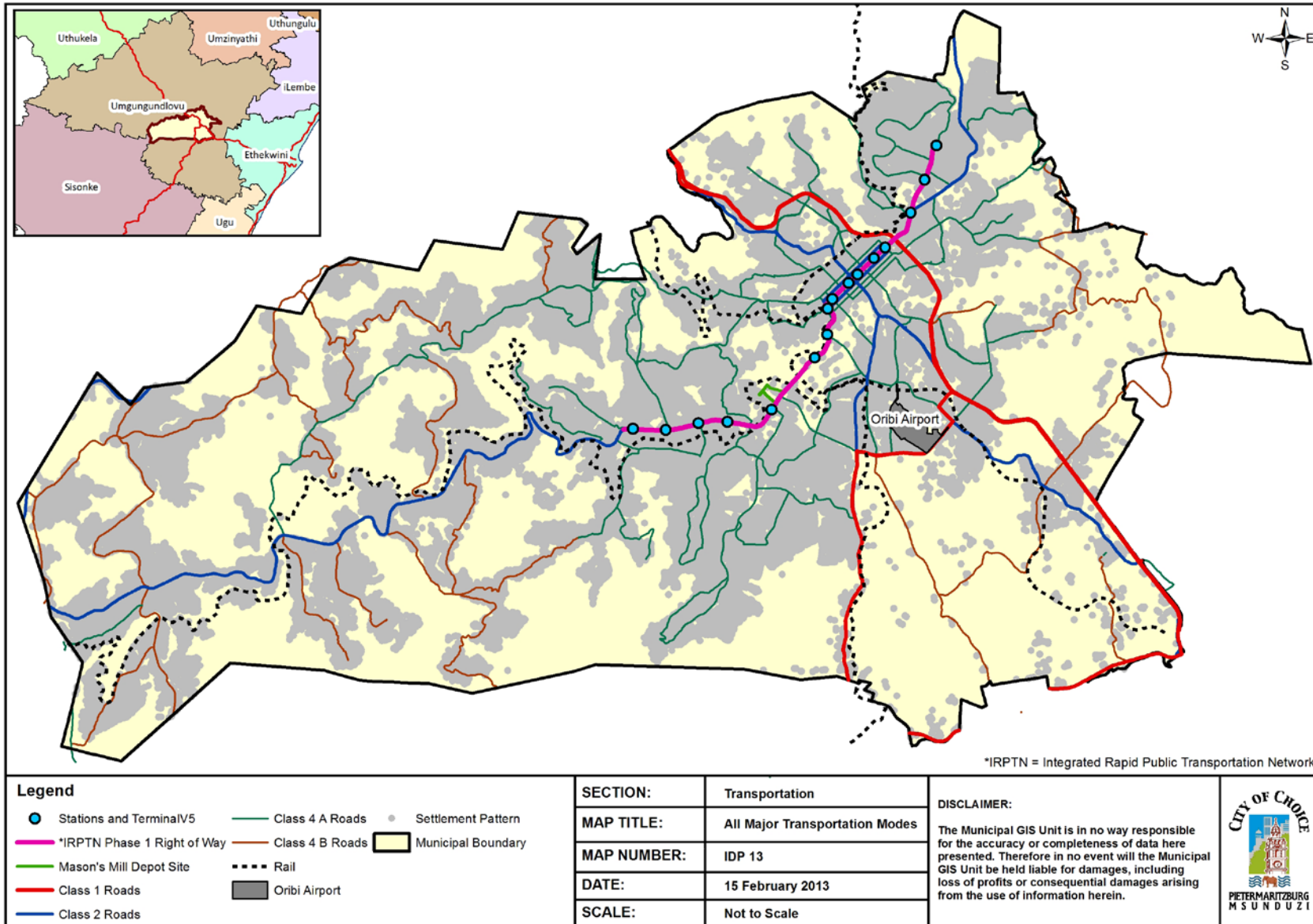
MAP 19: Waste Management: Waste Service



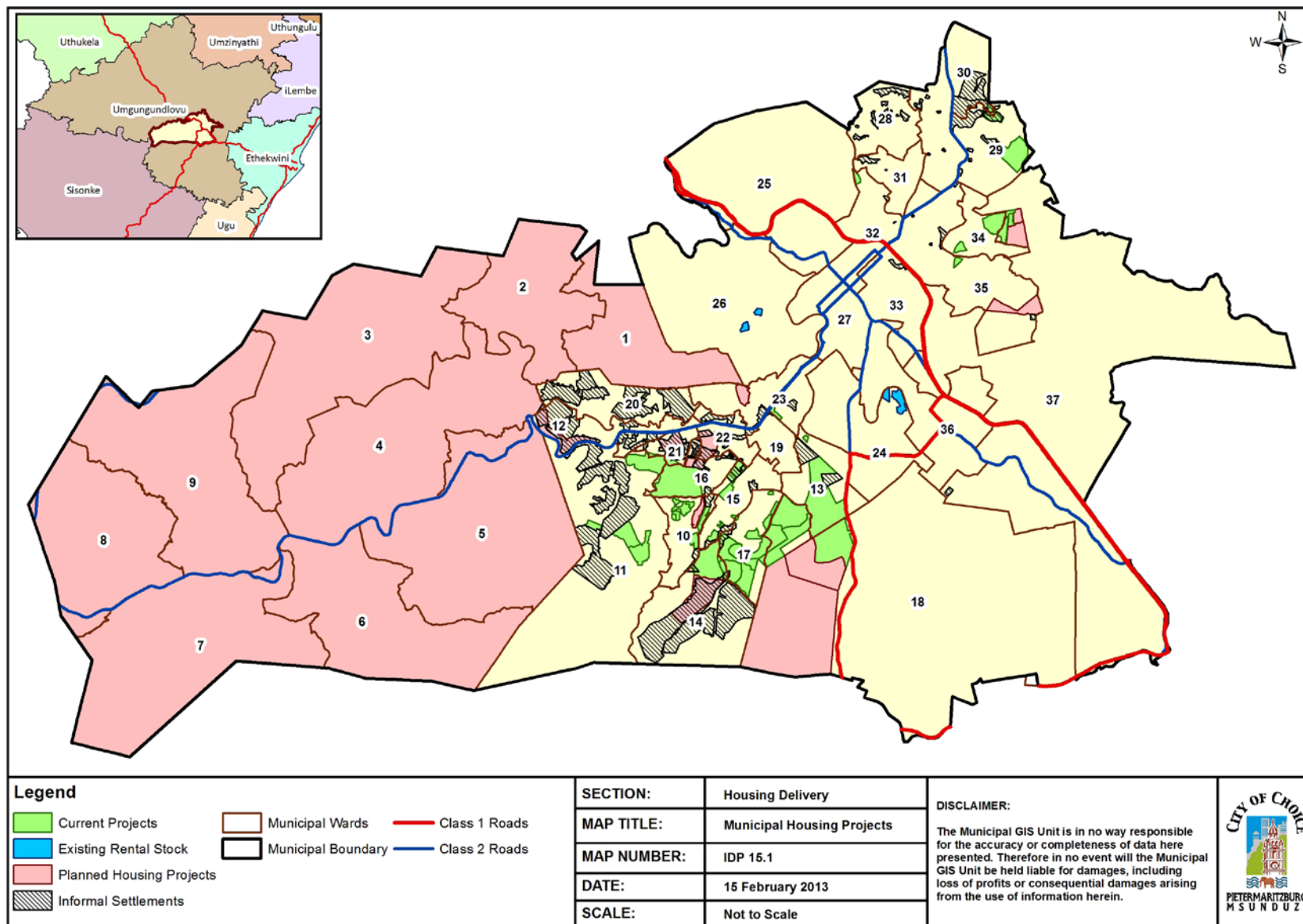
MAP 20: Roads Municipal Raods



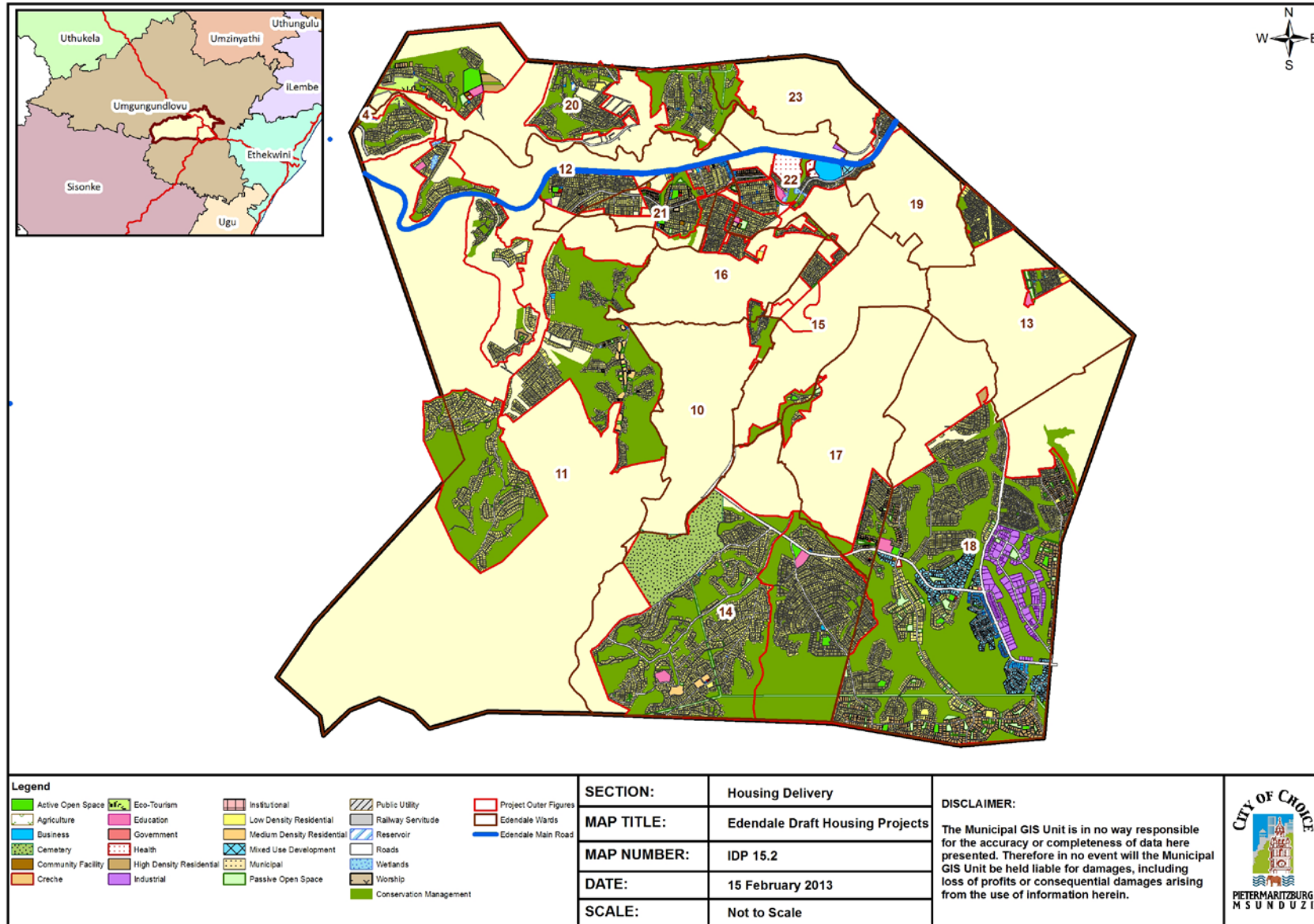
MAP 21: Transportation: All Major Transportation Modes



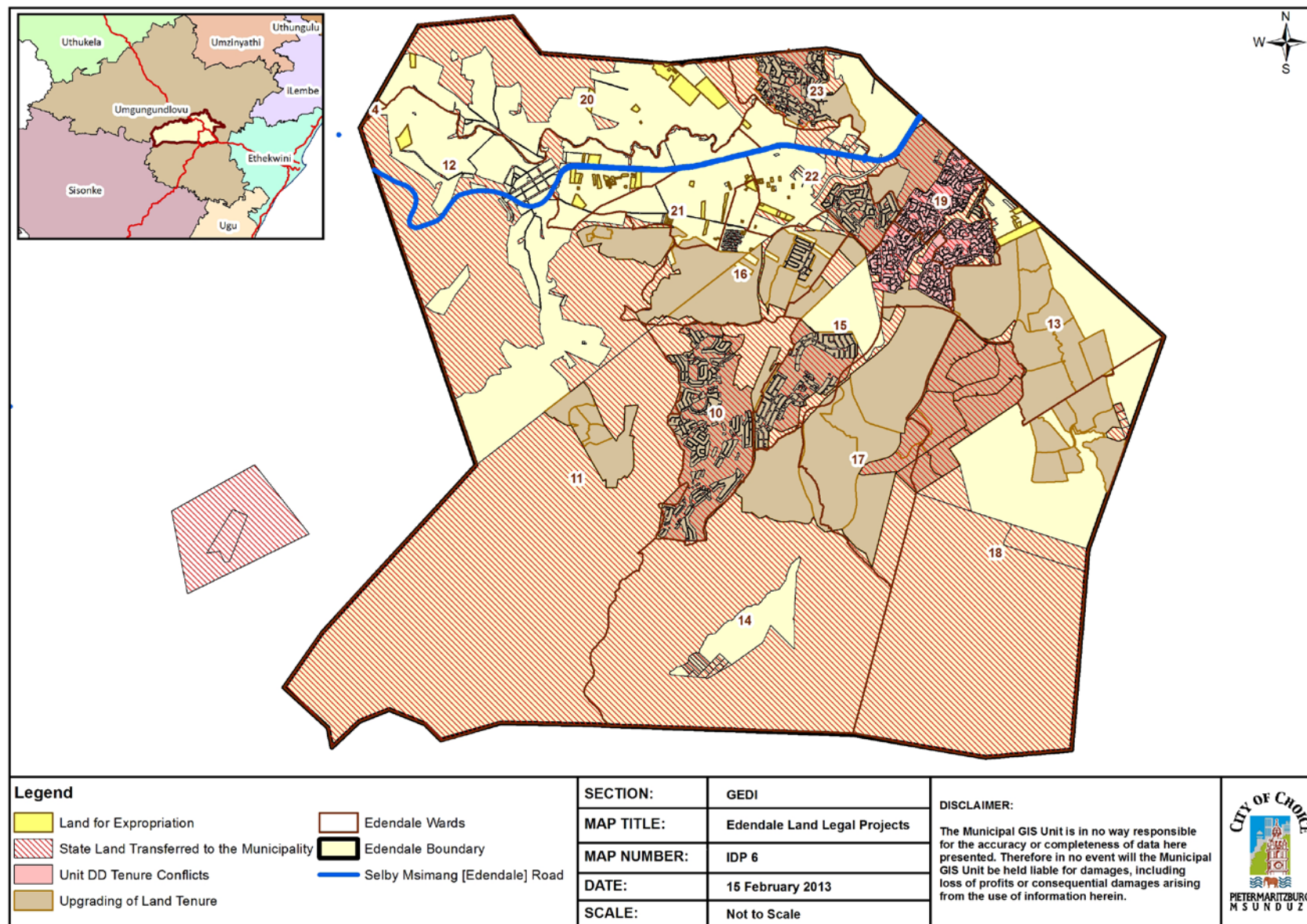
MAP 22: Housing Delivery: Municipal Housing Projects



MAP 23: Housing Delivery: Edendale Draft Housing Projects



MAP 24: GEDI: Edendale Land Legal Projects



3.16.6 THE EDENDALE LAND INITIATIVE AND THE GREATER EDENDALE DEVELOPMENT INITIATIVE

3.16.6.1 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), 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 known as the KZN Provincial Department of Human Settlements, or 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. As a result, 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, 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 mentioned 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.

3.16.6.2 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, 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 private land, a large proportion of the owners were long deceased, and their estate had not been wound up or, as was generally the case, had not even been reported to the Master of the High Court's office. This resulted in tenure insecurity, poor land administration, and the inability of Government in general, and 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.

The main functions of the LLC include, inter alia:

- Project Management and Administration;
- Setting up and maintaining a current GIS for GEDI;
- Setting up, appointment, management, and payment of Professional Valuers;
- Management and funding of the Sales Administration process associated with the acquisition of Private Land;
- Appointment, management, and payment 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, or 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, and industrial and economic development. The Greater Edendale Complex, with its multiple land ownership and irregular settlement patterns, is 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.

3.16.6.3 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 be in monetary value.

3.16.6.4 Historical community involvement

It is 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 ever-increasing settlement from informal occupiers of their land. The history of this settlement is well-known, and is not repeated here; however, it is important to note that rates arrears have been, 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.

3.16.6.5 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, from which five (5) priority housing projects were identified and resolved by the Municipality to be implemented forthwith.

3.16.6.6 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, it 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 as 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 reported at the Master of the High Court's Office in Pietermaritzburg.

3.16.6.7 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, which is chaired by the Municipality's Manager Real Estate and Valuations, and is mandated by the DOHS MOA, the RDLR MOA, and the Municipality, to identify, resolve, and 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

3.16.6.8 Purchase and sale

The Private Land Acquisition Programme is, of course, driven initially by consultation with the Registered Land owner/s, whereupon 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.

3.16.6.9 Additional funding

At present, the DOHS is offering to continue funding the Land Initiative for a further 3 years, and a Business Plan (of approximately R 71 million) has been submitted to them for consideration. This includes an amount of R 54 million for land purchase, and R 17 million for project administration, conveyancing, and the like.

C5-LOCAL ECONOMIC DEVELOPMENT

3.17 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 R 25,492,758,644. This figure is up from the -0.31% growth rate experienced in 2010.

FIGURE 12: GDP per Annum for the Msunduzi Municipality (HIS Global Insight, 2011)

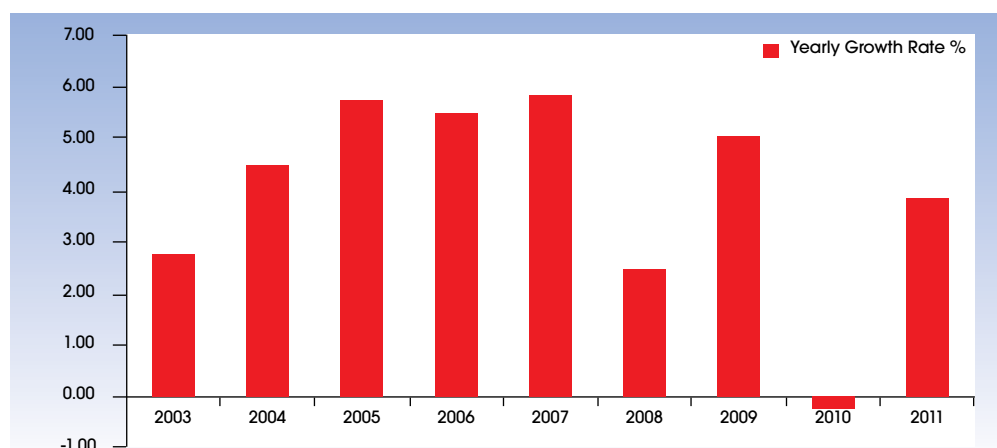
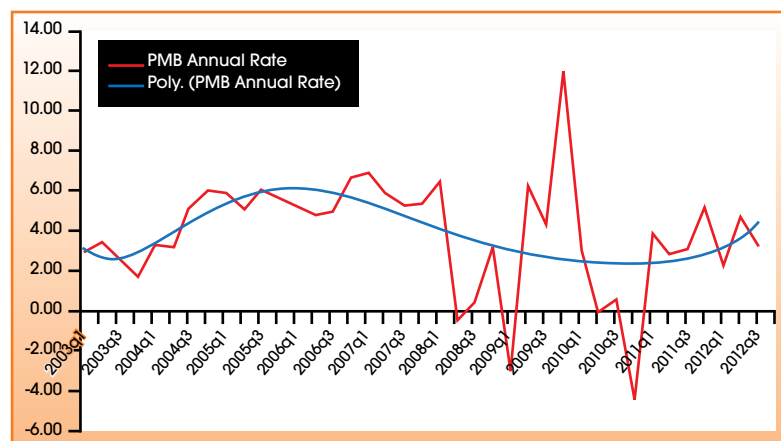


FIGURE 13: Annual GDP Growth Rate for Pietermaritzburg (2003 – 2012)

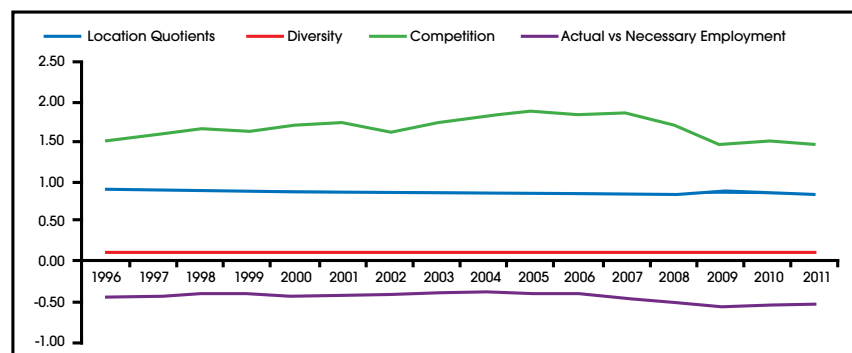


This figure indicates the annual GDP rate both per quarter and per year. The year on year rate remains positive although for Quarter 2 of 2008, Quarter 1 of 2009, and Quarter 4 of 2010, the GDP growth was negative. The trend is, however, positive at present.

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 R 22,702,000,000.00 (Quantec, 2011). The GVA growth rate for 2011 was 3.42%. The GVA per capita for this period was R 36 703.00 (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 14: Location Quotient, Diversity, Competition, and Actual vs Necessary Employment in the Msunduzi Municipality

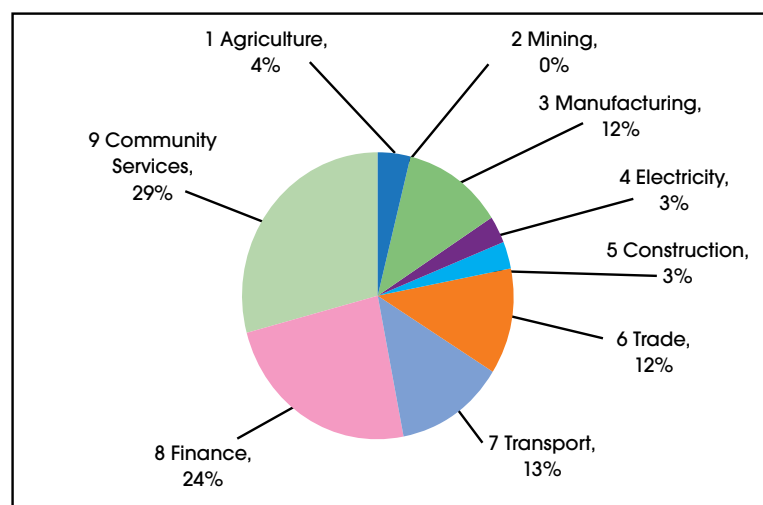


3.18 KEY ECONOMIC SECTORS

3.18.1 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 15: GDP per Sector for the Msunduzi Municipality (2012)



3.18.2 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 CBD of the Municipality has a large number of provincial government departments located within it.

3.18.3 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 within the Municipality, together with their financial transactions, reinforced this trend.

3.18.4 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 further strengthened this trend.

3.18.5 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.

3.18.6 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.

3.18.7 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.

3.18.8 Tourism

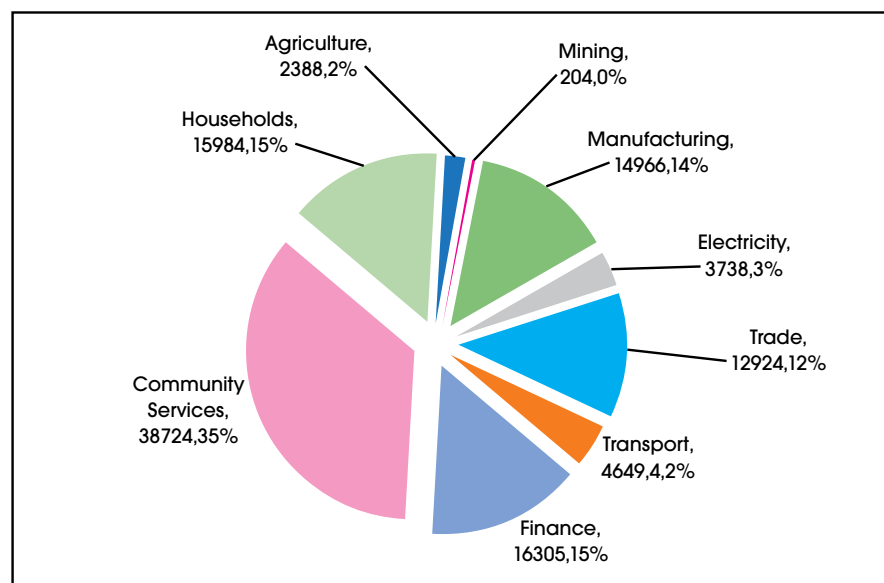
The economy of the Municipality is dependent on a number of major sporting and cultural events, including the Comrades Marathon, the Midmar Mile, the Duzi Canoe Marathon, and the Mountain Bike World Cup, to name but a few. These events lead to direct cash-injections into the economy, and have positive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

3.19 LEVELS OF EMPLOYMENT

3.19.1 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 16: 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).

3.19.2 Unemployment

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.

3.20 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, as well as 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 well. 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 views of doing business with the Municipality in the future. 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 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 for the requirements of local business.

3.21 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 good 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 prevents 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 39: 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 for informal business considering migrating to the formal economy in this municipal area. However, a larger sample would need to be canvassed before committing resources to such a specific programme.

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 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.

3.22 LEVELS OF POVERTY

The Human Development Index (HDI) is a statistic created 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 40: 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 do 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 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.

3.23 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 R 340,794,503.00.

3.24 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 41: 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. |

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| ADVANTAGE | CATEGORY | DESCRIPTION |
|----------------------------|---|---|
| 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 42: 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. |

| CLASSIFICATION | SECTOR | DESCRIPTION |
|-----------------------|---|--|
| 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) identified the following projects within the Msunduzi Municipality, based on discussions with key stakeholders:

Table 43: 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 logistical platforms | 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 |

| STRATEGY | PROJECT | DESCRIPTION | STATUS |
|----------------------------|---|--|-------------|
| 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 |

3.25 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. As part of the review strategy the municipality is utilising analysis from the Area Based Plans together with a range of other information sources.

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.

The following support plans are in place:

- Clothing and textile plan
- Tourism master plan
- Business process outsourcing strategy
- Agri processing plan
- Forestry plan
- Informal economic strategy
- Regional economic strategy

The Neighbourhood Development Partnership Grant, (NDP) awarded an amount of R35 million as Capital Grant funding and R2.7 million for Technical Grant funding. NDP has reviewed its existing programme and concluded that, in the absence of an integrated and co-ordinated city wide urban regeneration strategy, the programme has had little impact hence the introduction of the Urban Network Strategy. The proposed new strategic direction for the NDPG is based on a spatial development approach that builds on an urban network model, which is “a transit-orientated precinct investment planning, development and management approach aimed at strategic spatial transformation”.

The NDPG has now refocused the project from Township Regeneration to Urban Network Hubs and they have set aside R1.375 million the development of an Urban Network Strategy for Greater Edendale. The network hub includes Masons’ Mill, Plessislaer (Ekhrosini), Edendale Hospital and the FJ Sithole Road Nodes.

- The Urban Network Strategy remains on course and is funded under the 2013/2014 DoRA allocation to the Municipality.
- The Procurement Process in support of the appointment of the consultants to produce the Urban Network Strategy has been concluded.
- The project is required to be completed by July 2014 and in terms of the Business Plan to be prepared as part of the Urban Network Strategy, various capital project would be identified for implementation.

Table 44: SWOT

KEY ISSUES RELATING TO THE ECONOMY

- 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:
 - **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

- 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

- Limited space available for industrial expansion.
- Labour residing long distances from places of employment.
- The need to review the LED strategy.

OPPORTUNITIES

- Adding value to agricultural produce.
- Increasing events in the Municipality.
- The development of the logistical potential of the Municipality's location.
- Expanding manufacturing in the areas of agricultural chemicals, automotive components, and wood products.

THREATS

- The impacts of the on-going Global financial crisis.
- Globalisation and competition with manufacturers with lower overhead costs.

3.26 SOCIAL INFRASTRUCTURE

3.26.1 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 45: 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.

3.26.2 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.

3.26.3 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 to maintain and upgrade our computer facilities.

Table 46: 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 |

3.26.4 Theatres and Community Halls

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

The major challenge experienced by Council with regard to these facilities relates to recuperating all operational costs relating to the service that is being charged for.

3.26.5 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 47: Parks and Open Spaces

| DESCRIPTION | NUMBER | AREA (m2) |
|-------------|--------|-----------|
| PARKS | 16 | 1,913,800 |
| OPEN SPACES | 133 | 4,002,000 |

3.26.6 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.

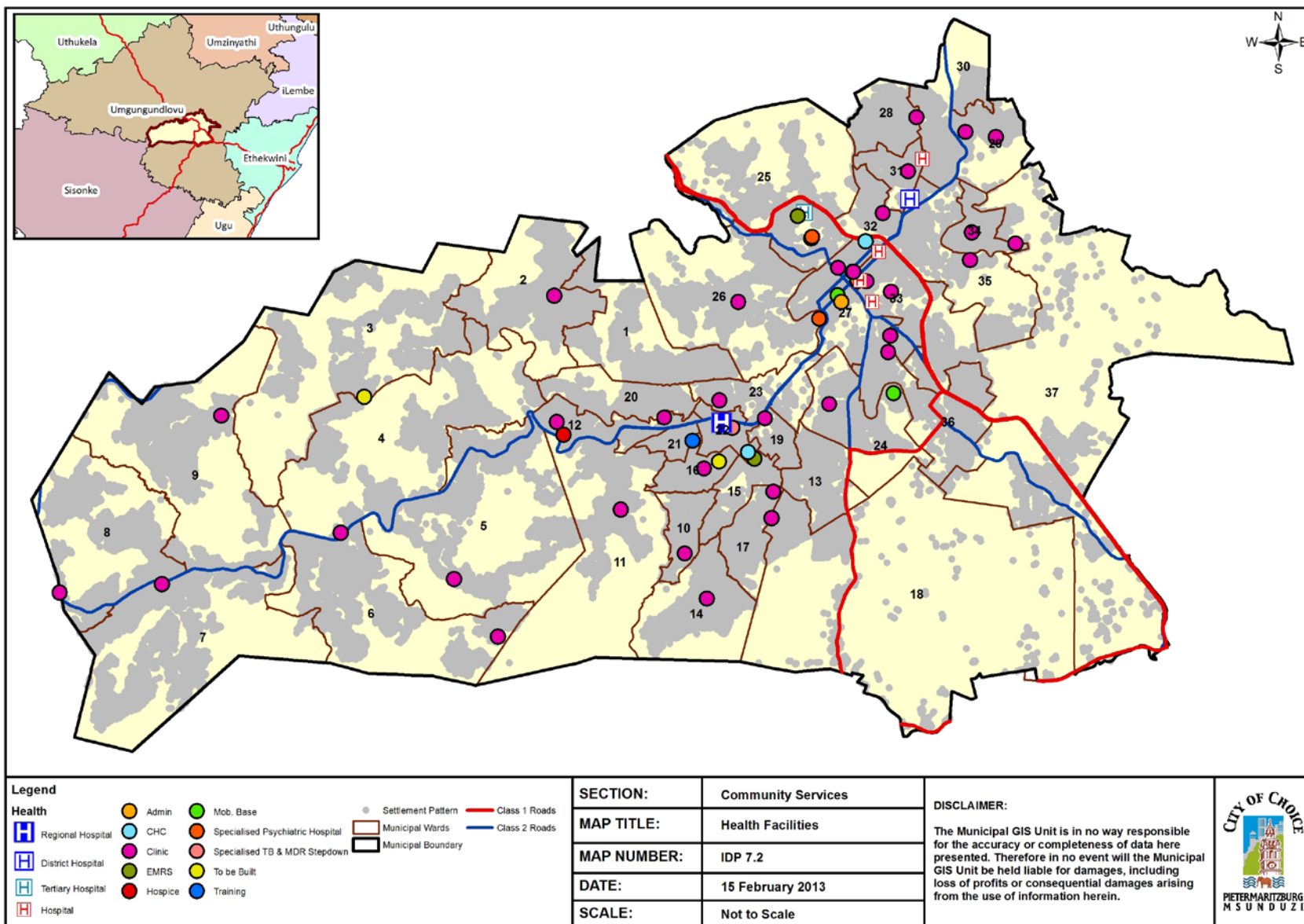
The identification of a new cemetery is vital, as the lack of burial space in the existing cemeteries will seriously impact on service delivery in the near future.

3.26.7 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. Due to the fact that the DM does not have a champion to drive the process, the Msunduzi Municipality is liaising directly with the provincial official to facilitate data capture in terms of the guidelines.

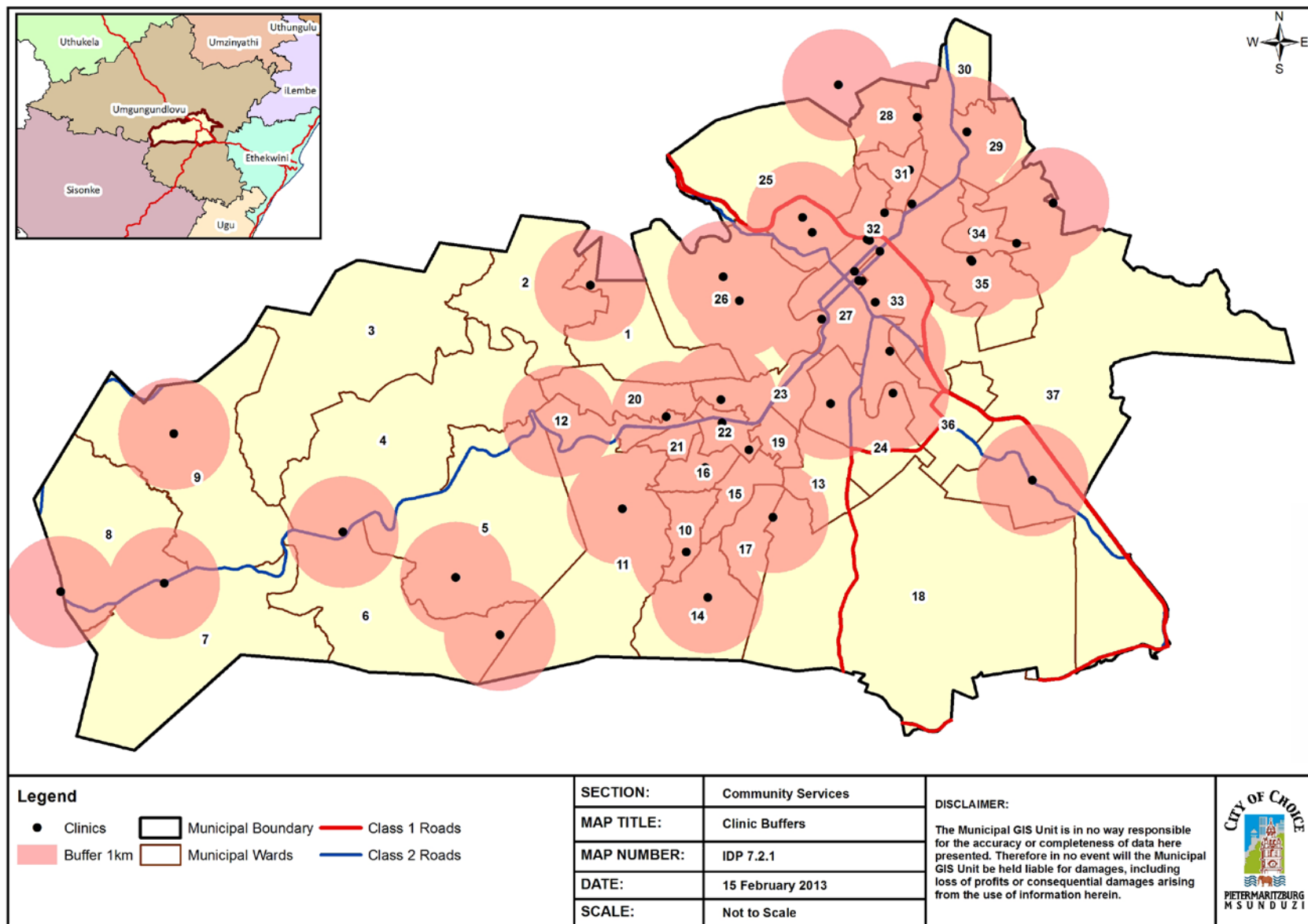
It is anticipated that the Msunduzi Municipality will have a draft work plan in place by the end of June 2014, which will later be aligned to the DM process.

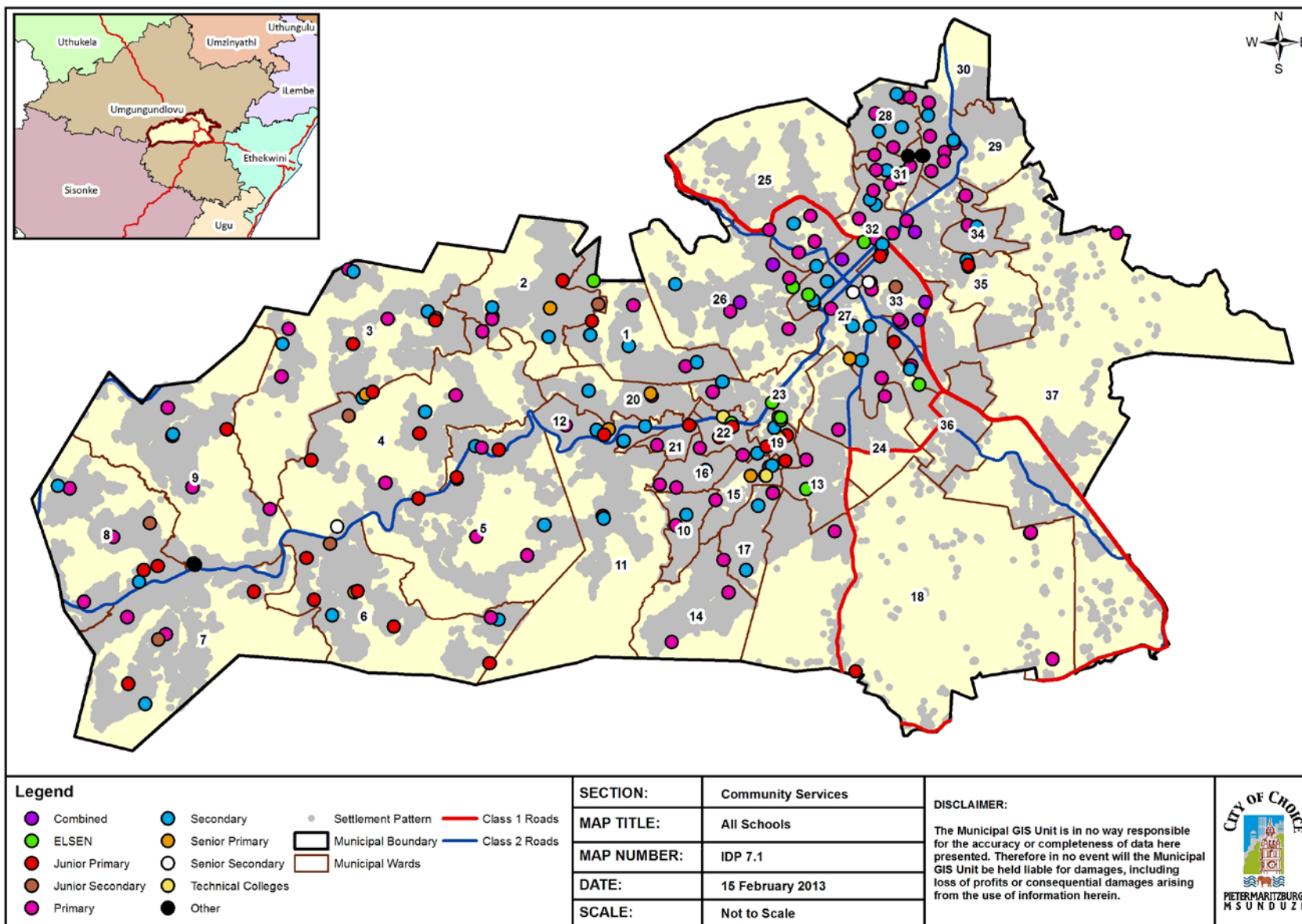
MAP 25: Community Service: Health Facilities



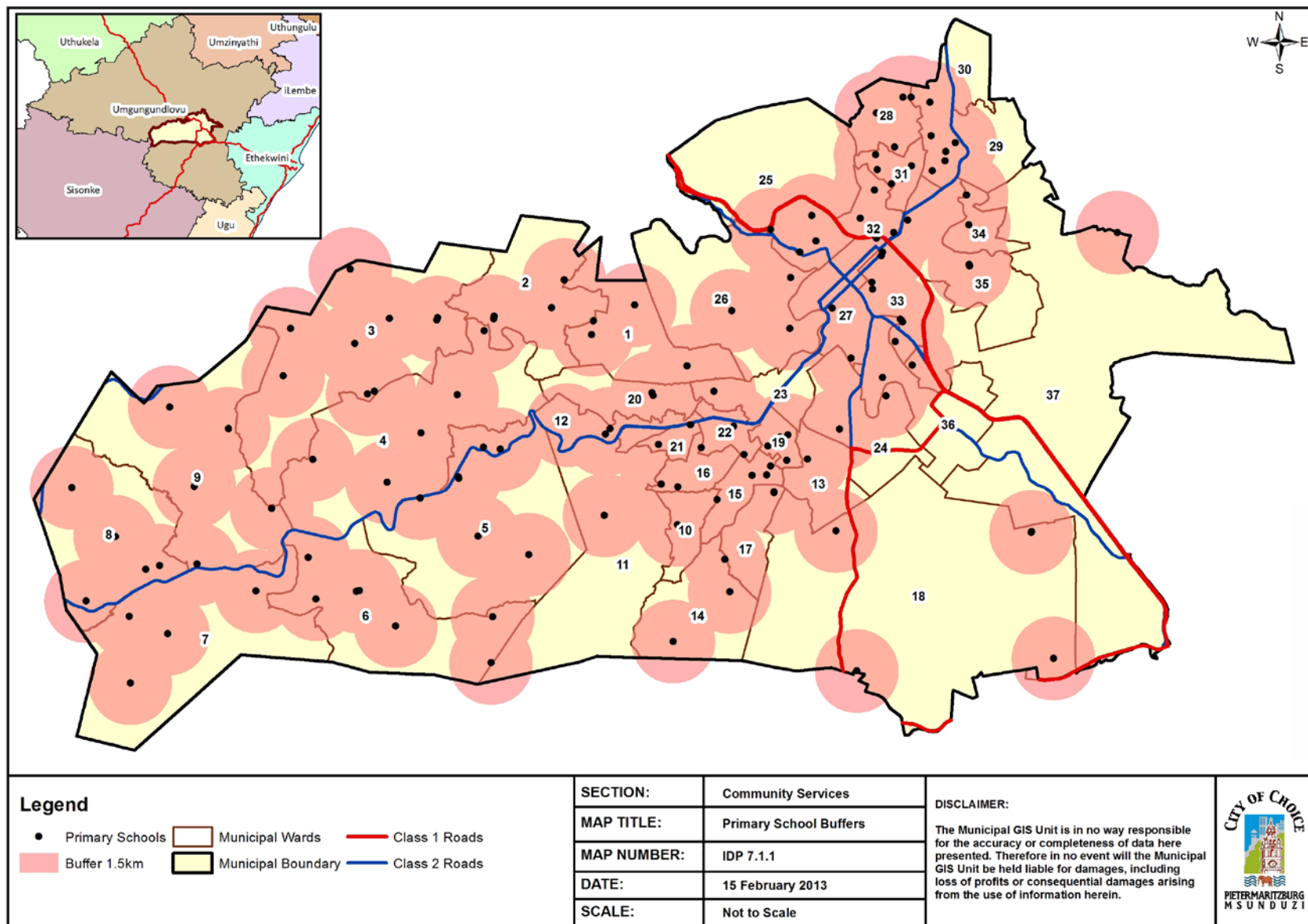
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MAP 26: Community Service: Clinic Buffers

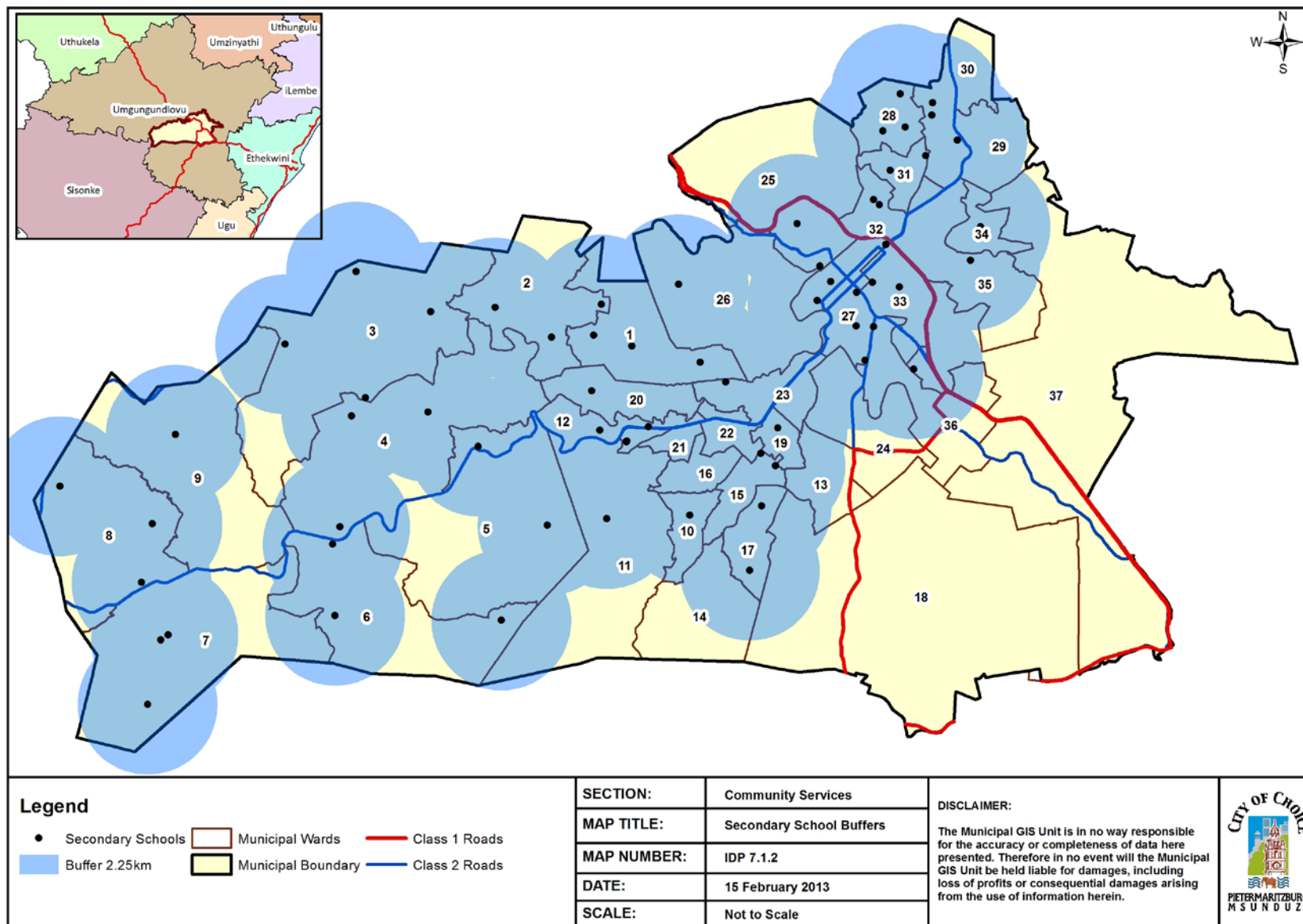




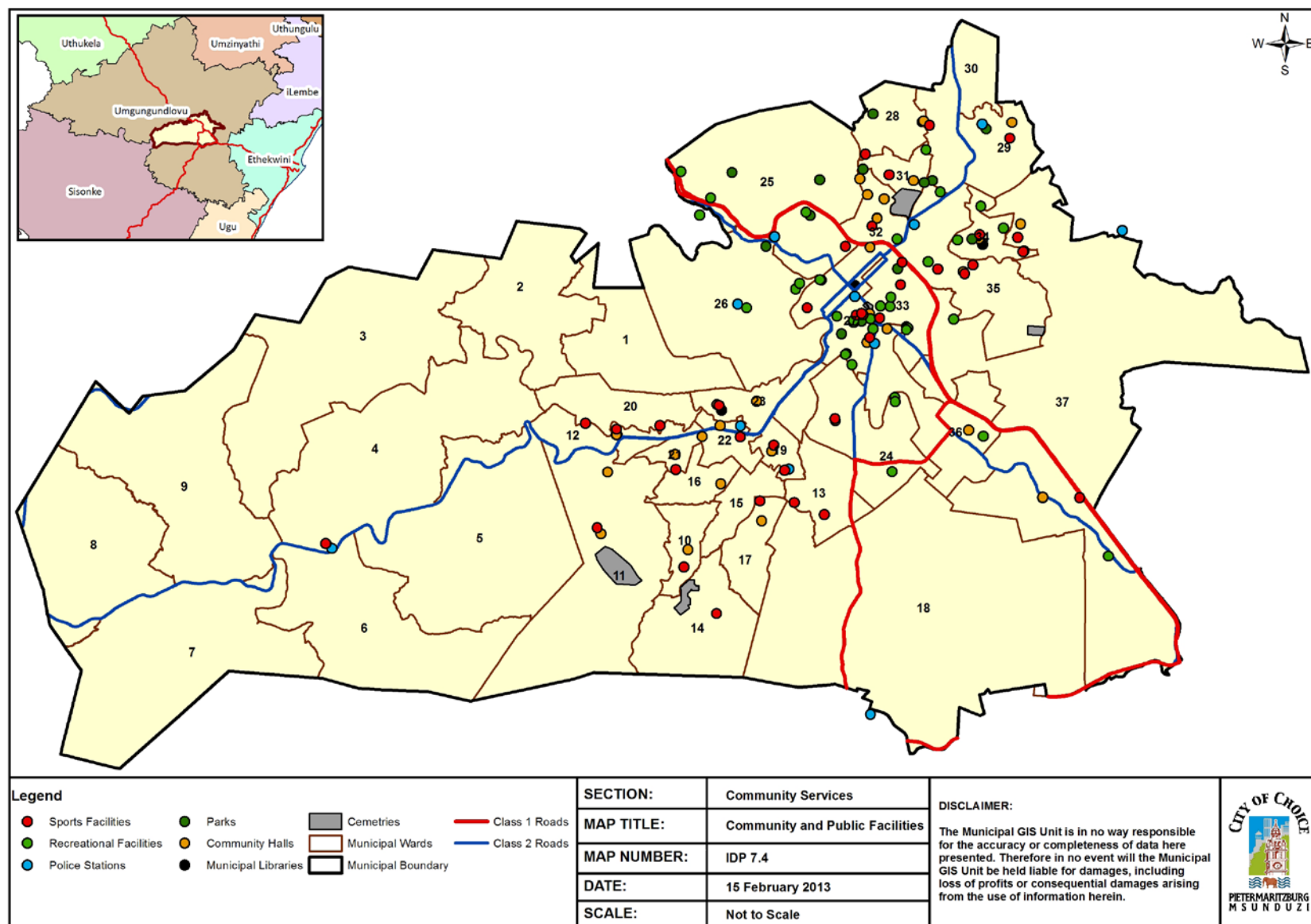
MAP 28: Community Service: Primary School Buffers



MAP 29: Community Service: Secondary School Buffers



MAP 29: Community Service: Community and Public Facilities



3.26.8 SPECIAL GROUPS

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

Table 48: 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 young people from the Msunduzi Municipality, which meets on a monthly basis. 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 in each 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 attending 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). |

Table 49: SWOT

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.
- Aging 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.

OPPORTUNITIES

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

WEAKNESSES

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

THREATS

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

3.27 Capability to Execute Capital Projects

The following table summarises the annual expenditure on capital projects against the budgeted amounts for the period 2010 to 2013.

Table 50: Capital Expenditure against Budgeted Amounts

| KZN225 Msunduzi - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding | | | | | | | | | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Vote Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Capital expenditure - Vote | | | | | | | | | | | |
| Multi-year expenditure to be appropriated | 2 | | | | | | | | | | |
| Vote 1 - Corporate Services | | 3 552 | 12 689 | – | 2 500 | 24 025 | 24 025 | 24 025 | 25 454 | 65 822 | 72 487 |
| Vote 2 - Financial Management Area | | 152 | 35 | | | | | | 24 417 | – | – |
| Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management | | 91 807 | 195 273 | 163 117 | 379 546 | 379 246 | 379 246 | 379 246 | 321 922 | 150 555 | 166 765 |
| Vote 4 - Sustainable Community Service Delivery Provision Management | | 15 638 | 15 963 | 32 815 | – | 126 | 126 | 126 | 74 305 | 372 211 | 298 329 |
| Capital multi-year expenditure sub-total | 7 | 111 149 | 223 959 | 195 932 | 382 046 | 403 397 | 403 397 | 403 397 | 446 098 | 588 588 | 537 581 |
| Single-year expenditure to be appropriated | 2 | | | | | | | | | | |
| Vote 1 - Corporate Services | | | 5 150 | 3 100 | 3 100 | 3 100 | 3 100 | 3 100 | 3 818 | 21 941 | 24 163 |
| Vote 2 - Financial Management Area | | | – | 7 000 | 7 012 | 7 012 | 7 012 | 7 012 | 10 479 | – | – |
| Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management | | – | – | 15 636 | 42 702 | 73 804 | 73 804 | 73 804 | 112 441 | 58 889 | 4 726 |



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

| Vote Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|--|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Vote 4 - Sustainable Community Service Delivery Provision Management | | – | – | 13 296 | 8 310 | 35 820 | 35 820 | 35 820 | 24 918 | 123 181 | 99 510 |
| Capital single-year expenditure sub-total | | – | 5 150 | 39 032 | 61 124 | 119 736 | 119 736 | 119 736 | 151 656 | 204 011 | 128 399 |
| Total Capital Expenditure - Vote | | 111 149 | 229 109 | 234 964 | 443 170 | 523 133 | 523 133 | 523 133 | 597 754 | 792 599 | 665 980 |
| Capital Expenditure - Standard | | | | | | | | | | | |
| Governance and administration | | 7 557 | 12 723 | 3 713 | 30 760 | 49 425 | 49 425 | 49 425 | 23 899 | 46 413 | 32 450 |
| Executive and council | | 235 | | 309 | – | 353 | 353 | 353 | 1 961 | 46 413 | 32 450 |
| Budget and treasury office | | 7 323 | 35 | 3 404 | 30 760 | 49 072 | 49 072 | 49 072 | 21 938 | | |
| Corporate services | | | 12 689 | | | | | | – | – | |
| Community and public safety | | 612 | 12 838 | 18 084 | 4 500 | 9 437 | 9 437 | 9 437 | 10 656 | 11 417 | 12 682 |
| Community and social services | | 436 | 12 620 | 12 610 | 2 800 | 3 837 | 3 837 | 3 837 | 4 128 | 4 499 | 4 994 |
| Sport and recreation | | | | 5 475 | 1 700 | 5 000 | 5 000 | 5 000 | 6 008 | 6 268 | 6 707 |
| Public safety | | 165 | 218 | | – | 600 | 600 | 600 | 520 | 649 | 981 |
| Housing | | 11 | | | | | | | | | |
| Health | | | | | | | | | | | |
| Economic and environmental services | | 46 382 | 84 650 | 66 580 | 163 976 | 414 348 | 414 348 | 414 348 | 350 836 | 505 906 | 403 691 |
| Planning and development | | | 59 | | 2 700 | 52 572 | 252 572 | 252 572 | 173 873 | 272 963 | 180 353 |
| Road transport | | 46 382 | 84 591 | 66 580 | 161 276 | 161 776 | 161 776 | 161 776 | 176 963 | 232 943 | 223 338 |
| Environmental protection | | | | | | | | | | | |
| Trading services | | 45 413 | 110 623 | 109 130 | 241 112 | 253 416 | 253 416 | 253 416 | 179 896 | 194 122 | 179 984 |
| Electricity | | 16 592 | 26 696 | 54 869 | 151 500 | 153 493 | 153 493 | 153 493 | 95 035 | 117 517 | 110 899 |
| Water | | 12 860 | 63 324 | 35 317 | 34 425 | 41 835 | 41 835 | 41 835 | 59 191 | 49 141 | 39 386 |
| Waste water management | | 15 491 | 396 | 16 892 | 47 097 | 47 097 | 47 097 | 47 097 | 14 129 | 15 577 | 16 979 |
| Waste management | | 471 | 20 206 | 2 052 | 8 091 | 10 991 | 10 991 | 10 991 | 11 541 | 11 887 | 12 719 |
| Other | | 11 184 | 3 125 | 22 811 | 2 810 | 26 510 | 26 510 | 26 510 | 32 468 | 34 742 | 37 174 |
| Total Capital Expenditure - Standard | 3 | 111 149 | 223 959 | 220 319 | 443 158 | 753 136 | 753 136 | 753 136 | 597 754 | 792 599 | 665 980 |
| Funded by: | | | | | | | | | | | |
| National Government | | 73 020 | 123 449 | 189 180 | 383 158 | 391 760 | 391 760 | 391 760 | 283 897 | 464 283 | 470 992 |
| Provincial Government | | 11 429 | 25 621 | 31 139 | | 25 459 | 25 459 | 25 459 | 9 927 | 9 000 | – |

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

| Vote Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| District Municipality | | | | | | | | | | | |
| Other transfers and grants | | 205 | – | | | 2 427 | 2 427 | 2 427 | – | – | |
| Transfers recognised - capital | 4 | 84 654 | 49 070 | 220 319 | 383 158 | 419 646 | 419 646 | 419 646 | 293 824 | 473 283 | 470 992 |
| Public contributions & donations | 5 | | | | | | | | | | |
| Borrowing | 6 | 26 495 | | | | 4 193 | 4 193 | 4 193 | 100 000 | | |
| Internally generated funds | | | 74 889 | | 60 000 | 99 294 | 99 294 | 99 294 | 203 930 | 319 316 | 194 988 |
| Total Capital Funding | 7 | 111 149 | 223 959 | 220 319 | 443 159 | 523 133 | 523 133 | 523 133 | 597 754 | 792 599 | 665 980 |

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.

3.28 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. It is anticipated that the list of beneficiaries will grow to approximately 28 000.

The following subsidy will apply per month:

Table 51: Free Basic Services Subsidies for 2013/14

| Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | |
|---|----------|----------|----------------|---------------|----------------------|-----------------|--------------------|
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast |
| Household service targets | 1 | | | | | | |
| Water: | | | | | | | |
| Piped water inside dwelling | | | 78 552 | 100 | 79 | 79 | 79 |
| Piped water inside yard (but not in dwelling) | | | 63 301 | 7 | 63 | 63 | 63 |
| Using public tap (at least min.service level) | 2 | | 15 744 | 1 | 18 | 18 | 18 |
| Other water supply (at least min.service level) | 4 | | | | | | |
| Minimum Service Level and Above sub-total | | - | 157 597 | 108 | 160 097 | 160 097 | 160 097 |
| Using public tap (< min.service level) | 3 | | | | | | |
| Other water supply (< min.service level) | 4 | | | | | | |
| No water supply | | | 6 396 | | | | |
| Below Minimum Service Level sub-total | | - | 6 396 | - | - | - | - |
| Total number of households | 5 | - | 163 993 | 108 | 160 097 | 160 097 | 160 097 |
| Sanitation/sewerage: | | | | | | | |
| Flush toilet (connected to sewerage) | | | 84 675 | 55 228 | 84 975 | 84 975 | 84 975 |
| Flush toilet (with septic tank) | | | 8 540 | 4 979 | 8 560 | 8 560 | 8 560 |
| Chemical toilet | | | 5 489 | 315 | 3 000 | 3 000 | 3 000 |
| Pit toilet (ventilated) | | | 28 344 | 32 116 | 24 344 | 24 344 | 24 344 |
| Other toilet provisions (> min.service level) | | | 32 044 | - | 24 044 | 24 044 | 24 044 |
| Minimum Service Level and Above sub-total | | - | 159 092 | 92 638 | 144 923 | 144 923 | 144 923 |
| Bucket toilet | | | 1 585 | | | | |
| Other toilet provisions (< min.service level) | | | | | | | |
| No toilet provisions | | | 3 316 | | | | |
| Below Minimum Service Level sub-total | | - | 4 901 | - | - | - | - |
| Total number of households | 5 | - | 163 993 | 92 638 | 144 923 | 144 923 | 144 923 |
| Energy: | | | | | | | |
| Electricity (at least min.service level) | | | | 44 000 | 44 500 | 44 500 | 44 500 |
| Electricity - prepaid (min.service level) | | | | 20 000 | 21 000 | 21 000 | 21 000 |
| Minimum Service Level and Above sub-total | | - | - | 64 000 | 65 500 | 65 500 | 65 500 |
| Electricity (< min.service level) | | | | | | | |
| Electricity - prepaid (< min. service level) | | | | | | | |

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| Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | |
|--|----------|----------------|---------|----------------|----------------------|-----------------|--------------------|
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast |
| Other energy sources | | | | | | | |
| Below Minimum Service Level sub-total | | - | - | - | - | - | - |
| Total number of households | 5 | - | - | 64 000 | 65 500 | 65 500 | 65 500 |
| <u>Refuse:</u> | | | | | | | |
| Removed at least once a week | | 89 910 | - | 70 000 | 89 910 | 89 910 | 89 910 |
| Minimum Service Level and Above sub-total | | 89 910 | - | 70 000 | 89 910 | 89 910 | 89 910 |
| Removed less frequently than once a week | | 19 000 | | 38 910 | 29 000 | 29 000 | 29 000 |
| Using communal refuse dump | | | | | | | |
| Using own refuse dump | | | | | | | |
| Other rubbish disposal | | | | | | | |
| No rubbish disposal | | 35 090 | | 35 090 | 25 090 | 25 090 | 25 090 |
| Below Minimum Service Level sub-total | | 54 090 | - | 74 000 | 54 090 | 54 090 | 54 090 |
| Total number of households | 5 | 144 000 | - | 144 000 | 144 000 | 144 000 | 144 000 |
| <u>Households receiving Free Basic Service</u> | 7 | | | | | | |
| Water (6 kilolitres per household per month) | | | | 20 119 | 21 125 | 21 125 | 21 125 |
| Sanitation (free minimum level service) | | | | 20 119 | 21 125 | 21 125 | 21 125 |
| Electricity/other energy (50kwh per household per month) | | | | | | | |
| Refuse (removed at least once a week) | | | | 20 119 | 21 125 | 21 125 | 21 125 |
| <u>Cost of Free Basic Services provided (R'000)</u> | 8 | | | | | | |
| Water (6 kilolitres per household per month) | | | | | | | |
| Sanitation (free sanitation service) | | | | | | | |
| Electricity/other energy (50kwh per household per month) | | | | | | | |
| Refuse (removed once a week) | | | | | | | |
| Total cost of FBS provided (minimum social package) | | - | - | - | - | - | - |
| <u>Revenue cost of free services provided (R'000)</u> | 9 | | | | | | |
| Property rates (R15 000 threshold rebate) | | 12 955 | | 16 431 | 17 623 | 17 623 | 17 623 |
| Property rates (other exemptions, reductions and rebates) | | | | | | | |
| Water | | 61 891 | | 78 496 | 84 193 | 84 193 | 84 193 |
| Sanitation | | 47 393 | | 60 109 | 64 472 | 64 472 | 64 472 |
| Electricity/other energy | | 97 757 | | 123 984 | 132 984 | 132 984 | 132 984 |
| Refuse | | 47 215 | | 59 883 | 64 229 | 64 229 | 64 229 |
| Municipal Housing - rental rebates | | | | | | | |
| Housing - top structure subsidies | 6 | | | | | | |
| Other | | | | | | | |
| Total revenue cost of free services provided (total social package) | | 267 211 | - | 338 903 | 363 502 | 363 502 | 363 502 |

3.29 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.

(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 arrears 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 over to a 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.

3.30 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 R1,4 billion in 2014, which is of concern. 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, which is a worrying trend, but this mirrors the macro-economic trends identified in the economic analysis.

Table 52: 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 |

Debtors balances As at 30 June 2014.

Gross – 1 552 747 127 Impairment – (801 836 140) Net R 750 910 987

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SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2013

| EXTERNAL LOANS | LOAN NUMBER | REDEEMABLE | BALANCE AT 30/06/12 | RECEIVED DURING THE PERIOD | REDEEMED WRITTEN OFF DURING THE PERIOD | BALANCE AT 30/06/13 |
|---------------------------------|----------------|------------|------------------------|----------------------------------|---|------------------------|
| LONG-TERM LOANS | | | R | R | R | R |
| DBSA Total | | | 609 430 734 | 11 543 202 | 38 271 539 | 582 702 397 |
| RMB/INCA - 16.35% | Piet-00-0001 | 31/12/2010 | 808 798 | | 808 798 | - |
| INCA - 11.65% | Msun-00-0001 | 31/12/2013 | 6 939 374 | | 4 494 492 | 2 444 882 |
| RMB/INCA Total | | | 7 748 172 | | 5 303 290 | 2 444 882 |
| RMB/HULETTS - 8.71% | Sub-station | 30/06/2013 | 2 359 439 | | 1 513 511 | 845 928 |
| RMB/HULETTS Total | | | 2 359 439 | | 1 513 511 | 845 928 |
| Total Long-term Loans | | | 619 538 345 | 11 543 202 | 45 088 340 | 585 993 207 |
| Nedbank Total | | | 4 256 432 | | 2 260 472 | 1 995 960 |
| Total lease liability | | | 4 256 432 | - | 2 260 472 | 1 995 960 |
| TOTAL EXTERNAL LOANS | | | 623 794 777 | 11 543 202 | 47 348 812 | 587 989 167 |

3.31 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 53: Unspent Conditional Grants

| DETAILS OF UNSPENT CONDITIONAL GRANTS, RECEIPTS AND TRANSFERS TO INCOME AS AT 30 JUNE 2013 | | | | | | | |
|--|--------------------------------|--------------------|---------------|------------------------------|--|-----------------------|--------------------------------|
| Account Description | Unspent balance @ 01 July 2012 | Transfers | Adjustments | Inter project/ vote transfer | Funds paid back to National Treasury/ Transfers/ Refunds | Current year receipts | Unspent balance @ 30 June 2013 |
| GRANT COMMUNITY DEVELOPMENT WORKERS | -7 818 | 7 096 | | | | 0 | 22.49 |
| NATIONAL GRANT - MSIG | -485 099 | 857 035 | | | 427 800 | -800 000 | 263.40 |
| FINANCE MANAGEMENT GRANT | -496 692 | 1 996 692 | | | | -1 500 000 | |
| UNSPENT CONDITIONAL GRANT - MIG | -5 566 961 | 139 055 367 | 37 547 | | 3 116 000 | -153 399 000 | 16 757 046.26 |
| TRANSPORTATION GRANT - N.T. | 0 | 36 570 767 | | -71 837 857 | 2 549 000 | -45 000 000 | 77 718 090.41 |
| EDN S - UPGRADE WATER SUPPLY | -240 263 | 0 | | | | -56 737 | -296 999.99 |
| NT FUNDS NPDG | -6 650 000 | 501 050 | | | | 0 | -6 148 950.00 |
| UNSPENT COND.GRANT - HRD/LGSETA | 0 | 300 000 | | | | -300 000 | |
| UNSPENT CONDITIONAL GRANT - PHB | -36 359 010 | 0 | | | | -597 795 | -36 956 804.64 |
| ELECT.DEMAND SIDE MGT GRANT / INEP- NT | 0 | 3 611 795 | | | | -10 000 000 | -6 388 204.64 |
| | -49 805 842 | 182 899 802 | 37 547 | -71 837 857 | 6 092 800 | -211 653 532 | 144 267 081.83 |
| COGTA - URBAN RENEWAL | 0 | 4 308 718 | | | | -6 500 000 | 2 191 281.62 |
| PG:COMMUNITY COMMUNICATION INITIATIVE | -50 000 | 40 079 | | | | 0 | -9 921.08 |
| UNSPENT CONDITIONAL GRANT - PROVINCE | -665 703 | 3 293 938 | | | | -7 232 926 | 4 604 690.85 |
| TRANSPORTATION GRANT - PROVINCE | -73 601 569 | 129 233 | | 71 404 647 | | 0 | -2 067 688.15 |
| COGTA - NEW ENGLAND ROAD | 0 | 4 566 790 | | 433 210 | | -5 000 000 | |
| COGTA - EPW PROJECT | -35 875 | 1 535 611 | | | | -1 501 000 | -1 263.30 |
| PROV - URBAN RENEWAL PROJECT | -2 326 724 | 0 | | | | -107 530 | -2 434 254.93 |
| FOOD AID PROGRAMME | -7 468 | | 7 468 | | | 0 | |
| ALEXANDRA PARK ATHLETIC TRACK | -535 291 | 1 377 671 | | | | -1 605 184 | -762 803.23 |
| PROV GRANT AIRPORT | 0 | 467 320 | | | | -467 320 | |
| COGTA ASHBURTON FEASIBILITY STUDY | -500 000 | 519 196 | | | | -19 196 | |
| I.D.P. FUND FROM DEPT. OF LG&H | -398 071 | 398 071 | | | | 0 | |
| LAND USE MGT (CONSULTANTS-DEPT LOCAL GVT) | -145 962 | 145 962 | | | | 0 | |
| PG - INTERGRATION WITH REDS | -21 295 | | 1 718 | | 19 576 | 0 | |
| ELECTRICITY GRANTS - COGTA | 0 | 3 872 570 | | | | -10 049 137 | 6 176 566.64 |
| MARKET GRANTS - COGTA | 0 | 6 319 982 | | | | -7 657 679 | 1 337 697.53 |

DETAILS OF UNSPENT CONDITIONAL GRANTS, RECEIPTS AND TRANSFERS TO INCOME AS AT 30 JUNE 2013

| Account Description | Unspent balance @ 01 July 2012 | Transfers | Adjustments | Inter project/ vote transfer | Funds paid back to National Treasury/ Transfers/ Refunds | Current year receipts | Unspent balance @ 30 June 2013 |
|---|--------------------------------|-------------------|--------------|------------------------------|--|-----------------------|--------------------------------|
| DWA NON REVENUE WATER | 0 | 155 120 | | | | -1 500 000 | -1 344 880.00 |
| COGTA - CORRIDOR DEV.WATER TESTING | -300 000 | 0 | | 300 000 | | 0 | |
| COGTA - MASSIFICATION : WCWDM | 0 | 840 436 | | | | -2 000 000 | 1 159 563.99 |
| GRANT - WATER SERVICE DELIVERY PLANNING | -82 984 | 0 | | | | 0 | -82 984.07 |
| | -78 670 941 | 27 970 697 | 9 187 | 72 137 857 | 19 576 | -43 639 972 | -22 173 595.39 |

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

Table 54: List of Grants and Transfers

KZN225 Msunduzi - Supporting Table SA18 Transfers and grant receipts

| Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Operating Transfers and Grants | | | | | | | | | | |
| National Government: | | 267 375 | 310 326 | 342 704 | 362 139 | 362 139 | 362 139 | 384 424 | 402 078 | 422 802 |
| Local Government Equitable Share | | 267 211 | 304 835 | 338 903 | 354 313 | 354 313 | 354 313 | 373 541 | 392 761 | 413 174 |
| Finance Management | | 165 | 1 979 | 1 500 | 1 550 | 1 550 | 1 550 | 1 600 | 1 650 | 1 700 |
| Municipal Systems Improvement | | | 978 | 800 | 890 | 890 | 890 | 934 | 967 | 1 018 |
| EPWP Incentive | | | | 1 501 | 1 874 | 1 874 | 1 874 | 2 782 | | |
| Energy Efficiency and Demand Management | | | 2 534 | | - | - | - | - | - | |
| Water Services Operating Subsidy | | | | | | | | | | |
| Other transfers/grants (insert description) | | | | | 3 512 | 3 512 | 3 512 | | | |
| Operating costs-MIG | | | | | | | | 4 000 | 4 200 | 4 410 |
| Neighbourhood Development Partnership | | | | | | | | | | |
| Technical ass | | | | | | | | 1 567 | 2 500 | 2 500 |
| Provincial Government: | | 33 467 | 4 074 | 22 500 | 21 709 | 21 709 | 21 709 | 30 948 | 34 562 | 35 841 |
| Health subsidy | | | - | | | | | | | |
| Provincial Government: | | 20 979 | 1 207 | | | | | | | |
| Health subsidy | | | - | | | | | | | |
| Expanded Public Works Grant | | | 2 868 | | | | | | | |
| Operating Grant - Property Rates | | | | | | | | | | |

KZN225 Msunduzi - Supporting Table SA18 Transfers and grant receipts

| Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Health | | 12 488 | | 2 537 | | | | | | |
| Human Settlements | | | | 9 000 | | | | 7 722 | 9 945 | 9 702 |
| Public Works | | | | | | | | | | |
| Arts and Culture | | | | 10 963 | 21 709 | 21 709 | 21 709 | 23 226 | 24 617 | 26 139 |
| Total Operating Transfers and Grants | 5 | 300 842 | 314 400 | 365 204 | 383 848 | 383 848 | 383 848 | 415 372 | 436 640 | 458 643 |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | | 73 225 | 138 340 | 208 599 | 386 670 | 389 761 | 389 761 | 283 897 | 464 283 | 470 992 |
| Municipal Infrastructure Grant (MIG) | | 48 348 | 138 340 | 153 399 | 154 824 | 151 312 | 151 312 | 159 158 | 166 213 | 173 983 |
| Public Transport and Systems | | 11 663 | | 45 000 | 100 846 | 100 846 | 100 846 | 100 000 | 220 000 | 250 000 |
| Neighbourhood Development Partnership | | | | 700 | | | | 10 350 | 10 737 | 11 288 |
| Rural Households Infrastructure | | | | 4 500 | | | | | | |
| Dept of Mineral/Electricity | | 3 757 | | | 8 000 | 8 000 | 8 000 | | | |
| Intergrated National Electrification Programme | | | | 5 000 | 123 000 | 123 000 | 123 000 | 3 000 | 9 000 | 9 000 |
| | | | | | | 353 | 353 | | | |
| Municipal Water Infrastructure Grant | | 9 457 | | | | 6 250 | 6 250 | 11 389 | 58 333 | 26 721 |
| Provincial Government: | | 11 429 | 11 836 | 19 315 | - | 25 460 | 25 460 | 9 927 | 9 000 | - |
| Airport Development Project | | 11 429 | 11 836 | 19 315 | | 16 200 | 16 200 | - | - | |
| Sport and Recreation | | | | 2 100 | | | | 150 | | |
| Corridor Development | | | | | | 8 660 | 8 660 | | - | - |
| KZNPA | | | | | | 600 | 600 | | | |
| Treasury | | | | | | | | 5 500 | | |
| COGTA | | | | | | | | 4 277 | 9 000 | |
| Other grant providers: | | - | - | 135 | - | 2 427 | 2 427 | - | - | - |
| Carnegie | | | | 135 | | 296 | 296 | | | |
| Cementry Trust | | | | | | 2 131 | 2 131 | | | |
| Total Capital Transfers and Grants | 5 | 84 654 | 150 176 | 228 049 | 386 670 | 417 648 | 417 648 | 293 824 | 473 283 | 470 992 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | | 385 496 | 464 576 | 593 253 | 770 518 | 801 496 | 801 496 | 709 196 | 909 923 | 929 635 |

DETAILS OF UNSPENT CONDITIONAL GRANTS, RECEIPTS AND TRANSFERS TO INCOME AS AT 30 JUNE 2013

| Account Description | Unspent balance @ 01 July 2012 | Transfers | Adjustments | Inter project/ vote transfer | Funds paid back to National Treasury/ Transfers/Refunds | Current year receipts | Unspent balance @ 30 June 2013 |
|---|--------------------------------|--------------------|---------------|------------------------------|---|-----------------------|--------------------------------|
| UNSPENT CONDITIONAL GRANTS : LIBRARY EXTERNAL | -1 279 480 | 210 633 | | | | -19 690 | 1 088 537.38 |
| GEDI - GIJIMA FUNDS | -19 952 | 109 120 | | | 20 200 | -109 368 | |
| E/DALE LAND LEGAL | -119 549 | 0 | | | | -5 525 | 125 073.93 |
| E/DALE PVT LAND LEGAL | -6 069 370 | 4 294 095 | | | | -192 985 | 1 968 259.87 |
| GRANT DEPT OF ARTS & CULTURE | 0 | 23 454 | | | | -331 977 | 308 522.50 |
| GRANT - YOUTH ADVISORY COUNCIL | -125 000 | 0 | | | | 0 | 125 000.00 |
| UDM - LOCAL TOURISM DEVELOPMENT | -6 917 268 | 10 534 526 | | | | -3 617 258 | |
| GRANT - WARD 3 5 6 | -40 123 | 0 | | | | 0 | -40 122.84 |
| GRANT - SPOORNET | -347 918 | 0 | | | | -16 078 | 363 995.40 |
| TRUST - CEMETERY TRUST ACCOUNT | -16 199 | 0 | | | 16 199 | 0 | |
| TRUST - PATRIOTIC LEAGUE TRUST ACCOUNT | -49 354 | 0 | | | 49 354 | 0 | |
| TRUST - PEARSE TRUST ACCOUNT | -1 572 770 | 0 | | | 1 572 770 | 0 | |
| TRUST - WELCH TRUST ACCOUNT | -389 621 | 0 | | | 389 621 | 0 | |
| TRUST - MARIA KINSMAN TRUST ACCOUNT | -591 488 | 0 | | | 591 488 | 0 | |
| TRUST - MARIA KINSMAN TRUST - NET INCOME | -86 734 | 0 | | | 86 734 | 0 | |
| TRUST - MAYORESS NECESSITY FUND | -83 920 | 69 348 | | | 14 572 | 0 | |
| TRUST - CEMETERY TRUST ACCOUNT (M/RISE) | -2 465 179 | 364 780 | | | 2 131 197 | -30 798 | -0.00 |
| TRUST - CEMETERY TRUST ACCOUNT (M/RISE) - INTEREST | -557 915 | 0 | | | 557 915 | 0 | |
| TRUST - FLEMING TRUST ACCOUNT | -79 246 | 0 | | | 79 246 | 0 | |
| TRUST - CONT IMBALI FLOOD VICTIMS - PMB FLOOD VICTIMS | -63 783 | 0 | | | 63 783 | 0 | |
| TRUST - PMB FLOOD DISASTER | -32 479 | 0 | | | 32 479 | 0 | |
| TRUST - REFUGEES TRUST ACCOUNT | -63 517 | 0 | | | 63 517 | 0 | |
| | -20 970 864 | 15 605 957 | 0 | 0 | 5 669 075 | -4 323 679 | 4 019 511.92 |
| | -149 447 647 | 226 476 456 | 46 734 | 300 000 | 11 781 451 | -259 617 183 | -170 460 189.14 |

3.32 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 of the total expenditure that this represents. 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 55: Repairs and Maintenance Costs

| YEAR | AMOUNT | % OF TOTAL EXPENDITURE |
|------|------------|------------------------|
| 2008 | 60 481 535 | 4.01 |
| 2009 | 77 379 164 | 3.71 |
| 2010 | 65 924 285 | 2.40 |
| 2011 | 57 394 116 | 2.04 |
| 2012 | 39 509 685 | 1.49 |

3.33 Current and planned borrowing

The Municipality has not taken any new external loans since 2010. The following table summarises the status of borrowing as at 30 June 2012, which totalled an amount of R 619,538,346.00.

Table 56: 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 |

3.34 Municipal credit rating

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

Table 57: 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 the 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.

3.35 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 58: Employee (including Councillor allowances) per financial year 2010 – 2014

| KZN225 Msunduzi - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure) | | | | | | | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|
| Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | |
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome |
| Employee related costs | 2 | 648 294 | 668 305 | 686 988 | 779 721 | 764 521 | 764 521 | 764 521 |
| Remuneration of councillors | | 18 418 | 31 427 | 33 422 | 36 419 | 36 419 | 36 419 | 36 419 |

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

3.36 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, assisting them to implement their service delivery priorities. In terms of the Municipal Finance Management Act's 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 was 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 ending 30 June 2014.

3.37 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 constraint again.

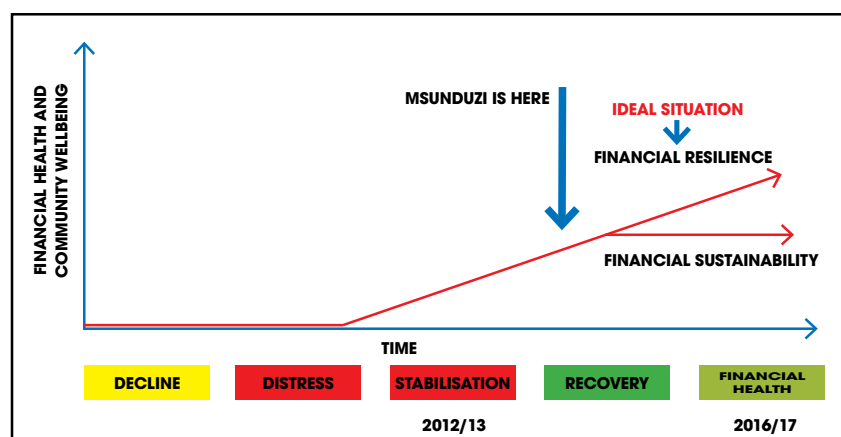
The LTFP will be reviewed on an annual basis, and ideally all future budgets and financial planning processes must be aligned to the LTFP. In doing so, the LTFP should also be updated with at least the following information:-

- 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 strategizing.** 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 17: Long-Term Financial Plan



Given the above, Msunduzi therefore needs to move from a point of financial constraint to ensure that it attains complete financial health, thereby improving service delivery in 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 include:

- 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 of 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 in 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 remiss 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.

- **Organizational 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 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 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 institutionalize 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, and 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 59: 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.

In going forward, the Municipality must therefore ensure that all future IDP's include 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

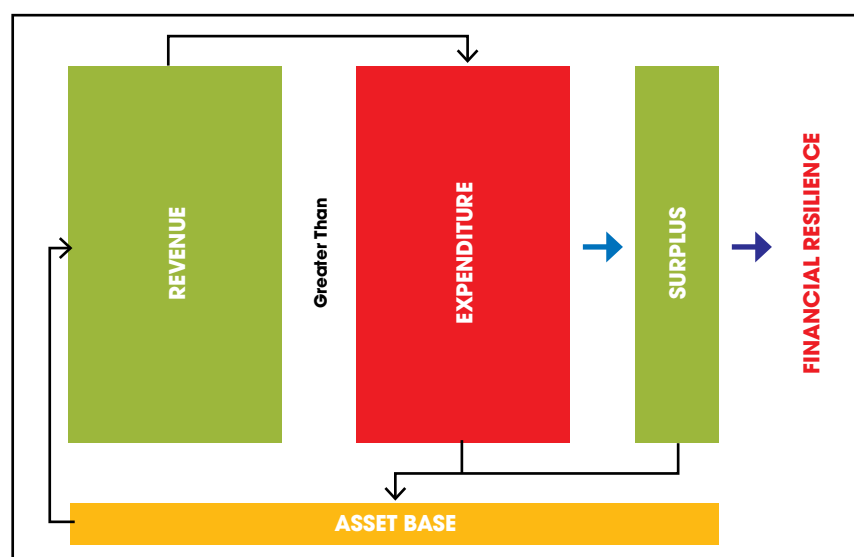
An analysis of the Municipality's balance sheet reveals a significant number of infrastructure assets, such as roads, stormwater drainage, water and sewer networks, electricity networks, buildings, etc to the value of R6.4 billion, as at 30 June 2011.

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 the asset maintenance and renewal programmes is fairly and equitably funded between current and future users. This process, known as intergenerational equity, must ensure that each generation 'pays their way' and meets 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 (in the future) of currently-used assets. 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 18: 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 a 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, 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, but not all could be considered due to its limited cashflow 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 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, 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 questions that needs to be asked are 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 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 are indeed achieved.

Achieving Metropolitan Status will also unlock additional revenue streams for the Municipality, such as sharing in the distribution of the national fuel levy, and will 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 60: 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 cashflows, as attached herewith.

The LTFP is based on a number of parameters and assumptions, related to Msunduzi's current position and challenges, and which have been developed to reflect a stabilised and sustainable financial position over the planned period, and also taking into account Msunduzi's drive for 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, even though certain aspects may only be implemented in the medium- to long-term.

Table 61: SWOT

KEY ISSUES RELATING TO FINANCIAL VIABILITY AND MANAGEMENT:

- The gradual increase of debtor's outstanding debt remains a potential risks to the Municipality's working capital, hence the possibility 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.

STRENGTHS

- 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.

OPPORTUNITIES

- 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.

WEAKNESSES

- A limited rates base and high levels of demand for services.
- A growing number of debtors.
- Under-spending against operations and maintenance budgets.

THREATS

- The gradual increase of outstanding debt remains a potential risk to the Municipality's working capital, hence the possibility 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.

C7-GOOD GOVERNANCE AND PUBLIC PARTICIPATION

3.38 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 book of Nehemiah, chapter 2, and verse 18, where Nehemiah yearns to rebuild a city that has been destroyed. Operation Sukuma Sakhe is then a call for the people of KwaZulu-Natal to be determined to overcome the issues that have destroyed 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 the public, including ward committees, CBOs and NGOs, as well as business and other stakeholders, were 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 that once all those wards that were piloted were completed, that they would feed in their needs through the IDP review process, and that all the needs expressed by various stakeholders would be captured and 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. The Chairperson of each of these War Rooms is an ordinary member of the 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 Room cannot cope with the demands from the community, "MBO" is invoked and government descends on the area to address needs - this has already taken place in Ward 23.

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

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 are also important, and have led to the success of the initiative.

(ii) BATHO PELE

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

Table 62: 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. |

| PRINCIPLE | DESCRIPTION |
|---|--|
| 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 FOR 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 – its 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 three broad 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 63: 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 for 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 was 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 functioning 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. |

3.39 INTERGOVERNMENTAL AND INTERNATIONAL RELATIONS STRUCTURES

(i) INTERGOVERNMENTAL STRUCTURES

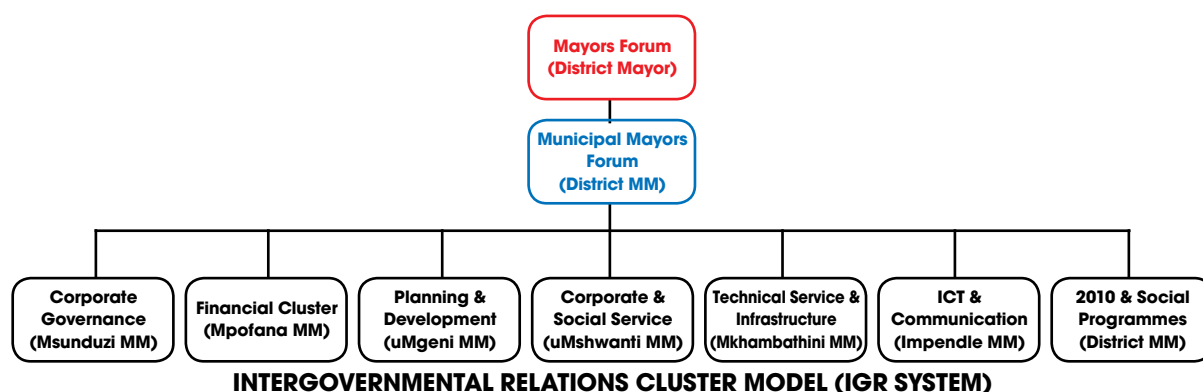
The following table summarises structures that the Msunduzi Municipality participates in:

Table 64: 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 19: 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 leads 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 means that the uMgungundlovu family of Municipalities in the District are all benefitting from the availability of scarce resources and expertise 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).

3.40 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 ten members on EXCO, and one of these is currently vacant.

(ii) COMMITTEES

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

Table 65: Municipal Committees and Frequency of Meetings in a 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 <ul style="list-style-type: none"> Legal Services and Legislative Compliance 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 |

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| COMMITTEE NAME | FUNCTIONS | NUMBER OF MEETINGS |
|-------------------------------------|--|----------------------|
| 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 |
| 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 Stormwater <ul style="list-style-type: none"> Administration Maintenance Planning | 2 meetings per month |

| COMMITTEE NAME | FUNCTIONS | NUMBER OF MEETINGS |
|-----------------|--|--------------------|
| AUDIT COMMITTEE | <ul style="list-style-type: none"> An independent audit committee fulfils a vital role in governance. The audit committee plays an oversight role on systems of internal, risk management and governance. | |

(iii) IDP REPRESENTATIVE FORUM

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

Table 66: 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 Participating in the IDP Rep Forum Inform interest groups, communities, and 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 organisations |

(iv) IDP STEERING COMMITTEE

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

Table 67: 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 • Municipal Manager's Coordinating Committee (IDP Broad Planning Technical Committee) |
| 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 68: Municipal Manager's Coordinating Committee Role-Players and Functions

| | |
|---------------------|--|
| ROLE PLAYERS | <ul style="list-style-type: none"> • City Manager • Managers: Municipal Managers 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 and 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. Among these powers and functions 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, per ward committee, is scheduled.

(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, with support staff.
- Providing financial support for programmes and projects.

3.41 STATUS OF MUNICIPAL POLICIES

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

Table 69: Msunduzi Municipal Policies

| MUNICIPAL POLICY | COMPLETED % | REVIEWED % | DATE ADOPTED BY COUNCIL |
|---------------------------------------|----------------|-------------------|----------------------------|
| Employment Equity | 100% | | 28/08/2013 |
| Allocation Policy | 100% | | 24/04/13 |
| Access to Personal Files | 100% | | Draft |
| Disciplinary Code and Procedures | 100% | | Collective Agreement |
| Diversity Policy | 70% | | Draft |
| Employee Wellness | 100% | | 28/08/2013 |
| Transfer Policy | 100% | | Draft |
| Grievance Procedures | 100% | | Collective Agreement |
| HIV/AIDS | 100% | | 15/11/1995 |
| Leave | 100% | | 28/08/2013 |
| 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 |
| Smoking | 100% | | 16/01/2006 |

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| MUNICIPAL POLICY | COMPLETED % | REVIEWED % | DATE ADOPTED BY COUNCIL |
|--|----------------|---------------|----------------------------|
| Scarce Skills | 100% | 90% (Draft) | 31/072008 |
| Parking Policy | 100% | | Draft |
| Internship | 100% | 100% (Draft) | 07/10/04 |
| Learnership | 100% | 100% (Draft) | 09/12/05 |
| External Bursary | 100% | | 28/08/2013 |
| Adult Basic Education and Training | 100% | 100% (Draft) | 07/10/04 |
| Work Exposure Policy | 100% | | 28/08/2013 |
| Induction Policy | 100% | | 28/08/2013 |
| 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% | | 28/08/2013 |
| 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 Policy | 100% | | 29/08/2012 |
| Whistle Blowing Policy | 100% | | 24/04/2013 |
| Anti- fraud and Corruption Policy | 100% | | 24/04/2013 |

3.42 INTERNAL AUDIT FUNCTION

(i) INTERNAL AUDIT UNIT

Internal Audit is an independent, objective, assurance and consulting activity designed to add value and improve the municipality's operations. The unit assists the municipality in accomplishing its objectives through a systematic, disciplined approach to evaluate and improving the effectiveness of risk management, system of internal control and governance processes. By its nature, Internal Audit Unit is a governance structure and not service delivery vehicle. Its role is critical in promoting and enhancing control environment through auditing and special reviews and recommending solutions to management.

To solidify the internal audit institutional framework, the Executive Manager an internal audit methodology has been developed and approved by the Audit Committee which guides execution and management of the internal audit activity.

The unit has reviewed its Internal Audit charter in 2012/13 financial year. This was adopted by Council on 24 April 2013 and is in line with the King Three on Corporate Governance, Standards for Professional Practice of Internal Auditing South Africa and the best practice. The Audit Committee's charter was also revised to encapsulate all the requirements of legislation and best practice as per the King Three on Corporate Governance.

A positive change has been realised through internal audit effort by changing the approach of auditing. The three year rolling audit plan is focused on high risks within the municipality, compliance with prescripts, performance information and core mandate of the municipality.

Whilst the capacity to fulfil the mandate of the unit is strained due to the vacancy of key posts, with the new organogram it is expected that the process to fill key identified posts will resolve this issue. The unit is supported by the firm of Accountants and Auditors who are co-sourced partners and its funding has increased drastically in 2014/15 financial year in order to cater for these services.

(ii) AUDIT COMMITTEE

The Municipality has established the Audit Committee, with five Council approved membership. Currently, the unit has four members, the fifth member resigned in November 2013 and a new member has been appointed with effect from 01 April 2014.

Its responsibilities arise from section 166 of the Municipal Finance Management Act, Act 56 of 2003 (MFMA). The audit committee acts as an advisory body independent of management and internal and external audit, reporting to the Council through Executive Committee on accountability, internal audit function, external audit, risk management, governance, performance management, financial management and reporting on municipal entities related matters. It provides assistance to the Council by:

- Providing an independent review of the Msunduzi Municipal's reporting functions to ensure the integrity of the financial reports.
- Ensuring all systems of internal control, governance and risk management functions are operating effectively and reliably.
- Providing strong and effective oversight of the Msunduzi Municipal's internal and external audit functions.

The Audit Committee Charter was reviewed and adopted on 24 April 2013.

(iii) RISK MANAGEMENT

Section 62(1)(c)(i) of the Municipal Finance Management Act, Act 53 of 2003 requires the Accounting Officer to establish and maintain effective, efficient & transparent systems of risk management. The Msunduzi Municipality risk management philosophy is informed by the constitutional imperatives. The preamble of our constitution and Chapter 2 of the Constitution deals extensively with the Bill of Rights. The Constitution describes one of the values of founding provisions as; Human dignity, the **achievement of quality and the advancement of human rights** and freedoms. Section 3 of the Constitution further states that all citizens are equally **entitled to the rights, privileges and benefits** of citizenship.

- The values that are enshrined in the Constitution and the Bill of Right are relevant to risk management.
- The Msunduzi Municipality is aware that no organization is functioning in a risk-free environment and as a public institution it is susceptible to risks associated with the fulfilling of our constitutional mandate.

The Msunduzi Municipality is committed to achieve its vision as set out above as well as its vision 2030 City Development Strategy and to contribute towards building a "better life for all" through the blue print National Development Plan. Msunduzi therefore consider risk management as an integral part of its strategy and operations and as a management tool to assist in achieving our service delivery objectives.

To effectively manage risks to the achievement of the municipality's objectives provides managers with a systematic way to make responsible, coherent and informed decisions and enables them to achieve improved outputs and outcomes. A structured approach to the management of risks also enhances and encourages the identification of greater opportunities for continuous improvement through innovation.

In most of the public sector organisations "risk management" is viewed as a stand-alone activity that requires special skills and resources and adds to an already cumbersome workload. Msunduzi prefer to talk about managing risks, rather than "risk management" and incorporates risk management principles into its everyday management processes.

Risk Management Practices requires the Accounting Officer to manage the strategic and operational risks of the municipality. The Msunduzi risk management system provides for mitigating strategies and control activities against the risks within the municipality from unacceptable likelihood and impact.

The municipality's risk management system identifies strategic and operational risks and assigns responsibility to appropriate officials within the municipality. The Audit Committee's role in relation to risk is to provide an oversight role and advise Council.

The municipality has a Risk Management Committee in place that meets on quarterly basis and is made of the Deputy Municipal Managers. The Risk Management Committee has its terms of reference.

Risk register is updated on regular basis and as the municipality embarks 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.

The following are the top five significant risks that are facing the municipality. The municipality is fully aware of the root causes and has been able to put in place mitigating strategies within the SDBIP for 2013/14 which goes to outer year of the MTERF.

Table 70: Risk and Mitigation Strategies

| RISK | ROOT CAUSE | MITIGATION STRATEGIES | RESPONSIBILITY |
|--|--|--|--|
| Frequent electricity outages resulting in litigation & business contraction, impacting on economic growth within the Municipality | <ul style="list-style-type: none"> Conductors/Cable faults on secondary network Primary infrastructure ageing Obsolete switchgear Illegal connections Old substation buildings Theft of infrastructure | <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 place; security measures and replace copper conductors with aluminum; installation of new switchgear (Network Upgrade). The R90 million programme to deal with electricity interruptions is going ahead over the next twelve months. | DMM of Infrastructure Services Process Manager of Electricity |
| Electricity Losses | <ul style="list-style-type: none"> Low society moral fiber High rate of unemployment. | <ul style="list-style-type: none"> Accelerate electrification of informal settlements areas. Continuous campaigns to uproot illegal connections. | DMM of Infrastructure Services Process Manager of Electricity |
| <ul style="list-style-type: none"> Huge debtor's book & low collection rate which impedes solvency & liquidity of municipal finances & sustainability of 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 a financial constraint, which is an impediment, a strategy will be developed to deal with huge debtor's book & current lethargic collection. The filling of critical posts in finance has been prioritized. Daily cash flow monitoring will reflect early warning signals. | Process Manager for Income Chief Financial Officer |

| RISK | ROOT CAUSE | MITIGATION STRATEGIES | RESPONSIBILITY |
|---|--|--|--|
| Loss of water due to pipe bursts, leaking pipes, & meters that cannot be read. | <ul style="list-style-type: none"> Poor maintenance & decaying infrastructure. | <ul style="list-style-type: none"> Water is currently in year 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. | DMM of Infrastructure Services Process Manager for Water & Sanitation |
| High backlogs of repairs & ageing road infrastructure not receiving the relevant maintenance resulting in potholes. | <ul style="list-style-type: none"> Limited funding. Ageing & illness of technical core staff. Exodus of experienced 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 Transport Network (IRPTN) will also cater for upgrade of roads. | DMM of Infrastructure Services Process Manager for Roads & Transportation. |
| 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. | 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 constraints, lack of incentives, & attractive salary packages in competitive industry to entice best candidates. | <ul style="list-style-type: none"> Filling of critical posts has been prioritized. 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. | Municipal Manager. DMM for Corporate Services (Acting) |

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| RISK | ROOT CAUSE | MITIGATION STRATEGIES | RESPONSIBILITY |
|--|--|---|---|
| <ul style="list-style-type: none"> Shortage of burial space Poor service (bodies not fully cremated) for those who use the service, resulting in inconvenience & extra cost to them when cremation is taken to Durban. | <ul style="list-style-type: none"> Lack of pro-active long-term planning in the past for 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 the high death rate. Engage in a process of identification of 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 the server, either because of collapse of the ICT Infrastructure (including servers, storage, & network) or manipulation of data, as well as threat to business continuity. | <ul style="list-style-type: none"> Ageing ICT infrastructure. Inadequate security system. Non-attention to 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"> About R7million set aside for ICT infrastructure. Maintenance plan for the network & other ICT related items. Develop & implement ICT disaster recovery plan. Develop and implemented ICT Governance Strategy. | DMM Corporate Services (Acting) Process Manager ICT |
| Ineffective call-center operations, resulting in 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. | Municipal Manager. Manager Marketing & Communications. |

(iv) ANTI-FRAUD & CORRUPTION

The municipality has a reviewed and amended policy on anti-fraud & corruption and was approved and adopted by Full Council on 24 April 2013. The intention was to develop a philosophy; that the entire municipality will fight fraud and corruption as a team and the Policy is set at a high level to cover the worst-case scenario. The Policy seeks to exemplify the following:

- Provision of a focal point and allocation of responsibility, accountability and authority;
- Serves as a conceptual, analytical, planning and review tool;
- Provides a common understanding of what constitutes fraud and corruption that needs to be communicated throughout the Municipal Council;
- Raises vigilance, which means that staff, management and councilors need to be actively involved on an ongoing basis in preventing, detecting and investigating fraud and corruption;
- Uncover the facts which refer to the processes and skills required to manage allegations of fraud and corruption;

- Deterring fraud and corruption, which refers to the processes required in ensuring disciplinary, criminal action and civil recovery are instigated as appropriate, pursuing heavy penalties and advising staff of the outcome; and
- Presents the key elements required for effective prevention of fraud and corruption and represent the approach of Msunduzi Municipality to managing risk of fraud and corruption.

The policy draws its legal mandate from Chapter 2 of the Constitution which deals extensively with the Bill of Rights. The following sections under the Bill of Right are relevant to the obligations of the Constitution versus management of risks including the risk of fraud and corruption. The Constitution describes one of the values of the founding provisions as; Human dignity, the improvement of the quality of life of all citizens and to free the potential of each person. Section 195 of the Constitution provides normative basic values and principles for public administration, including the following:

- A high standard of professional ethics must be promoted and maintained.
- Efficient, economic and effective use of resources must be promoted.
- People's needs must be responded to, and the public must be encouraged to participate in policy-making.
- Public administration must be accountable.

The anti-fraud and corruption policy is further supported by the Whistle Blowing Policy which was also adopted on the same date as the above policy. The Whistle Blowing Policy:

- is intended to encourage employees, councillors and members of public to feel confident in raising breaches, concerns or disclosing of information relating to fraud and corruption or irregular and or criminal activity in work place in a responsible manner without fear of victimisation;
- is to ensure the whistleblowers that they will be protected from possible reprisals or victimization if the disclosure was made in good faith;
- strive to create a culture which will facilitate the eradication of criminal and other irregular conduct within the municipality;
- provides venues and guidelines for employees, councillors and members of public to disclose information relating to fraud and corruption or irregular and or criminal activity in work place rather than overlooking a problem or blowing the whistle to inappropriate channels; and
- reaffirms the commitment of the Msunduzi Municipality to the Protected Disclosures Act, Act 26 of 2000 came into effect on 16 February 2001.

To give effect to the above policies the Full Council adopted an anti-fraud and corruption strategy which is supported by a matrix of activities and assigns responsibility.

The municipality has been dealing with matters relating to fraud and corruption within the municipality. There are criminal investigations that are going ahead and other matters are with the National Prosecuting Authority. There several cases of misconduct with have been finalised and some are on-going.

New allegations of fraud or corruption and other irregularities are currently under investigation and those that are finalised are being referred to either South African Police Services or Legal Unit for formulation of misconduct charges and setting up disciplinary enquiries tribunals. As alluded to under risk management mitigating strategy in respect of fraud and corruption, an intensive conflict of interest identification review has been finalised which will result in a number anti-fraud & corruption initiative.

3.43 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, thereby 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 2014/15 was adopted by Council on 30 May 2014, in terms of SCM Regulation 3 (1) (a), and implemented immediately thereafter. 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 could be developed.

The Municipality has the following functional committees, all members of which are appointed for a period of one financial year: the Bid Specification Committee, Bid Evaluation Committee, and Bid Adjudication Committee. A provincial Teander Appeal Board has been established to address any matters of appeal. The latest policy is in line with this policy.

3.44 PUBLIC PARTICIPATION, INCLUDING THE PUBLIC PARTICIPATION PLAN

The Msunduzi Municipality adopted a Communication Strategy during the course of the 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 organizations).

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, SDBIP, and IDP progress)
- Monthly Community Meetings by Councillors (due to financial constraints, these are now held once every two months, totalling 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 at meetings and workshops at the invitation of interest groups
- Partnerships and MOUs: MIDI, etc

3.45 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 Unit efforts to attract investment and marketing to Msunduzi Municipality from the local and global environments.

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

Table 71: 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, sport, 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 platform, which is shared with 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"> • Taking up advertising space in local media provides an opportunity for local investors to better understand what opportunities are available for further investment. |

3.46 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 included 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 required 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 duplication of work 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, and the 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 (and other) 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.

3.47 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 indicates that there are still weaknesses in supply chain management, which results in irregular expenditure amounting to R27,483 million. Great strides have been made in this area by implementing controls and through the process 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 in revenue losses, is noted. The Municipality is fighting the scourge of theft of electricity, and it is anticipated that as resources are increased and new strategies implemented, the Municipality will further reduce losses.

The losses on water are static. However, strategies to reduce these losses are nonetheless being implemented, and it is anticipated that results will be seen in the long-term.

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

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

3.48 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 are utilised as tools to determine the actual performance, namely:

- The approved Budget for the ending financial year;
- 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.

In the 2013 fiscal year a series of recommendations were made to improve the performance of the Municipality 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 the financial year.
- 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 Data Cleansing project is to be implemented as approved, which will also ensure that unrecoverable debt due to non-existence will be written off to reflect a realistic debtor's balance at the year-end, 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.

Table 72: SWOT

KEY ISSUES RELATING TO MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT:

- 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.

STRENGTHS

- 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.

WEAKNESSES

- Human Resource Strategy not in place.
- Ineffective call centre resulting in disgruntled customers, which may tarnish the image of the Municipality.

OPPORTUNITIES

- 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.

THREATS

- Low staff morale.
- Shortages of key skills.
- Fraud and corruption.

SECTION D CHAPTER 4: THE IDP STRATEGIC APPROACH

4.1 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 were summarised in Chapter 2 above. The objectives and components of these documents and policies have helped determine the direction in which the Municipality is moving, as reflected in this IDP.

4.2 MUNICIPAL NEEDS ANALYSIS

The following table provides a summary of the issues raised by community members.

Table 73: Municipal Wards Needs (2013- 2014)

CITY HALL 4TH DECEMBER 2013

| Ward | Area | Issues Raised By The Communities |
|------|--------------|--|
| 24 | Oribi | 1. Title Deeds; Rdp Houses And Renovation Of Existing Houses; Toilets |
| | And Grange | 2. Water; 3. Electricity And Street Lights ; Pre-Paid Cards; 4. Sewerage System; 5. Halls ; Sports Field; 6. Schools 7. Roads, E.G. Potholes And Putting Street Humps; 8. Illegal Dumping ; Waste Collection; Grass Cutting; 9. Skills Development Centre; Crime; 10. Environmental Health; Issue Of Insects E.G. Mosquito's, Flies, Etc |
| 26 | Napierville | 1. Grass Cutting; Waste Collection And Illegal Dumping ; Street Light Not Working |
| | Peacevalley | 2. And Community Hall |
| | Prestbury | 3. Houses And Toilets; 4. Water |
| | Signall Hill | 5. Electricity 6. Maintenance Of Houses (Municipal Houses) High Rent And Proper Communication Channel S. 7. Rent Is Escalating High |
| 27 | Uptown | 1. Street Lights ; |
| | | 2. Waste Collection And Cleaning Of Community Ranks E.G. West Street Bus/ Taxis Rank 3. Crime Rate Very High; 4. Houses ; 5. Prostitution To Be Eradicated |
| 33 | Jika Joe | 1. Waste Collection And Illegal Dumping ; |
| | Manor | 2. Skills Development, Youth Centre And Job Creation; 3. Crime ; 4. Rdp Houses And Ownership Of Flats At Manor ; |

| Ward | Area | Issues Raised By The Communities |
|------|------------------------|--|
| 37 | Mkondeni Tamboville | <ol style="list-style-type: none"> 1. Rdp Houses And Toilets. 2. Schools 3. Waste Collection And Illegal Dumping ; 4. Crime ; 5. Electricity 6. Water 7. Roads {Tarred Roads} 8. Skills Development And Job Creation |

VULINDLELA KWANGCEDOMHLOPHE COMMUNITY HALL ON 23 NOVEMBER 2013.

| WARD NO. | AREA | COMMUNITY ISSUES |
|----------|---------------------|---|
| 01 | MPUMUZA-SHAYAMOYA | <ul style="list-style-type: none"> • Construction of RDP Houses • Sports Facilities • Job opportunities • Support for orphans (Orphanage Home) • Eradication of substance and drag abuse |
| 01 | MPUMUZA SWEETWATERS | <ul style="list-style-type: none"> • Maintenance of Crèches • Fair RDP houses allocation programme • Construction and Maintenance of Community Halls • Construction of Clinics • Construction of Library |
| 01 | KWAMPUMUZA | <ul style="list-style-type: none"> • Fair RDP houses allocation programme • Upgrading of access roads • Installation of street light (high master) • Installation of water pipes • Monitoring of existing projects |
| 02 | MPUSHINI- MADWALENI | <ul style="list-style-type: none"> • Upgrade of access roads • Fencing of projects • Maintenance of Community Halls |
| 03 | MGWAGWA | <ul style="list-style-type: none"> • Upgrade of all access roads in the ward • Tarring of Mgwagwa road (P390) and Bus shelters |
| 04 | ETSHENI | <ul style="list-style-type: none"> • Job opportunities especially for woman • Access of small business funding • RDP Houses • Electricity |
| 04 | NDELESHANE | <ul style="list-style-type: none"> • RDP Houses • Road upgrading • Bus shelters • Sports Facilities • Completion of Sanitation project • Installation of electricity in new housing development • Installation of street lights |
| 04 | MZONGWANA | <ul style="list-style-type: none"> • Ward Cllr not visible |
| 05 | KWAMNYANDU | <ul style="list-style-type: none"> • Road to be tarred • Installation of electricity • Installation of street lights • Maintenance of Sports Fields • RDP Houses not in good condition • Lack of communication between Municipality and community |
| 05 | MZONGWANE | <ul style="list-style-type: none"> • Job creation • Roads upgrade • Electricity • Water • RDP Houses |

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| WARD NO. | AREA | COMMUNITY ISSUES |
|----------|-----------------------|---|
| 05 | MKANGALA | <ul style="list-style-type: none"> • Eradication of crime • Upgrade of access roads • Street lights installation • Job creation • RDP Housing • Water |
| 06 | DINDI | <ul style="list-style-type: none"> • Road construction • Electricity |
| 06 | GUDLINTABA | <ul style="list-style-type: none"> • Installation of electricity • Construction of Crèche • Road construction • Sports facilities • RDP houses • Sanitation |
| 06 | TYLORS HALT | <ul style="list-style-type: none"> • Youth development programs • Refurbishment of community Halls • Maintenance of Sports grounds • Job creation for Youth |
| 06 | ESKHULULIWE KWAMNCANE | <ul style="list-style-type: none"> • Road construction • Sanitation • Electricity • RDP Houses • Construction of Clinic |
| 06 | KWA DEDA | <ul style="list-style-type: none"> • Installation of water pipes next to Senzo Tea Room • Electricity • Upgrade of access roads |
| 07 | SONGONZIMA | <ul style="list-style-type: none"> • Skills development • Foot bridge • Upgrade of access road • Construction of Library • Maintenance of Community Halls • Youth Center |
| 07 | MAFUNZE-KAMBABANE | <ul style="list-style-type: none"> • Installation of Electricity next to kwaMbabane Crèche • Road upgrade |
| 07 | KWAMAGWENYANE | <ul style="list-style-type: none"> • Job creation • Electricity • Sports ground • Crèche • Community Hall |
| 08 | KWA MNCANE | <ul style="list-style-type: none"> • Road upgrade • Job opportunities • Electricity installation |
| 08 | EKHOKHWANE | <ul style="list-style-type: none"> • Road upgrade • RDP houses |
| 08 | EMASWAZINI | <ul style="list-style-type: none"> • installation of water pipes • Electricity • Road upgrade • Maintenance of Community hall • Sports facilities • Youth Centre/ youth skills development programs |

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| WARD NO. | AREA | COMMUNITY ISSUES |
|----------|---------------|---|
| 08 | ZONDI STORE | <ul style="list-style-type: none"> • Sports facilities • Old age home • Men Dialogues • Road upgrade (P402) • Community hall • Clinic • Swimming pool • Street lights • Bus shelters |
| 08 | MASWAZINI | <ul style="list-style-type: none"> • Community Center • Sports facilities • Street lights • Construction of Clinic • Shopping Center |
| 09 | EMAFKATINI | <ul style="list-style-type: none"> • Increase of Social Grant • Job opportunities for Youth • Installation of electricity • Assistance in farming • Recycling project • Library • Upgrade of main and access roads • Fair RDP houses allocation programme • Clinic to open 24hrs • Bus shelters Establishment of FET • Establishment of FET • Poultry project and funding • Free education • Eradication of crime • Maintenance of Community Hall • Road to be tarred • Crèches • No Water pressure • Maintenance of Sports Field • Installation of street lights • School Bus • Speed humps • RDP Houses for elders • Police Station • Hospital • Replacement of water taps • Community Care Givers • Tractors for Ploughing • Establishment of CPF • Youth Center |
| 09 | NGCEDOMHLOPHE | <ul style="list-style-type: none"> • RDP houses • Job opportunities for Youth • Assistance in farming • Construction / upgrade of access roads |
| 09 | KHOBONGWANE | <ul style="list-style-type: none"> • RDP Houses • Job opportunities • Eradication of crime • Construction of Community Hall • Sports ground • Fencing |

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| WARD NO. | AREA | COMMUNITY ISSUES |
|----------|--------------------|--|
| 09 | KWAMADLALA | <ul style="list-style-type: none"> • Job opportunities • Road to be tarred • Skills development programme • Shopping Mall • Construction of taxi rank • Assistance of farming |
| 09 | EKHETHI | <ul style="list-style-type: none"> • Job creation • Road upgrade • Street lights • RDP houses • Increase Ambulance Services • Clinic to open 24hrs • Mobile Police Station • Establishment of FET • Construction of Crèche • Ward Councillor not visible |
| 09 | NGCEDOMHLOPHE | <ul style="list-style-type: none"> • RDP houses • Job creation • Free education Eradication of crime • Increase of Social Grant • Eradication of crime |
| 09 | HHAZA - MPOPHOMENI | <ul style="list-style-type: none"> • Ambulance Services • RDP Houses • Electricity • Water • Road |
| 09 | KWAMAGWENYANE | <ul style="list-style-type: none"> • Construction of community Hall • Establishment of Primary School • Sports ground • Clinic • Fencing |

IMBALI HLELINGOMUSO PRIMARY SCHOOL SPORTS GROUND ON 01 DECEMBER 2013

| WARD NO. | COMMUNITY ISSUES |
|----------|---|
| 13 | <ul style="list-style-type: none"> • Construction of RDP Houses • Satellite Police Station • Maintenance of street lights • Road humps • Job opportunities • Construction of Community Hall • Sanitation • Clinic • Poverty eradication • Multipurpose Center • Water • Cutting of trees • Widening of Main Road • Water pressure is very low • Refuse collection • Orphanage Home • Repair or replace water meters • Sports facilities |

| WARD NO. | COMMUNITY ISSUES |
|----------|---|
| 14 | <ul style="list-style-type: none"> • Review of Water and rates • Sports facilities • Potholes • Construction of Youth Center • Encouragement of public participation • CPF to be visible • Road to be tarred • Street lights • Establishment of Factory |
| 15 | <ul style="list-style-type: none"> • Maintenance of meter boxes • Employment opportunities of the Youth • Establishment of Libraries • Information Center • Shopping Center • Access roads • Maintenance of main road • Bursaries • Extension of street lights • Cutting of grass • Exemption from services for the indigent • Crime and burglaries • Blocked drains |
| 17 | <ul style="list-style-type: none"> • Construction of RDP Houses • Water • Sanitation • Block drains • Employment opportunities • Crime • Refuse collection • Illegal dumping |
| 18 | <ul style="list-style-type: none"> • Employment opportunities • Blocked Drains • Clinic • Sports fields • Community Hall • Crime / Drug abuse • Land acquisition • RDP Houses • Tarred Roads • Establishment of Primary and High School • Extension of RDP Houses • Foot bridge • Street lights • High incident of rape • Protection of Elders at pay point • Water • Agricultural programme • Recreational facilities • Maintenance of Street lights (high mast) • Eradication of bucket system • Sanitation • Refuse collection |

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| WARD NO. | COMMUNITY ISSUES |
|----------|--|
| 19 | <ul style="list-style-type: none"> • Library • Sports field • Renovation of Community Hall • Easy access of tractors (TLB) • Construction of Roads • Review of high water bills • Decrease crime • Drug abuse • Employment opportunities • Refuse collection |

EDENDALE WADLEY STADIUM ON THE 24-12-2013

| WARD NO. | ISSUES |
|----------|--|
| 10 | <ul style="list-style-type: none"> • Establishment of all Sports codes and Youth skills development • Construction of Sports Facilities • Construction of Community Halls • Construction of RDP Houses • Installation of Electricity and Water • Road construction and maintenance • Maintenance of street lights • Upgrade of access road to Khethindlelenhle Primary School • Construction of foot bridge to Khethindlelenhle Primary School • Job creation • Completion of Sanitation Project • Repair of potholes • Refurbishment of wire wall houses • Establishment of High School • Repair and installation of meters • Renovation of Community halls • Bursaries • Construction of Library • Internet Café in wards |
| 11 | <ul style="list-style-type: none"> • Water and Electricity • 4 roomed RDP Housing • Road construction and maintenance |
| 12 | <ul style="list-style-type: none"> • Road construction and maintenance • RDP Housing • Street lights • Repairing and replacement of water taps • Renovation of Street lights • Job creation • Repairing of Sports grounds • Eradication of crime • Employment opportunities • Skill development centers • Refuse collection • Tree felling in the area |

| WARD NO. | ISSUES |
|----------|--|
| 16 | <ul style="list-style-type: none"> • Street lights • RDP houses • Road maintenance • Crime • Employment opportunities • Eradication of poverty • Storm water drainage • Foot bridge • High mast lights • Foot bridge • Land ownership • Eradication of crime • Upgrade of access roads • Extension of Clinic |
| 20 | <ul style="list-style-type: none"> • Tarring of Mbanjwa road • RDP Houses • Employment opportunities • Street lights • Private water connections • Agricultural assistance • Foot bridge between Edendale and Esgodini • Bus shelters • Storm water drains • Land ownership |
| 21 | <ul style="list-style-type: none"> • Job opportunities • RDP Houses • Water • Sanitation • Sports Facilities Clinic • Skill development of Co-operatives • Change (Child and Youth care workers) • Gym • Youth Desk • Land acquisition • Construction of Mall |
| 22 | <ul style="list-style-type: none"> • Foot bridge from Unit 3 to kwaMachibise • Tennis Court at Sinamuva Primary school • Whizz kids at Edendale Hospital • All main and access roads to be tarred |
| 23 | <ul style="list-style-type: none"> • Installation of Electricity in Peace Valley • Rectification of wire wall Houses • Public toilets at Masons Mill • Roads maintenance • Maintenance of Ashdown Sports field and Community Hall • Completion of Sewer pipe Project • Cutting of trees • Construction of Youth Center • Storm water drainage • Land acquisition • Employment opportunities |

The above issues are summarized into the following key issues:

4.3 THE MAIN KPAS

- Basic Service Delivery
- Local Economic Development
- Municipal Transformation And Institutional Development
- Good Governance
- Financial Viability And Management
- Cross Cutting Interventions

4.4 MUNICIPAL KEY ISSUES

The following are the key issues for the Msunduzi Municipality:

Table 74: IDP Key Issues and Corresponding Vision Statement

| KPA | KEY ISSUE | CORRESPONDING VISION STATEMENT WITH STRATEGIES HAVE BEEN DEVELOPED TO ADDRESS THE KEY ISSUE |
|---|--|---|
| <ul style="list-style-type: none"> • Financial Viability And Management • Good Governance | Revenue protection and enhancement. | 6. A Financially Viable and Well-Governed City |
| <ul style="list-style-type: none"> • Basic Service Delivery | 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 |
| <ul style="list-style-type: none"> • Cross Cutting Interventions | 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 |
| <ul style="list-style-type: none"> • Municipal Transformation And Institutional Development | 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 |
| <ul style="list-style-type: none"> • Local Economic Development | Economic growth leading to the creation of decent jobs. | 5. An Economically Prosperous City |

4.5 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, thereby 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;
- An economically prosperous city; and
- 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, 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 citizens.
- The focal areas for the second, an accessible and connected city, shall be: roads construction and maintenance, 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.

4.6 STRATEGIC PRIORITY AREAS- HIGH LEVEL

The following table summarises the six Strategic Priority Areas, their associated goals, value statements, and the targets identified. Following this, it is further unpacked, where it is linked to the five year organisational scorecard, as well as the one year scorecard, including quarterly targets.

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Table 75: Strategic Priority Areas, Goals, Vision Statements, and Targets

| STRATEGIC PRIORITY 1: WELL SERVICED CITY | | |
|---|---|--|
| KPA: BASIC SERVICES DELIVERY | | |
| 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% to 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. |

| | | |
|---|--|--|
| 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. | 1.10 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

KPA:CROSS CUTTING INTERVENTIONS

| 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. | <p>2.1.1 Road and rail infrastructure backlogs are reduced such that 90% of communities have access to road and rail services.</p> <p>2.1.2 100% compliant with Roads infrastructure management plan.</p> <p>2.1.3 90% of Msunduzi residents can get to work within 45 minutes.</p> <p>2.1.4 Reliable Public transport services are available 24 hours per day, with accessibility every 15 minutes to key activity nodes.</p> <p>2.1.5 90% of travel in morning peak periods comprise walking, cycling or energy efficient public transport.</p> |

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STRATEGIC PRIORITY 2: AN ACCESSIBLE AND CONNECTED CITY

KPA: CROSS CUTTING INTERVENTIONS

| GOAL | VALUE STATEMENT | TARGET |
|--|---|--|
| <p>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.</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. 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.</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. 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> |
| | <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

KPA : CROSS CUTTING INTERVENTIONS

| 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.</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> |

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STRATEGIC PRIORITY 4: A FRIENDLY, SAFE CITY

KPA : CROSS CUTTING INTERVENTIONS

| 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 The 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

KPA: LOCAL ECONOMIC DEVELOPMENT

| 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 drive 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

KPA: FINANCIAL VIABILITY AND MANAGEMENT

| 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 rates 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 through 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. |

Table 76: TIER ONE: ORGANISATION LEVEL (5 Year Scorecard)

| INDEX | NATIONAL KEY PERFORMANCE AREAS | STRATEGIC PRIORITY | IDP REF | STRATEGIC OBJECTIVE | OUTCOME 9 OUTPUT |
|-------|---|---|---------|--|--|
| A | MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT | Financially viable and well governed City | A1 | Increase institutional capacity and promote transformation | Implement a differential approach to Municipal Financing, planning and support |
| | | | A2 | Optimise system, procedures and processes | |
| | | | A3 | Increase performance | |
| B | BASIC SERVICE DELIVERY | Well serviced; An accessible and connected city; Clean green city | B1 | Increase Provision of Municipal Services | Improved access to basic services |
| | | | B2 | Improve the state of Municipal Infrastructure | |
| | | | B3 | Improve provision of Social Development Services | |
| C | LOCAL ECONOMIC DEVELOPMENT | An economically prosperous city | C1 | Reduce unemployment | Implementation of Community works Programme and supported Cooperatives |
| | | | C2 | Increase economic activity | |
| | | | C3 | Optimise land usage | |
| D | FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT | A Financially viable and well-governed city | D1 | Increase revenue | Improve Municipal Financial and Administrative Capability |
| | | | D2 | Improve expenditure and SCM | |
| | | | D3 | Improve budgeting and reporting | |
| E | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | A Financially viable and well-governed city | E1 | Strengthen Governance | Deepen Democracy through a refines Ward Committee System |
| | | | E2 | Improve the Customer experience & Public participation | |
| | | | E3 | Promote public knowledge and awareness | |
| F | CROSS CUTTING ISSUES | A clean green city A Friendly, Safe City | F1 | Improve Municipal Planning and spatial development | One window of co-ordination |
| | | | F2 | Improve community and environmental health and safety | |
| | | | F3 | Increase access to housing units | |



| NKPA | Code | Objectives | IDP REF | ORGANISATION KPI | Baseline | Demand | Backlog | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|---|------|--|---------|---|----------|--------|---------|---------|---------|---------|---------|---------|
| NKPA 1: Municipal Transformation and Organisation Development | A1 | Increase institutional capacity and promote transformation | A 1.1 | % of municipal turnaround strategy deliverables achieved | 10% | 100% | 90% | 5% | 10% | 30% | 70% | 100% |
| | | | A 1.2 | Number of critical posts filled | 35 | 60 | 25 | 290 | 60 | 60 | 60 | 110 |
| | | | A 1.3 | Number of people developed through the Human Resource Development Strategy | 2500 | 5800 | 3300 | 180 | 45 | 45 | 45 | 45 |
| | | | A1.4 | Number of top management positions filled by people from special focus groups | 3 | 3 | 0 | 3 | 3 | 3 | 3 | 3 |
| | | | A1.5 | % of employment equity Plan targets achieved | 0% | 100% | 100% | 100% | 25% | 100% | 100% | 100% |
| | A2 | Optimise system, procedures and processes | A 2.1 | Average % uptime of all Information & Communication Technology Systems | 75% | 100% | 25% | 99% | 75% | 85% | 95% | 99% |
| | | | A 2.2 | % of Council adopted policies with standard operating procedures | 80% | 100% | 20% | 100% | 80% | 85% | 95% | 100% |
| | | | A2.3 | % of community complaints resolved within the set norms and standards | 50% | 100% | 50% | 60% | 50% | 50% | 55% | 60% |
| | A3 | Increase performance | A3.1 | Number of employees on Performance Management | 32 | 5800 | 4768 | 32 | 32 | 32 | 32 | 32 |
| | | | A3.2 | Overall Organisation Performance Rating | 3 | 5 | 2 | 2 | 3 | 3 | 3 | 3 |



| NKPA | Code | Objectives | IDP REF | ORGANISATION KPI | Baseline | Demand | Backlog | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|--------------------------------|------|--|---------|---|----------|---------|---------|---------|---------|---------|---------|---------|
| NKPA 2: Basic Service Delivery | B1 | Increase Provision of Municipal Services | B 1.1 | No. of households with access to electricity | 68 000 | 157 598 | 89 598 | 68 000 | 68 000 | 71 000 | 75 000 | 78 000 |
| | | | B 1.2 | Number of households with access to potable water supply | 151 202 | 157 598 | 6396 | 151 202 | 151 300 | 151 300 | 151 400 | 151 500 |
| | | | | Number of households with access to connected water borne sanitation | - | 157 598 | - | 84675 | 85 955 | 88 355 | 91 155 | 94 655 |
| | | | B 1.3 | Number of households with access to refuse removal | 10 000 | 157 598 | 95 000 | 10 000 | 11 000 | 13 000 | 14 000 | 15 000 |
| | | | B1.4 | Number of key IDP projects implemented | - | 319 | - | - | - | 200 | 220 | 250 |
| | | | B1.5 | Number of households earning less than R3 500.00 with access to free basic services | 22 000 | - | - | 22 000 | 22 000 | 22 000 | 22 000 | 22 00 |
| | B2 | Improve the state of Municipal Infrastructure | B 2.1 | % of operations and maintenance plan implemented according to schedule | - | 100% | - | 100% | 100% | 100% | 100% | 100% |
| | | | B 2.2 | % of operations and maintenance budget spent | - | 100% | - | 100% | 100% | 100% | 100% | 100% |
| | | | B2.3 | % of capital budget actually spent on capital projects | | 100% | | 100% | 100% | 100% | 100% | 100% |
| | | | B2.4 | % of Infrastructure in good state | | 100% | | | | | | |
| | B3 | Improve provision of Social Development Services | B 3.1 | Number of Mayoral projects co-ordinated | 39 | 39 | 0 | - | 39 | 39 | 39 | 39 |
| | | | B 3.2 | Number of HIV/AIDS social support programmes co-ordinated | 420 | 500 | 80 | - | 420 | 460 | 480 | 500 |
| | | | B 3.3 | Number of wards with access to functional Social infrastructure within a 15 km radius | 37 | 37 | 0 | 37 | 37 | 37 | 37 | 37 |
| | | | B 3.4 | Number of road safety campaigns conducted | 160 | 240 | 80 | - | 160 | 160 | 180 | 240 |
| | | | B 3.5 | Number of community facilities in good state | 148 | 148 | 128 | 20 | 20 | 148 | 148 | 148 |

| NKPA | ORG REF | Objectives | IDP REF | ORGANISATION KPI | Baseline | Demand | Backlog | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|------------------------------------|---------|----------------------------|---------|--|----------|--------|---------|---------|---------|---------|---------|---------|
| NKPA 3: Local Economic Development | C1 | Increase economic activity | C 1.1 | Number of functional LED structures as per the LED Strategy | 1 | 4 | 3 | 1 | 1 | 2 | 3 | 4 |
| | | | C 1.2 | Number of programmes and projects aimed at focus groups implemented | 4 | 6 | 2 | 4 | 6 | 6 | 6 | 6 |
| | | | C1.3 | Number of SMME's and Cooperatives established | 14 | 100 | Nil | 14 | 14 | 16 | 16 | 16 |
| | | | C1.4 | Number of stakeholders mobilised toward LED | - | - | - | - | - | - | - | - |
| | C2 | Reduce unemployment | C 2.1 | Number of jobs created through EPWP,CWP and LED initiatives | 1000 | 1000 | Nil | Nil | 1000 | 1000 | 1000 | 1000 |
| | | | C 2.2 | % of LED strategy implemented | 100% | 100% | 100% | Nil | 0% | 25% | 50% | 75% |
| | | | C2.3 | Number of business opportunities created for registered Local Business | 20 | 25 | 5 | 20 | 20 | 22 | 24 | 26 |
| | C3 | Optimise land usage | C3.1 | Hectors of land secured for LED projects | 0 ha | 50ha | 50ha | 0ha | 0ha | 10ha | 15ha | 20ha |
| | | | C3.2 | % of successful LED projects. | 40% | 60% | 60% | 40% | 40% | 20% | 30% | 10% |

| NKPA | ORG REF | Objectives | IDP REF | ORGANISATION KPI | Baseline | Demand | Backlog | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|--|---------|---|---------|---|----------|--------|---------|---------|---------|---------|---------|---------|
| NKPA 4: Financial Viability & Management | D1 | Increase revenue | D 1.1 | % of revenue collection rate on outstanding debt | 20% | 100% | 80% | - | 25% | 25% | 25% | 25% |
| | | | D 1.2 | % of revenue collection rate on current debt | 90% | 100% | 10% | - | 90% | 90% | 90% | 90% |
| | | | D 1.3 | Debt coverage ratio | 1:09 | 1:1 | 0.01 | - | 1:09 | 1:09 | 1:09 | 1:09 |
| | | | D 1.4 | Outstanding services debtors to revenue ratio | 1:02 | 1:1 | 0.01 | - | 1:02 | 1:02 | 1:02 | 1:02 |
| | D2 | Improve expenditure and maximise the economies of scale | D 2.1 | Cost coverage ratio | 1:09 | 1:1 | 0.01 | - | 1:09 | 1:09 | 1:09 | 1:09 |
| | | | D 2.2 | % of Creditors paid within 30 days from receipt of invoice | 90% | 100% | 10% | - | 90% | 90% | 90% | 90% |
| | | | D 2.3 | Average number of days taken to finalise Bids at supply chain | 75 | 75 | 0 | - | 75 | 75 | 75 | 75 |
| | | | D 2.4 | Number of deviations from SCM policies | ? | 0 | ? | ? | ? | 0 | 0 | 0 |
| | | | D2.5 | Number of functional bid committees | 3 | 3 | 0 | 3 | 3 | 3 | 3 | 3 |
| | D3 | Improve budgeting, reporting and the audit opinion | D3.1 | % of OPEX spent on WSP | 0.008% | 3% | 2.992% | 0.008% | 1% | 1% | 1% | 1% |
| | | | D3.2 | % compliance with MFMA calendar of reporting | 98% | 100% | 2% | - | 98% | 100% | 100% | 100% |
| | | | D3.3 | % of actual budget spent vs. projected | 100% | 100% | 0% | - | 100% | 100% | 100% | 100% |
| | | | D3.4 | % of grants spent | 20% | 100% | 80% | 22% | 20% | 100% | 100% | 100% |

| NKPA | ORG REF | Objectives | IDP REF | ORGANISATION KPI | Baseline | Demand | Backlog | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|--|---------|--|---------|--|----------|--------|---------|---------|---------|---------|---------|---------|
| NKPA 5: Good Governance & Public Participation | E1 | Strengthen Governance and reduce risk | E 1.1 | % of Council bylaws and policies enforced | 15% | 100% | 75% | 0 | 100% | 100% | 100% | 100% |
| | | | E 1.2 | Number of risks on the risk dashboard rated above 3 | ? | 0 | ? | - | ? | 5 | 3 | 2 |
| | | | E1.3 | % of anti-fraud and corruption awareness campaigns conducted | 0 | 12 | 12 | - | 0 | 4 | 8 | 12 |
| | | | E1.4 | AG audit opinion rating | 2 | 5 | 3 | 2 | 4 | 4 | 4 | 5 |
| | E2 | Improve the Customer experience & Public participation | E 2.1 | % of communication strategy implemented | 0 | 100% | 100% | 0 | 50% | 100% | 100% | 100% |
| | | | E 2.2 | % of people on the customer satisfactory survey rating the Municipality above satisfactory on service delivery | - | 100% | - | - | - | 50% | 80% | 90% |
| | | | E 2.3 | % of public participation policy implemented | - | 100% | - | - | - | - | 100% | 100% |
| | E3 | Promote public knowledge and awareness | E 3.1 | Number of wards with functional ward committees | 37 | 37 | 0 | 37 | 37 | 37 | 37 | 37 |
| | | | E3.2 | Number of wards with functional war rooms | 36 | 37 | 0 | 36 | 36 | 37 | 37 | 37 |

| NKPA | ORG REF | Objectives | IDP REF | ORGANISATION KPI | Baseline | Demand | Backlog | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|--------------------------------------|---------|---|---------|--|----------|--------|---------|---------|---------|---------|---------|---------|
| NKPA 6 : Cross Cutting Interventions | F1 | Improve Municipal planning and spatial development | F 1.1 | % of Land use management framework developed and implemented | 100% | 25% | 25% | 25% | 25% | 25% | 25% | NIL |
| | | | F 1.2 | % of town rehabilitation plan implemented | 100% | 25% | 25% | 25% | | 25% | 25% | NIL |
| | | | F 1.3 | IDP credibility rating by COGTA | ? | 100 | ? | ? | ? | 100 | 100 | 100 |
| | | | | Number of SDF reviews conducted | 1 | 5 | 4 | 1 | 1 | 1 | 1 | 1 |
| | F2 | Improve Disaster and Management and response to fires and emergencies | F 2.1 | Number of fire inspections conducted | 800 | 800 | | | 800 | 800 | 800 | 800 |
| | | | F2.2 | Number of health compliance inspections conducted | 9320 | 9000 | 0 | 9000 | | 9320 | 9320 | 9320 |
| | | | F2.3 | % of fire incidents responded to in terms of the norms and standards | 75% | 100% | 25% | 75% | 75% | 75% | 75% | 75% |
| | | | F2.4 | Number of water sources tested | 450 | 500 | 50 | 400 | 450 | 450 | 450 | 450 |
| | F3 | Increase access to housing units | F3.1 | Number of housing units built | 160 | 15000 | ? | ? | 160 | 1879 | 2000 | 2000 |
| | | | F3.2 | Hectors of land acquired for low income housing development | | | | | | | | |

Table 77: TIER ONE: ORGANISATION LEVEL (2014/15 Scorecard)

| NKPA | Code | Objectives | IDP REF | ORGANISATION KPI | Baseline | Demand | Backlog | 2014/15 Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|------|--|---------|---|----------|--------|---------|-----------------------|-----------|-----------|-----------|-----------|
| NKPA 1: Municipal Transformation and Organisation Development | A1 | Increase institutional capacity and promote transformation | A 1.1 | % of municipal turnaround strategy deliverables achieved | 10% | 100% | 90% | 30% | 15 | 20 | 25 | 30% |
| | | | A 1.2 | Number of critical posts filled | 35 | 2500 | 2465 | 60 | 15 | 15 | 15 | 15 |
| | | | A 1.3 | Number of people developed through the Human Resource Development Strategy | 180 | 5800 | 4620 | 180 | 45 | 45 | 45 | 45 |
| | | | A1.4 | Number of top management positions filled by people from special focus groups | 3 | 3 | 0 | 3 | 3 | 3 | 3 | 3 |
| | | | A1.5 | % of employment equity Plan targets achieved | 0% | 100% | 100% | 100% | 25% | 50% | 75% | 100% |
| | A2 | Optimise system, procedures and processes | A 2.1 | Average % uptime of all Information & Communication Technology Systems | 75% | 100% | 25% | 99% | 75% | 85% | 95% | 99% |
| | | | A 2.2 | % of Council adopted policies with standard operating procedures | 80% | 100% | 20% | 100% | 80% | 85% | 95% | 100% |
| | | | A2.3 | % of community complaints resolved within the set norms and standards | 50% | 100% | 50% | 60% | 50% | 50% | 55% | 60% |
| | A3 | Increase performance | A3.1 | Number of employees on Performance Management | 32 | 5800 | 4768 | 32 | 32 | 32 | 32 | 32 |
| | | | A3.2 | Overall Organisation Performance Rating | 3 | 5 | 2 | 3 | 3 | 3 | 3 | 3 |

| NKPA | Code | Objectives | IDP REF | ORGANISATION KPI | Baseline | Demand | Backlog | 2014/15 Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|--------------------------------|------|--|---------|---|----------|---------|---------|-----------------------|-----------|-----------|-----------|-----------|
| NKPA 2: Basic Service Delivery | B1 | Increase Provision of Municipal Services | B 1.1 | Number of households with access to electricity | 68 000 | 157 598 | 75 000 | 71 000 | 68 000 | 68 000 | 70 000 | 71 000 |
| | | | B 1.2 | Number of households with access to potable water supply | 151 202 | 157 598 | 151 400 | 151 300 | 151 202 | 151 202 | 151 250 | 151 300 |
| | | | | Number of households with access to connected water borne sanitation | - | 157 598 | 91 155 | 88 355 | 88 355 | 88 355 | 88 355 | 88 355 |
| | | | B 1.3 | Number of households with access to refuse removal | 10 000 | 157 598 | 14 000 | 13 000 | 10 000 | 11 000 | 12 000 | 13 000 |
| | | | B1.4 | Number of key IDP projects implemented | - | 319 | 220 | 200 | | | | |
| | | | B1.5 | Number of households earning less than R 3500.00 with access to free basic services | 22 000 | - | 22 000 | 22 000 | 5 500 | 5 500 | 5 500 | 5 500 |
| | B2 | Improve the state of Municipal Infrastructure | B 2.1 | % of operations and maintenance plan implemented according to schedule | - | 100% | 100% | 100% | 80% | 80% | 90% | 100% |
| | | | B 2.2 | % of operations and maintenance budget spent | - | 100% | 100% | 100% | 25% | 50% | 75% | 100% |
| | | | B2.3 | % of capital budget actually spent on capital projects | | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| | | | B2.4 | % of Infrastructure in good state | | 100% | | | | | | |
| | B3 | Improve provision of Social Development Services | B 3.1 | Number of Mayoral projects co-ordinated | | | | | | | | |
| | | | B 3.2 | Number of HIV/AIDS social support programmes co-ordinated | 420 | 500 | 480 | 460 | 115 | 115 | 115 | 115 |
| | | | B 3.3 | Number of wards with access to functional Social infrastructure within a 15 km radius | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 |
| | | | B 3.4 | Number of road safety campaigns conducted | 160 | 240 | 180 | 160 | 40 | 40 | 40 | 40 |
| | | | B 3.5 | Number of community facilities in good state | 148 | 148 | 148 | 148 | 148 | 148 | 148 | 148 |

| NKPA | ORG REF | Objectives | IDP REF | ORGANISATION KPI | Baseline | Demand | Backlog | 2014/15 Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|------------------------------------|---------|----------------------------|---------|--|----------|--------|---------|-----------------------|-----------|-----------|-----------|-----------|
| NKPA 3: Local Economic Development | C1 | Increase economic activity | C 1.1 | Number of functional LED structures as per the LED Strategy | 1 | 4 | 3 | 1 | 1 | 1 | 1 | 1 |
| | | | C 1.2 | Number of programmes and projects aimed at focus groups implemented | 4 | 6 | 2 | 6 | 1 | 1 | 2 | 2 |
| | | | C1.3 | Number of SMME's and Cooperatives established | 14 | 100 | Nil | 14 | 3 | 3 | 4 | 4 |
| | | | C1.4 | Number of stakeholders mobilised toward LED | - | - | - | - | | | | |
| | C2 | Reduce unemployment | C 2.1 | Number of jobs created through EPWP,CWP and LED initiatives | 1000 | 10 000 | Nil | 1000 | 250 | 250 | 250 | 250 |
| | | | C 2.2 | % of LED strategy implemented | 100% | 100% | 100% | 0% | 25% | 50% | 75% | 100% |
| | | | C2.3 | Number of business opportunities created for registered Local Business | 20 | 25 | 5 | 20 | 5 | 5 | 5 | 5 |
| | C3 | Optimise land usage | C3.1 | Hectors of land secured for LED projects | 0 ha | 50ha | 50ha | 0ha | 0 | 0 | 0 | 0 |
| | | | C3.2 | % of successful LED projects. | 40% | 60% | 60% | 40% | 40% | 40% | 40% | 40% |

| NKPA | ORG REF | Objectives | IDP REF | ORGANISATION KPI | Baseline | Demand | Backlog | 2014/15 Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|--|---------|---|---------|---|----------|--------|---------|-----------------------|-----------|-----------|-----------|-----------|
| NKPA 4: Financial Viability & Management | D1 | Increase revenue | D 1.1 | % of revenue collection rate on outstanding debt | 20% | 100% | 80% | 25% | 20% | 20% | 25% | 25% |
| | | | D 1.2 | % of revenue collection rate on current debt | 90% | 100% | 10% | 90% | 90% | 90% | 90% | 90% |
| | | | D 1.3 | Debt coverage ratio | 1:09 | 1:1 | 0.01 | 1:09 | 1:09 | 1:09 | 1:09 | 1:09 |
| | | | D 1.4 | Outstanding services debtors to revenue ratio | 1:02 | 1:1 | 0.01 | 1:02 | 1:02 | 1:02 | 1:02 | 1:02 |
| | D2 | Improve expenditure and maximise the economies of scale | D 2.1 | Cost coverage ratio | 1:09 | 1:1 | 0.01 | 1:09 | 1:09 | 1:09 | 1:09 | 1:09 |
| | | | D 2.2 | % of Creditors paid within 30 days from receipt of invoice | 90% | 100% | 10% | 90% | 90% | 90% | 90% | 90% |
| | | | D 2.3 | Average number of days taken to finalise Bids at supply chain | 75 | 75 | 0 | 75 | 75 | 75 | 75 | 75 |
| | | | D 2.4 | Number of deviations from SCM policies | ? | 0 | ? | 0 | 0 | 0 | 0 | 0 |
| | | | D2.5 | Number of functional bid committees | 3 | 3 | 0 | 3 | 3 | 3 | 3 | 3 |
| | D3 | Improve budgeting, reporting and the audit opinion | D3.1 | % of OPEX spent on WSP | ? | 1% | 0% | 1% | 0,25% | 0 | 25% | 0 |
| | | | D3.2 | % compliance with MFMA calendar of reporting | 98% | 100% | 2% | 100% | 100% | 100% | 100% | 100% |
| | | | D3.3 | % of actual budget spent vs. projected | 100% | 100% | 0% | 100% | 25% | 50% | 75% | 100% |
| | | | D3.4 | % of grants spent | 20% | 100% | 80% | 100% | 40% | 60% | 80% | 100% |



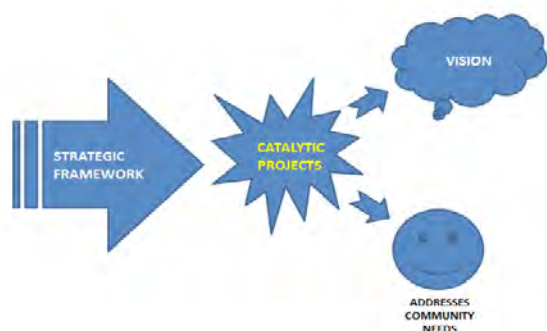
| NKPA | ORG REF | Objectives | IDP REF | ORGANISATION KPI | Baseline | Demand | Backlog | 2014/15 Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|--|---------|--|---------|--|----------|--------|---------|-----------------------|-----------|-----------|-----------|-----------|
| NKPA 5: Good Governance & Public Participation | E1 | Strengthen Governance and reduce risk | E 1.1 | % of Council bylaws and policies enforced | - | 100% | - | 100% | 80% | 85% | 90% | 100% |
| | | | E 1.2 | Number of risks on the risk dashboard rated above 3 | - | - | - | 5 | 5 | 5 | 5 | 5 |
| | | | E1.3 | % of anti-fraud and corruption awareness campaigns conducted | 0 | 12 | 12 | 4 | 0 | 0 | 2 | 2 |
| | | | E1.4 | AG audit opinion rating | 2 | 5 | 3 | 4 | | | 4 | |
| | E2 | Improve the Customer experience & Public participation | E 2.1 | % of communication strategy implemented | 100% | 100% | 0% | 100% | 100% | 100% | 100% | 100% |
| | | | E 2.2 | % of people on the customer satisfactory survey rating the Municipality above satisfactory on service delivery | - | 100% | - | 50% | | 50% | | 50% |
| | | | E 2.3 | % of public participation policy implemented | - | 100% | - | - | 0% | 50% | 80% | 100% |
| | E3 | Promote public knowledge and awareness | E 3.1 | Number of wards with functional ward committees | 37 | 37 | 0 | 37 | 37 | 37 | 37 | 37 |
| | | | E3.2 | Number of wards with functional war rooms | 36 | 37 | 0 | 37 | 36 | 36 | 37 | 37 |

| NKPA | ORG REF | Objectives | IDP REF | ORGANISATION KPI | Baseline | Demand | Backlog | 2014/15 Annual target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|--------------------------------------|---------|---|---------|--|----------|--------|---------|-----------------------|-----------|-----------|-----------|-----------|
| NKPA 6 : Cross Cutting Interventions | F1 | Improve Municipal planning and spatial development | F 1.1 | % of Land use management framework developed and implemented | | 25% | 25% | 25% | 5% | 10% | 20% | 25% |
| | | | F 1.2 | % of town rehabilitation plan implemented | | 25% | 25% | 25% | 5% | 10% | 20% | 25% |
| | | | F 1.3 | IDP credibility rating by COGTA | - | 100 | - | 100 | - | 100 | - | - |
| | | | | Number of SDF reviews conducted | 1 | 5 | 4 | 1 | | | | 1 |
| | F2 | Improve Disaster and Management and response to fires and emergencies | F 2.1 | Number of fire inspections conducted | 800 | 800 | | 800 | 200 | 200 | 200 | 200 |
| | | | F2.2 | Number of health compliance inspections conducted | 9320 | 9000 | 0 | 9320 | 2330 | 2330 | 2330 | 2330 |
| | | | F2.3 | % of fire incidents responded to in terms of the norms and standards | 75% | 100% | 25% | 75% | 75% | 75% | 75% | 75% |
| | | | F2.4 | Number of water sources tested | 450 | 500 | 50 | 450 | 112 | 112 | 112 | 114 |
| | F3 | Increase access to housing units | F3.1 | Number of housing units built | 160 | 15 000 | ? | 1879 | | | | 1879 |
| | | | F3.2 | Hectors of land acquired for low income housing development | | | | | | | | |

4.9 CATALYTIC PROJECTS

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

FIGURE 20: Catalytic Projects



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

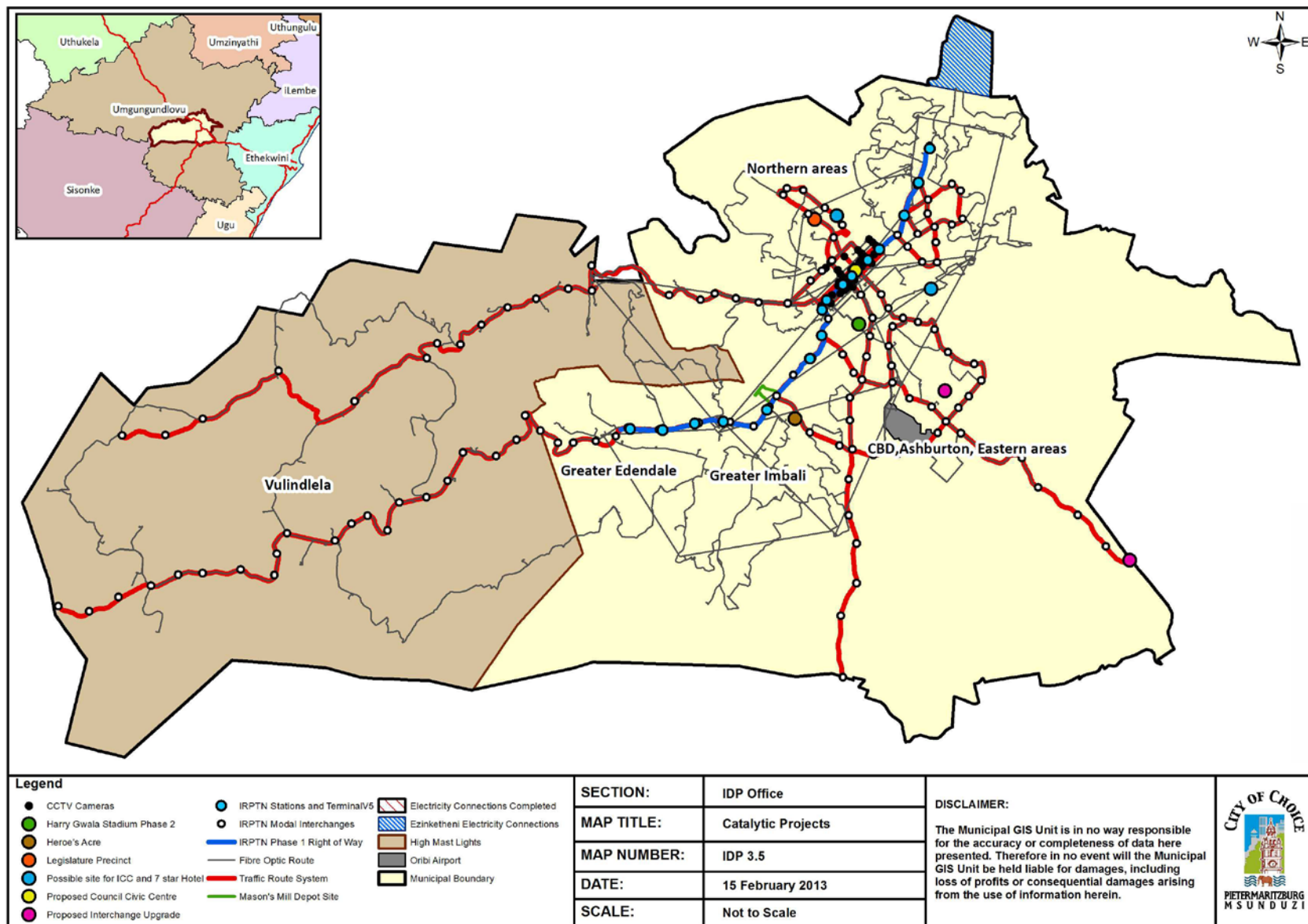
Table 78: Summary of Msunduzi Catalytic Projects

| PROJECT | DESCRIPTION | EST. BUDGET |
|--|--|--------------------|
| Legislative Precinct Development | This is a medium to long-term initiative which will see the development of a new legislative 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 amount of 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 |
| Fibre Optic 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 |

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| PROJECT | DESCRIPTION | EST. BUDGET |
|--------------------------------------|---|-------------|
| Hero's Acre | This project was mentioned by the KZN Premier in the 2013 State of the Province 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 |

MAP 30: IDP Office: Catalytic Project



4.8 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 are the legal requirements met as early as possible, but also that the available resources (both human and finance) are used as effectively and efficiently as possible.

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

Table 79: 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 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 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 |

SECTION E CHAPTER 5: STRATEGIC MAPPING

E1 5.1 CONTEXT

During this financial year a number of spatial planning processes are underway to give direction to the municipal planning. This is because the Msunduzi Municipality has embraced the concept of a Hierarchy of Plans. 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:

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

Whilst these review processes are underway the following are the guiding principles starting to give shape to the municipality's investment areas.

Table 80: Spatial 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:

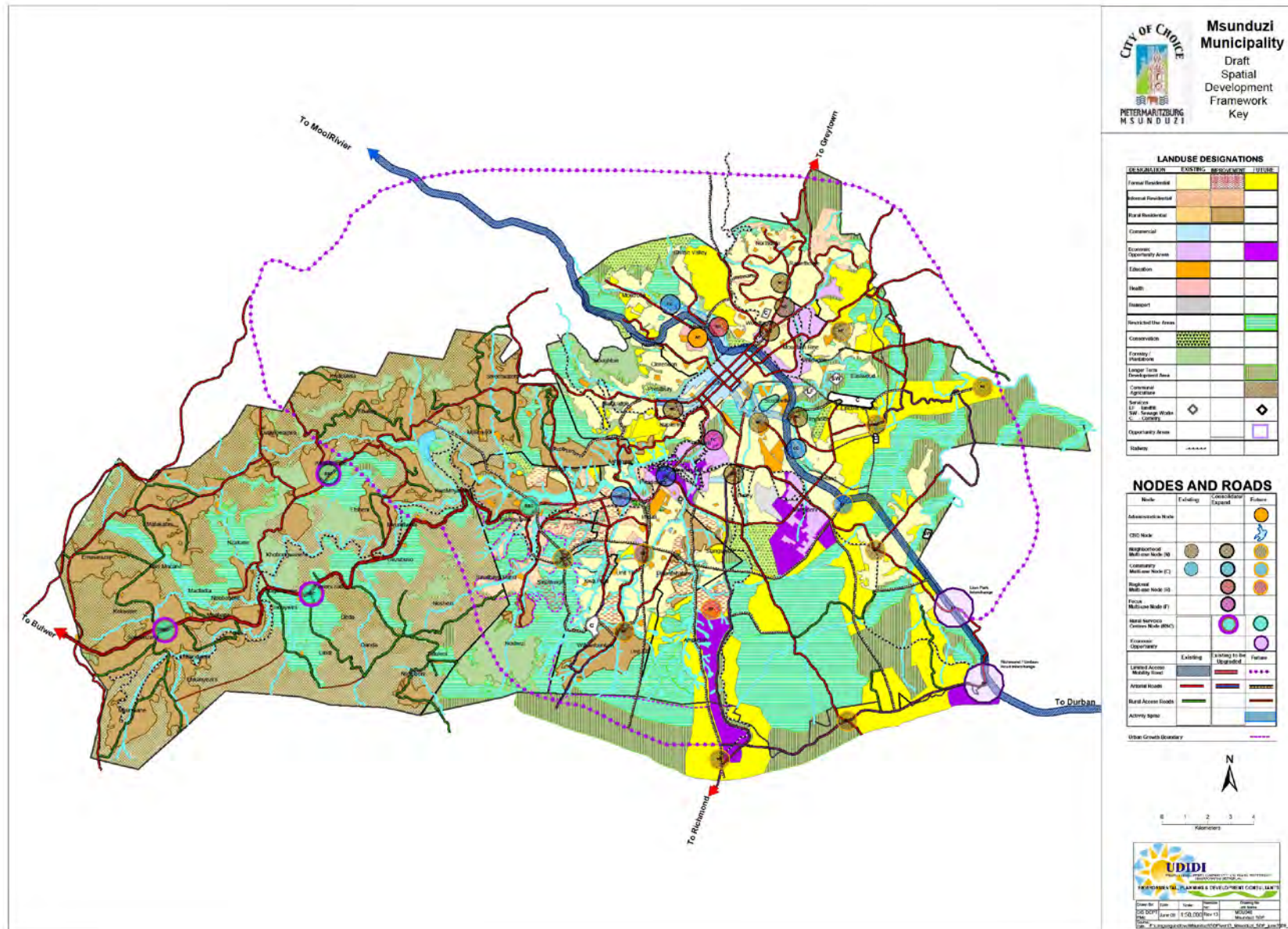
- Nodes (Concentration of activity);
- Corridors (Main roads/Arterials);
- Settlement Patterns (Formal/Informal/Traditional);
- Restrictive Conditions (Environmental/Topographical/Geotechnical);
- Environment/Open Spaces (Active/Passive);
- Urban Edge; and
- Mixed-Use Developments Aesthetic Environment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

5.2 TOWARDS A LONG-TERM SPATIAL DEVELOPMENT FRAMEWORK

The Long-Term Spatial Development Strategy, currently being prepared, 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.

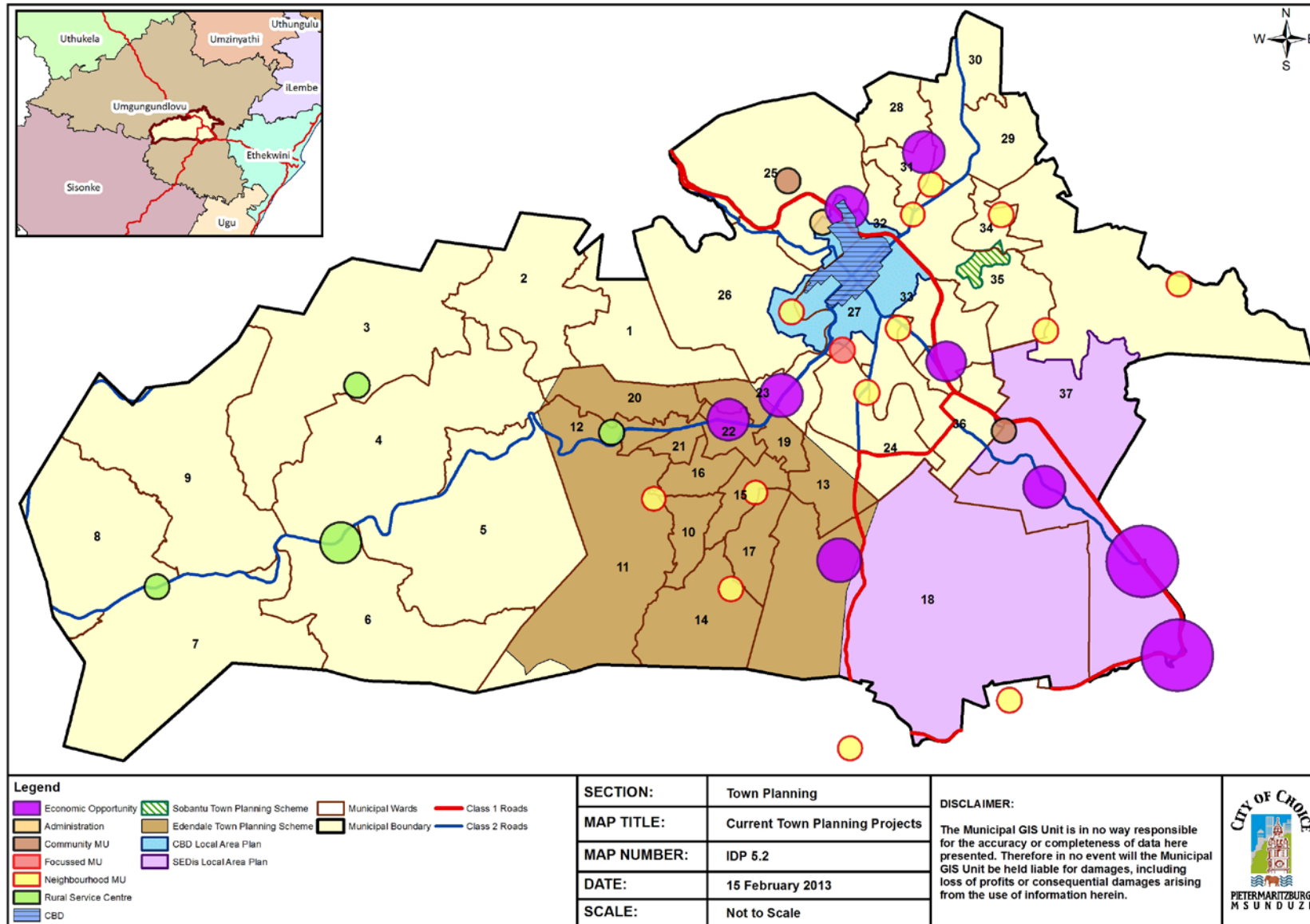
MAP 31: Draft Spatial Development Framework



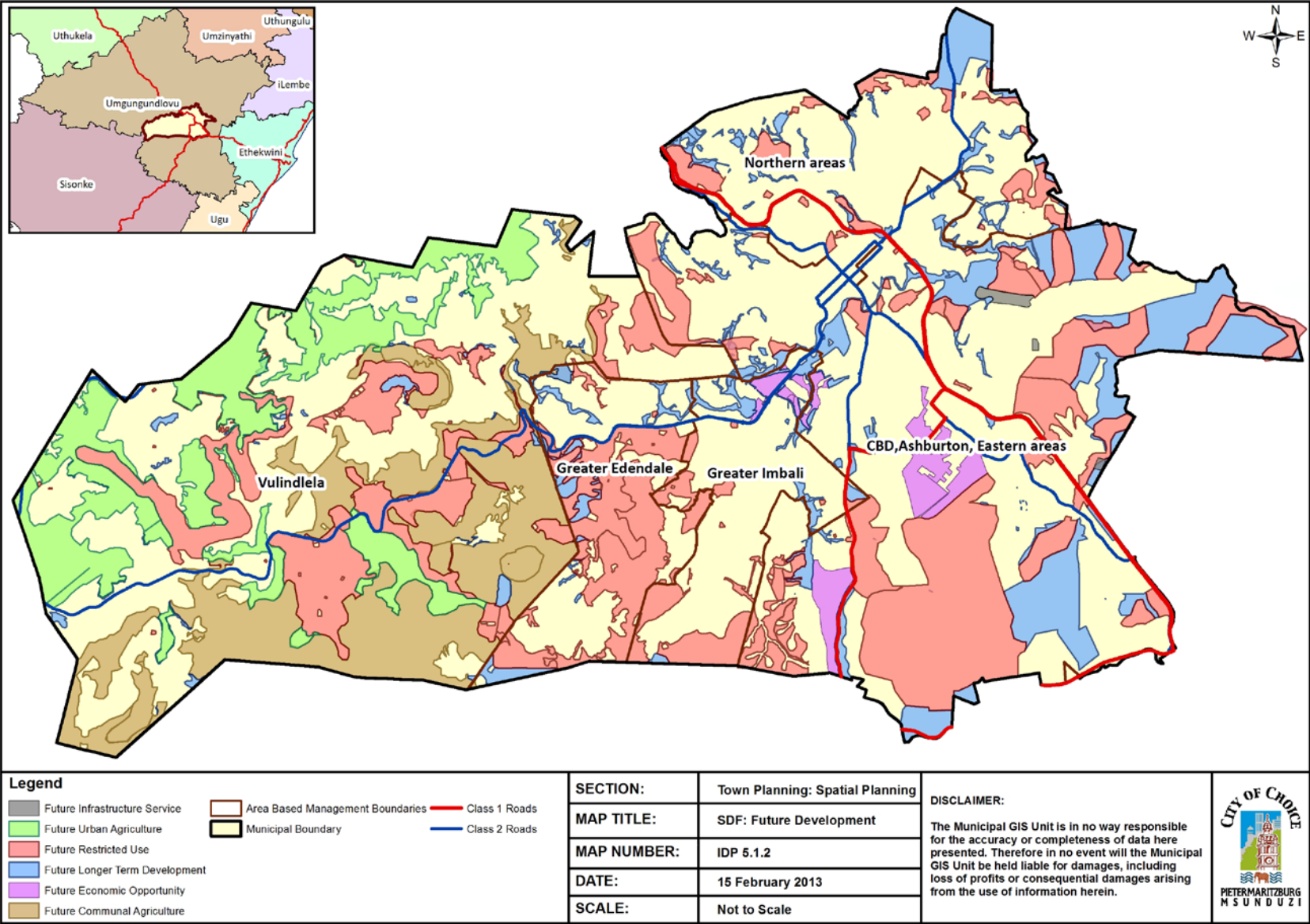
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MAP 32: Town Planning Current Town Planning Projects



MAP 33: Town Planning: SDF: Future Development



E2 IMPLEMENTING THE PLAN

5.3 INTRODUCTION

This review of the IDP has seen 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, and 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 (e.g. Council, Internal Auditors, the Auditor General, etc.) to ensure that municipal expenditure is 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 spreadsheet format, which makes monthly and quarterly reporting by departments far easier to undertake.

5.4 IMPLEMENTATION PLAN

The following table summarises the capital Budget for 2014/15.

Table 81: Capital Budget

| 2014-2017 Capital Expenditure Summary by Funding | | | |
|--|--------------------|--------------------|--------------------|
| Funding Source | 2014/15 | 2015/16 | 2016/17 |
| COUNCIL | 220 150 000 | 328 316 010 | 195 438 000 |
| Department of Transport | 100 000 000 | 220 000 000 | 250 000 000 |
| INEP | 3 000 000 | 9 000 000 | 9 000 000 |
| Municipal Infrastructure Grant | 159 158 000 | 166 213 000 | 173 983 000 |
| Municipal Water Infrastructure Grant | 11 389 000 | 58 332 990 | 26 271 000 |
| Neighbourhood Development Prog Grant | 10 350 000 | 10 737 000 | 11 288 000 |
| COGTA | 4 277 000 | 0 | 0 |
| TREASURY | 5 500 000 | 0 | 0 |
| Total Capital Budget 2014-2017 | 513 824 000 | 792 599 000 | 665 980 000 |

| 2014-2017 Capital Expenditure Summary by Business Unit | | | |
|--|--------------------|--------------------|--------------------|
| Strategic Business Unit | Original Budget | Revised Budget | Actual |
| Financial Services | 850 000 | 352 000 | 342 000 |
| Community Services | 74 624 775 | 78 235 400 | 42 286 592 |
| Infrastructure Services | 419 949 225 | 696 694 600 | 606 863 408 |
| Good Governance | 18 400 000 | 17 317 000 | 16 488 000 |
| Total Capital Budget 2014-2017 | 513 824 000 | 792 599 000 | 665 980 000 |

Table 82: One Year Capital Investment Framework

| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | 2015 / 2016 BUDGET | 2016 / 2017 BUDGET | PROJECT PRIORITISATION |
|-----------------------------|----------------------------------|-------|---|------|--------------------|--------------------|--------------------|------------------------|
| Cross Cutting Interventions | A Well-Served City | 27 | CNL - REPLACEMENT OF LIFTS PROFESSOR A S CHETTY BUILDING | CNL | 500 000 | 0 | 0 | Maintenance |
| Cross Cutting Interventions | A Well-Served City | 27 | CNL- LIGHTING UPGRADE 4TH, 2ND, 1ST FLOORS AS CHETTY BUILDING | CNL | 150 000 | 175 000 | 200 000 | Maintenance |
| Cross Cutting Interventions | A Well-Served City | 27 | CNL- A S CHETTY BUILDING - WATERPROOFING ROOF SLAB | CNL | 250 000 | | | Maintenance |
| Cross Cutting Interventions | A Well-Served City | 27 | CNL - AIRCONDITIONING UPGRADE 4TH, 2ND, 1ST FLOORS AS CHETTY BUILDING | CNL | 2 000 000 | 500 000 | 0 | Maintenance |
| Cross Cutting Interventions | A Well-Served City | | CNL - FURNITURE | CNL | 80 000 | | | |
| Cross Cutting Interventions | An Accessible and Connected City | 27 | CNL - BURGER ST EXTENSION | CNL | 10 000 000 | 10 000 000 | 1 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 5 | MIG - UPGRADE DESIGN OF GRAVEL ROADS - VULINDLELA - D 1128 (Phase 1, 2 and 3) | MIG | 3 000 000 | 7 500 000 | 0 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 14 | MIG - UPGRADE OF GRAVEL ROADS - WILLOWFOUNTAIN ROADS | MIG | 5 000 000 | 6 000 000 | 2 000 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 15/19 | MIG - HORSE SHOE ACCESS RD AND PASSAGES IN IMBALI STAGE 1 & 2 | MIG | 1 000 000 | 1 000 000 | 1 000 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 12 | MIG - UPGRADING OF GRAVEL RDS - EDN - WARD 12 - MOSCOW AREA RDS | MIG | 4 500 000 | 4 000 000 | 1 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 13 | MIG - UPGRADING OF ROADS IN EDENDALE - KWANYAMAZANE ROADS | MIG | 2 700 000 | 2 500 000 | 2 500 000 | Committed |
| Basic Service Delivery | An Accessible and Connected City | 13 | MIG - UPGRADING OF ROADS IN EDENDALE - Route 7B | MIG | 300 000 | 2 000 000 | 4 500 000 | Upgrade |



| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | 2015 / 2016 BUDGET | 2016 / 2017 BUDGET | PROJECT PRIORITISATION |
|------------------------|----------------------------------|---------|--|------|--------------------|--------------------|--------------------|------------------------|
| Basic Service Delivery | An Accessible and Connected City | 16 | MIG - UPGRADING OF GRAVEL ROADS - EDENDALE - WARD 16 | MIG | 2 500 000 | 2 500 000 | 2 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 29 | MIG - UPGRADE OF INTERNAL ROADS - HANIVILLE | MIG | 1 500 000 | 2 500 000 | 2 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 12 | MIG - UPGRADE GRAVEL ROADS IN EDENDALE IN ESIGODINI | MIG | 5 000 000 | 3 500 000 | 3 000 000 | Committed |
| Basic Service Delivery | An Accessible and Connected City | 11 | MIG - UPGRADING OF GRAVEL ROADS - EDENDALE - STATION RD | MIG | 13 000 000 | 2 500 000 | 0 | Committed |
| Basic Service Delivery | An Accessible and Connected City | 23 | MIG - REHABILITATION OF ROADS IN ASHDOWN | MIG | 2 500 000 | 2 500 000 | 2 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | | MIG - UPGRADING OF GRAVEL ROADS - EDENDALE - Roads in Unit 14/Unit P - Design | MIG | 450 000 | 2 500 000 | 2 000 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 21 | MIG - UPGRADING OF GRAVEL ROADS - EDENDALE - MACHIBISA / DAMBUZA RDS | MIG | 400 000 | 2 000 000 | 2 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 17 | MIG - UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - WARD 17 Roads | MIG | 1 000 000 | 1 500 000 | 1 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 37 | CNL - UPGRADING OF ROADS IN ASHBURTON - Design | CNL | 800 000 | 5 000 000 | 5 000 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 23 / 26 | MIG - UPGRADING OF ROADS IN PEACE VALLEY - (Plan & Design in 2014/15) - 10km | MIG | 250 000 | 3 500 000 | 2 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 17 | MIG - UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - WARD 17 Roads (Phase3, Unit 13) | MIG | 1 500 000 | 1 500 000 | 150 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 21 | MIG - UPGRADING OF GRAVEL ROADS - EDENDALE - DAMBUZA MAIN ROAD Major SWD Upgrade | MIG | 300 000 | 1 500 000 | 1 500 000 | Upgrade |



| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | 2015 / 2016 BUDGET | 2016 / 2017 BUDGET | PROJECT PRIORITISATION |
|------------------------|----------------------------------|------|--|------|--------------------|--------------------|--------------------|------------------------|
| Basic Service Delivery | An Accessible and Connected City | 12 | MIG - UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - GEORGETOWN & SURROUNDING AREA | MIG | 800 000 | 2 000 000 | 1 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 2 | MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - D2069 (MTHALANE RD) -Phase2 | MIG | 5 000 000 | 8 000 000 | 9 000 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 20 | MIG - UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - CALUZA ROADS | MIG | 2 500 000 | 1 500 000 | 1 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 10 | MIG - UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - Ward 10 Roads - Stormwater upgrade | MIG | 1 000 000 | 2 000 000 | 2 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 12 | MIG - 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 | 800 000 | 1 000 000 | 1 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 3 | MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD 3 ROADS | MIG | 1 000 000 | To be advised | To be advised | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 20 | MIG - UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - HAREWOOD AREA | MIG | 400 000 | 3 500 000 | 4 000 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 1 | MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD 1 ROADS | MIG | 2 000 000 | 2 500 000 | To be advised | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 4 | MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD 4 ROADS | MIG | 350 000 | To be advised | To be advised | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 5 | MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD 5 ROADS - incl. Henley Dam Area | MIG | 350 000 | To be advised | To be advised | Upgrade |

| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | 2015 / 2016 BUDGET | 2016 / 2017 BUDGET | PROJECT PRIORITISATION |
|-----------------------------|----------------------------------|-------|---|------|--------------------|--------------------|--------------------|------------------------|
| Basic Service Delivery | An Accessible and Connected City | 6 | MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD 6 ROADS | MIG | 350 000 | To be advised | To be advised | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 7 | MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD 7 ROADS | MIG | 350 000 | To be advised | To be advised | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 8 | MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD 8 ROADS - Masoyi Rd, etc | MIG | 350 000 | To be advised | To be advised | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 9 | MIG - UPGRADING OF GRAVEL ROADS - VULINDLELA - WARD 9 ROADS | MIG | 350 000 | To be advised | To be advised | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | Var | CNL - ROAD REHABILITATION - PMS | CNL | 25 000 000 | 25 000 000 | 25 000 000 | Rehabilitation |
| Basic Service Delivery | An Accessible and Connected City | 25/32 | CNL - CONNOR - OTTO'S BLUFF ROADS - LINK | CNL | 2 000 000 | 13 000 000 | 1 600 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 36 | CNL - LESTER BROWN LINK ROAD | CNL | 5 000 000 | 10 000 000 | 500 000 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 22 | MIG - UPGRADING OF GRAVEL ROADS - EDENDALE - WARD 22 - 8,4km roads - Storm-water drainage provision | MIG | 300 000 | 0 | 0 | Upgrade |
| Basic Service Delivery | An Accessible and Connected City | 35 | NEW FOOTPATHS, PASSAGES, KERBING & CHANNELING - SOBANTU | MIG | 300 000 | 150 000 | 200 000 | Rehabilitation |
| Cross Cutting Interventions | A Clean, Green City | 23 | ASHDOWN BANK PROTECTION AGAINST COLLAPSING OF ADJACENT HOUSES - P15 | MIG | 800 000 | 0 | 0 | Rehabilitation |
| Cross Cutting Interventions | A Clean, Green City | 31/33 | CNL - CANNALIZATION OF A STREAM IN NORTHDAL (Revised design) | CNL | 100 000 | 6 000 000 | 800 000 | Rehabilitation |
| Basic Service Delivery | A Clean, Green City | | CNL - Upgrade SWD system in the Imbali Roads - Lower Sinkwazi Rd flooding, etc | CNL | 300 000 | 2 500 000 | 1 500 000 | Rehabilitation |



| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | 2015 / 2016 BUDGET | 2016 / 2017 BUDGET | PROJECT PRIORITISATION |
|-----------------------------|------------------------------------|------------------------|---|------|--------------------|--------------------|--------------------|------------------------|
| Basic Service Delivery | A Clean, Green City | 27/33 | CNL - Upgrade SWD system in the CBD Roads - Chapel Street floods, etc | CNL | 350 000 | 1 700 000 | 2 000 000 | Upgrade |
| Cross Cutting Interventions | A Clean, Green City | 20 | MIG -UPGRADE SWD IN GREATER EDENDALE - FLOODING HOUSES IN SIYAMU | MIG | 300 000 | 200 000 | 0 | Rehabilitation |
| Basic Service Delivery | . An Accessible and Connected City | 20 | MIG - UPGRADE OF BRIDGES - Pedestrian Bridge Over River - Smero/Esigodini | MIG | 300 000 | 2 800 000 | 0 | Upgrade |
| Basic Service Delivery | . An Accessible and Connected City | 35 | CNL - GRIMTHORPE ROAD BRIDGE (DESIGN AND EIA) | CNL | 200 000 | 6 000 000 | 7 000 000 | Committed |
| Cross Cutting Interventions | . An Accessible and Connected City | 33/35 | MIG - WOODHOUSE PEDESTRIAN BRIDGE | MIG | 2 700 000 | 0 | 0 | Upgrade |
| Cross Cutting Interventions | A Well-Serviced City | Var | CNL - TRAFFIC CALMING MEASURES | CNL | 1 500 000 | 1 500 000 | 1 500 000 | Upgrade |
| Basic Service Delivery | . An Accessible and Connected City | 12, 21, 22, 23, 27, 32 | DOT - PUBLIC TRANSPORT INFRASTRUCTURE | DOT | DORA Allocation | DORA Allocation | DORA Allocation | |
| Cross Cutting Interventions | . An Accessible and Connected City | | CNL - NON MOTORISED TRANSPORT INFRASTRUCTURE DESIGN | CNL | 500 000 | 3 000 000 | 3 000 000 | Upgrade |
| Cross Cutting Interventions | . An Accessible and Connected City | | MIG - BUS STOP SHELTERS | MIG | 1 000 000 | 1 000 000 | 1 500 000 | Upgrade |
| Cross Cutting Interventions | . An Accessible and Connected City | | CNL - CHOTA MOTALA INTERCHANGE | CNL | 7 121 832 | 0 | 0 | |
| Cross Cutting Interventions | A Well-Serviced City | | CNL - BROOKSIDE TAXI HOLDING AREA | CNL | 4 500 000 | 0 | 0 | Committed |
| Cross Cutting Interventions | A Well-Serviced City | Var | CNL - TRAFFIC LIGHT SPARES, EQUIPMENT & TOOLS | CNL | 100 000 | 100 000 | 100 000 | Maintenance |
| Cross Cutting Interventions | A Well-Serviced City | Var | CNL - INSTALLATION OF TRAFFIC SIGNALS | CNL | 1 000 000 | 800 000 | 0 | Upgrade |
| Cross Cutting Interventions | A Well-Serviced City | 32 | MIG - REHABILITATION OF PUBLIC ABLUTIONS | MIG | 500 000 | 500 000 | 0 | Refurbishment |

| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | 2015 / 2016 BUDGET | 2016 / 2017 BUDGET | PROJECT PRIORITISATION |
|-----------------------------|----------------------------|------|---|------|--------------------|--------------------|--------------------|--------------------------|
| Cross Cutting Interventions | A Well-Serviced City | All | CNL - REPLACEMENT OF WORKSHOP FLOOR IN PARKS SMALL PLANT WORKSHOP | CNL | 60 000 | 0 | 0 | Development / HIGH |
| Cross Cutting Interventions | A Well-Serviced City | All | CNL - PALISADE FENCING TO ENCLOSE AREA FOR VEHICLE REPAIRS | CNL | 100 000 | 0 | 0 | Development / HIGH |
| Cross Cutting Interventions | A Well-Serviced City | All | CNL - REPLACEMENT OF MECHANICAL WORKSHOP EQUIPMENT | CNL | 100 000 | 0 | 0 | Development / HIGH |
| Cross Cutting Interventions | A friendly, safe city; | | CNL- REPLACEMENT EDENDALE ROAD DEPOT ROOF - DAMAGED BY WHITE ANTS | CNL | 400 000 | 0 | 0 | Refurbishment |
| Cross Cutting Interventions | A friendly, safe city; | All | CNL - NEW VEHICLE MONITORING CONTROL ROOM AT FLEET FACILITY | CNL | 150 000 | 0 | 0 | Development / HIGH |
| Cross Cutting Interventions | A friendly, safe city; | All | CNL - PALISADE FENCING TO ENCLOSE AREA FOR VEHICLE ACCIDENT DAMAGE & DISPOSAL | CNL | 100 000 | 0 | 0 | Development / HIGH |
| Cross Cutting Interventions | A friendly, safe city; | All | CNL - NEW VEHICLE WASHING FACILITY AT FLEET FACILITY | CNL | 150 000 | 0 | 0 | Development / HIGH |
| Cross Cutting Interventions | A friendly, safe city; | All | CNL - REPLACEMENT OF VEHICLES, PLANT & EQUIPMENT | CNL | 30 000 000 | 31 200 000 | 32 450 000 | Development / HIGH |
| Cross Cutting Interventions | A Clean, Green City | 35 | MIG - LANDFILL UPGRADE | MIG | 10 000 000 | 12 000 000 | 14 000 000 | Legal / Maintenance |
| Basic Service Delivery | A Well-Serviced City | Var | MIG - SANITATION INFRASTRUCTURE FEASIBILITY STUDY | MIG | 12 000 000 | 6 000 000 | 3 000 000 | Legal / Maintenance |
| Basic Service Delivery | A Well-Serviced City | 18 | DOHS - SHENSTONE AMBLETON SANITATION SYSTEM | DOHS | 1 000 000 | 10 000 000 | 15 000 000 | Developmental / Economic |
| Basic Service Delivery | A Well-Serviced City | Var | MIG - REHABILITATION OF SANITATION INFRASTRUCTURE | MIG | 16 200 000 | 15 000 000 | 20 000 000 | Developmental |
| Basic Service Delivery | A Well-Serviced City | 16 | MIG - SEWER PIPES UNIT H | MIG | 14 000 000 | 11 000 000 | 8 000 000 | Developmental / Economic |
| Basic Service Delivery | A Well-Serviced City | 10 | MIG - SEWER PIPES AZALEA - PHASE 2 | MIG | 16 000 000 | 18 000 000 | 14 000 000 | Developmental / Economic |
| Basic Service Delivery | A Well-Serviced City | | DOHS - BASIC SANITATION | DOHS | 5 000 000 | 3 000 000 | 3 000 000 | Legal |



| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | 2015 / 2016 BUDGET | 2016 / 2017 BUDGET | PROJECT PRIORITISATION |
|-----------------------------|----------------------------|----------------------------|--|------|--------------------|--------------------|--------------------|--------------------------|
| Basic Service Delivery | A Well-Serviced City | 20/21 | MIG - ELIMINATION OF CONSERVANCY TANKS - (SEWER) | MIG | 1 000 000 | 12 000 000 | 10 000 000 | Developmental / Economic |
| Basic Service Delivery | A Well-Serviced City | 14, 15, 17, 18, 19, 23, 35 | MIG - SERVICE MIDBLOCK ERADICATION IN SOBANTU, ASHDOWN & IMBALI (SEWER) | MIG | 8 000 000 | 10 000 000 | 10 000 000 | Developmental / Economic |
| Cross Cutting Interventions | A friendly, safe city; | Var | CNL - TELEMETRY / INSTRUMENTATION EQUIPMENT | CNL | 400 000 | 400 000 | 500 000 | Maintenance |
| Cross Cutting Interventions | A friendly, safe city; | 27 | CNL -REPLACEMENT OF LIFTS PROFESSOR NYEMBEZI BUILDING | CNL | 300 000 | 0 | 0 | Committed |
| Cross Cutting Interventions | A friendly, safe city; | 27 | CNL- REPAIRS TO BRICKWORK PROFESSOR NYEMBEZI BUILDING | CNL | 500 000 | 500 000 | 0 | Upgrade |
| Cross Cutting Interventions | A friendly, safe city; | 27 | CNL- PROFESSOR NYEMBEZI BLDG - REPLACEMENT OF AIRCON CONSOLE UNITS | CNL | 600 000 | 500 000 | 500 000 | Upgrade |
| Cross Cutting Interventions | A friendly, safe city; | | CNL- NEW PLANT AND EQUIPMENT | CNL | 100 000 | 150 000 | 200 000 | Upgrade |
| Cross Cutting Interventions | A friendly, safe city; | 27 | CNL - REPLACEMENT OF LIFT CITY HALL | CNL | 700 000 | 0 | 0 | Upgrade |
| Cross Cutting Interventions | A friendly, safe city; | 27 | CNL - REFURBISHMENT OF CITY HALL BUILDING - (Door, Windows, Gutters, Down Pipe, Moldings, Toilets Etc) Appt AMAFA Consultant for application and costing | CNL | 250 000 | 2 500 000 | 1 000 000 | Rehabilitation |
| Cross Cutting Interventions | A friendly, safe city; | | CNL - COMPLETION OF MOSES MABHIDA MULTI-PURPOSE BUILDING | CNL | 3 000 000 | 4 500 000 | 0 | Rehabilitation |
| Cross Cutting Interventions | A friendly, safe city; | | MIG - REGIONAL ATHLETIC TRACK SPORT COMPLEX | MIG | 20 000 000 | 29 000 000 | 0 | Committed |
| Cross Cutting Interventions | A friendly, safe city; | All | CNL - SYSTEM REINFORCEMENT | CNL | 11 000 000 | 11 539 000 | 11 539 000 | Development |
| Basic Service Delivery | A Well-Serviced City | All | CNL - NETWORK REFURBISHMENT | CNL | 20 000 000 | 20 980 000 | 20 980 000 | Development |
| Basic Service Delivery | A Well-Serviced City | All | CNL - CROSSWAYS CABLES | CNL | 26 000 000 | 26 225 000 | 26 225 000 | Development |
| Basic Service Delivery | A Well-Serviced City | All | INEP - ELECTRIFICATION | INEP | 20 000 000 | 30 000 000 | 12 000 000 | Development |

| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | 2015 / 2016 BUDGET | 2016 / 2017 BUDGET | PROJECT PRIORITISATION |
|-----------------------------|----------------------------|----------------------------|---|------|--------------------|--------------------|--------------------|--------------------------|
| Basic Service Delivery | A Well-Served City | All | DME - NETWORK 132kV REHABILITATION PLAN | DME | 100 000 000 | 400 000 000 | 500 000 000 | Development |
| Basic Service Delivery | A Well-Served City | | CNL - NETWORK 132kV REHABILITATION PLAN | CNL | 20 000 000 | 0 | 0 | |
| Basic Service Delivery | A Well-Served City | All | CNL - LV PROTECTION RETROFIT | CNL | 1 500 000 | 1 573 500 | 1 573 500 | Development |
| Basic Service Delivery | A Well-Served City | All | CNL - QOS SYSTEMS | CNL | 1 000 000 | 1 049 000 | 1 049 000 | Development |
| Basic Service Delivery | A Well-Served City | All | CNL - RE-ROUTING OF OHL IN CLARIDGE | CNL | 6 000 000 | 6 398 900 | 6 398 900 | Development |
| Basic Service Delivery | A Well-Served City | All | CNL - SMART METERS | CNL | 15 000 000 | 15 735 000 | 15 735 000 | Development |
| Basic Service Delivery | A Well-Served City | All | CNL - STREETLIGHTING | CNL | 8 000 000 | 8 392 000 | 8 392 000 | Development |
| Basic Service Delivery | A Well-Served City | | MIG - HIGH MAST LIGHTS IN VULINDLELA & GREATER EDENDALE | MIG | 10 000 000 | 10 000 000 | 10 000 000 | Development |
| Cross Cutting Interventions | A Clean, Green City | All | DOE - ENERGY EFFECIENCY AND DEMAND SIDE MANAGEMENT | DOE | 8 000 000 | 5 000 000 | 10 000 000 | Development |
| Basic Service Delivery | A Well-Served City | All | CNL - UPGRADE OF TRANSFOMER | CNL | 17 000 000 | 17 833 000 | 17 833 000 | Development |
| Basic Service Delivery | A Well-Served City | All | CNL - SUBSTATION BATTERY CHARGERS | CNL | 3 000 000 | 3 147 000 | 3 147 000 | Development |
| Basic Service Delivery | A Well-Served City | All | MIG -REDUCTION OF NON REVENUE WATER | MIG | 20 000 000 | 20 000 000 | 25 000 000 | Maintenance / Economic |
| Basic Service Delivery | A Well-Served City | | MWIG - REDUCTION OF NON REVENUE WATER | MWIG | 8 000 000 | 15 000 000 | 25 000 000 | Maintenance / Economic |
| Basic Service Delivery | A Well-Served City | 14, 15, 17, 18, 19, 23, 35 | MIG - SERVICE MIDBLOCK ERADICATION IN SOBANTU, ASHDOWN & IMBALI (WATER) | MIG | 300 000 | 500 000 | 500 000 | Developmental / Economic |
| Basic Service Delivery | A Well-Served City | | MWIG - BASIC WATER SUPPLY | MWIG | 7 200 000 | 5 000 000 | 0 | Legal |
| Basic Service Delivery | A Well-Served City | 20 | MIG - EDENDALE PROPER NEW MAINS & RETICULATION | MIG | 500 000 | 2 350 000 | 2 350 000 | Developmental |
| Basic Service Delivery | A Well-Served City | 26 | MWIG -MASON'S RESERVOIR & PIPELINE | MWIG | 15 000 000 | 4 000 000 | 0 | Developmental |

| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | 2015 / 2016 BUDGET | 2016 / 2017 BUDGET | PROJECT PRIORITISATION |
|-----------------------------|----------------------------|------|--|------|--------------------|--------------------|--------------------|------------------------|
| Basic Service Delivery | A Well-Serviced City | Var | CNL - REHABILITATION OF WATER INFRASTRUCTURE | CNL | 4 000 000 | 10 000 000 | 200 000 000 | Developmental |
| Basic Service Delivery | A Well-Serviced City | 29 | MIG - COPESVILLE RESERVOIR | MIG | 300 000 | 6 000 000 | 1 000 000 | Developmental |
| Cross Cutting Interventions | A Well-Serviced City | Var | CNL - LEAK DETECTION EQUIPMENT | CNL | 300 000 | 350 000 | 0 | Maintenance |
| | | | | | 590 361 832 | 952 197 400 | 1 142 322 400 | |

5.6 KEY CAPITAL PROJECTS

The following projects have been identified by municipal departments as requiring implementation.

5.6.1 WATER AND SANITATION

| STRATEGIC PRIORITY 1: WELL SERVICED CITY | | |
|---|---|--|
| KPA: BASIC SERVICES DELIVERY | | |
| 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% to 500 per annum and respond to 100% of sanitation blockages within 8 hours. |

Table 83: Water and sanitation budget

| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | 2015 / 2016 BUDGET | 2016 / 2017 BUDGET | PROJECT PRIORITISATION | PRIORITY CATEGORY |
|------------------------|----------------------------|---|---|------|--------------------|--------------------|--------------------|--------------------------|-------------------|
| Basic Service Delivery | A Well-Serviced City | 10, 12, 13, 15, 16, 17, 19 and 21 to 37 | MIG - SANITATION INFRASTRUCTURE FEASIBILITY STUDY | MIG | 6 000 000 | 6 000 000 | 3 000 000 | Legal / Maintenance | 2 |
| Basic Service Delivery | A Well-Serviced City | 18 | SHENSTONE AMBLETON SANITATION SYSTEM | MIG | 1 000 000 | 10 000 000 | 15 000 000 | Developmental / Economic | 1 |
| Basic Service Delivery | A Well-Serviced City | 33, 31, 30, 35, 25 | MIG - REHABILITATION OF SANITATION INFRASTRUCTURE | MIG | 10 691 225 | 15 000 000 | 20 000 000 | Developmental | 1 |
| Basic Service Delivery | A Well-Serviced City | 16 | MIG - SEWER PIPES UNIT H | MIG | 9 300 000 | 11 000 000 | 8 000 000 | Developmental / Economic | 1 |
| Basic Service Delivery | A Well-Serviced City | 10 | MIG - SEWER PIPES AZALEA - PHASE 2 | MIG | 9 000 000 | 18 000 000 | 14 000 000 | Developmental / Economic | 1 |
| Basic Service Delivery | A Well-Serviced City | COGTA | COGTA - BASIC SANITATION | DOHS | 0 | 3 000 000 | 3 000 000 | Legal | 1 |
| Basic Service Delivery | A Well-Serviced City | 20/21 | MIG - ELIMINATION OF CONSERVANCY TANKS - (SEWER) | MIG | 1 000 000 | 12 000 000 | 10 000 000 | Developmental / Economic | 2 |
| Basic Service Delivery | A Well-Serviced City | 14,15,17,18,19,23,35 | MIG - SERVICE MIDBLOCK ERADICATION IN SOBANTU, ASHDOWN & IMBALI (SEWER) | MIG | 1 500 000 | 10 000 000 | 10 000 000 | Developmental / Economic | 1 |
| Basic Service Delivery | A Well-Serviced City | N/A | CNL - TELEMETRY / INSTRUMENTATION EQUIPMENT | CNL | 400 000 | 400 000 | 500 000 | Maintenance | 1 |
| Basic Service Delivery | A Well-Serviced City | 1 TO 11 | MWIG - REDUCTION OF NON REVENUE WATER | MWIG | 1 000 000 | 1 | | | 2 |
| Basic Service Delivery | A Well-Serviced City | 12 TO 37 | MIG -REDUCTION OF NON REVENUE WATER | MIG | 20 000 000 | 20 000 000 | 25 000 000 | Maintenance / Economic | 1 |
| Basic Service Delivery | A Well-Serviced City | 14,15,17,18,19,23,35 | MIG - SERVICE MIDBLOCK ERADICATION IN SOBANTU, ASHDOWN & IMBALI (WATER) | MIG | 0 | 500 000 | 500 000 | Developmental / Economic | 1 |
| Basic Service Delivery | A Well-Serviced City | 1 TO 11 | MWIG - BASIC WATER SUPPLY | MWIG | 7 200 000 | 5 000 000 | 0 | Legal | 1 |



| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | 2015 / 2016 BUDGET | 2016 / 2017 BUDGET | PROJECT PRIORITISATION | PRIORITY CATEGORY |
|------------------------|----------------------------|----------|--|------|--------------------|--------------------|--------------------|------------------------|-------------------|
| Basic Service Delivery | A Well-Serviced City | 20 | MIG - EDENDALE PROPER NEW MAINS & RETICULATION | MIG | 500 000 | 2 350 000 | 2 350 000 | Developmental | 2 |
| Basic Service Delivery | A Well-Serviced City | 26 | MWIG -MASON'S RESERVOIR & PIPELINE | MWIG | 3 189 000 | 4 000 000 | 0 | Developmental | 1 |
| Basic Service Delivery | A Well-Serviced City | 12 TO 37 | CNL - REHABILITATION OF WATER INFRASTRUCTURE | CNL | 4 000 000 | 10 000 000 | 200 000 000 | Developmental | 3 |
| Basic Service Delivery | A Well-Serviced City | 29 | MIG - COPEVILLE RESERVOIR | MIG | 300 000 | 6 000 000 | 1 000 000 | Developmental | 1 |
| Basic Service Delivery | A Well-Serviced City | N/A | CNL - LEAK DETECTION EQUIPMENT | CNL | 300 000 | 350 000 | 0 | Maintenance | 2 |
| | | | | | 75 380 225 | | | | |

| WATER | FUNDING SOURCE | PROPOSED BUDGET 2014/2015 | PRIORITY CATEGORY 1 | PRIORITY CATEGORY 2 | PRIORITY CATEGORY 3 |
|--------------|----------------|---------------------------|---------------------|---------------------|---------------------|
| | CNL | 4 700 000 | 400 000 | 300 000 | 4 000 000 |
| | DOHS | 0 | - | - | - |
| | MIG | 59 291 225 | 51 791 225 | 7 500 000 | |
| | MWIG | 11 389 000 | 10 389 000 | 1 000 000 | - |
| TOTAL | | 75 380 225 | 62 580 225 | 8 800 000 | 4 000 000 |

5.6.2 LANDFILL

Table 84: Landfill budget

| KPA | MUNICIPAL STRATEGIC THRUST | VALUE STATEMENT | TARGET | DEPT | VOTE NO 13/14 | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | PRIORITY CATEGORY |
|------------------------|----------------------------|--|--|------|---------------|---------|------------------------|------|--------------------|-------------------|
| Basic Service Delivery | A Clean, Green City | 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. | 185 | 1401 | 33 & 35 | MIG - LANDFILL UPGRADE | MIG | 8 163 550 | 2B |

5.6.3 COMMUNITY FACILITIES

Table 85: Budget from 2013 facilities

| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT | COST |
|-----|----------------------------|------|---|---------------|
| | | 2 | Youth Centre | R 10 million |
| | | 3 | Sports Facility | R 15 million |
| | | 4 | Multi-Purpose Center | 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 |
| | | 10 | Azalea Cemetery road and fencing | R 3,5 million |
| | | 13 | Community Hall : Slangspruit | R 13 million |
| | | 16 | Multi-Purpose Hall | R 10 million |
| | | 18 | Community Hall | R 6 million |
| | | 23 | Multi-Purpose Indoor Sport Arena | R 13 million |
| | | 32 | Upgrade Woodlands Sport fields | R 5 million |
| | | 34 | Glenwood Centre/Multi-Purpose and Recreational Centre | R 10 million |
| | | 35 | Lincoln Meade Community Hall | R 8 million |

5.6.4 HOUSING

| 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. | 2.2 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. |

Table 86: Housing budget from 2013

| IDP 2013/2014 AND BEYOND NEW HOUSING PROJECTS AT VARIOUS STAGES OF IMPLEMENTATION | | | | | | | |
|--|-----------------------|--------|--------|--------|--------|--------|---------------|
| To undertake feasibility 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 |
| Willowfontein: Bulwer - Stage 1 | 1000 | 1000 | | | | | 14 |
| Khalanyoni – PF | 500 | 500 | | | | | 12 |
| KwaThirty – 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 |
| Willowfontein: Bulwer - Stage 1 | 1000 | | 1000 | | | | 14 |
| Khalanyoni | 500 | | 500 | | | | 12 |
| KwaThirty | 500 | | 500 | | | | 10 |
| Signal Hill - Stage 1 | 2000 | | 2000 | | | | 26 |
| Glenwood South East Sector | 3000 | | | 3000 | | | 37 |

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IDP 2013/2014 AND BEYOND

NEW HOUSING PROJECTS AT VARIOUS STAGES OF IMPLEMENTATION

| | | | | | | | |
|--|---------------------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| 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 |
| Willowfontein: Bulwer - Stage 1 | 1000 | | | 1000 | | | 14 |
| Khalanyoni | 500 | | | 500 | | | 12 |
| KwaThirty | 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 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 |
| Willowfontein EE - P1 | 200 | 73 | | | | | 14 |
| Lot 182 S'nating | 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 |
| Willowfontein: Bulwer - Stage 1 | 1000 | | | | 360 | 360 | 14 |
| Khalanyoni | 500 | | | | | 360 | 12 |
| KwaThirty | 500 | | | | | 360 | 10 |
| Signal Hill - Stage 1 | 2000 | | | | | 360 | 26 |
| Glenwood South East Sector | 3000 | | | | | 360 | 37 |

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IDP 2013/2014 AND BEYOND

NEW HOUSING PROJECTS AT VARIOUS STAGES OF IMPLEMENTATION

| | | | | | | | |
|--|--------------------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| 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 |

5.6.5 ROADS, STORMWATER, BUILDINGS AND TRANSPORTATION

| 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. |

Table 87: Roads Budget

| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | 2015 / 2016 BUDGET | 2016 / 2017 BUDGET | PROJECT PRIORITISATION | PRIORITY CATEGORY |
|------------------------|----------------------------------|--|---|------|--------------------|--------------------|--------------------|------------------------|-------------------|
| Basic Service Delivery | An Accessible and Connected City | 27 | CNL - BURGER ST EXTENSION | CNL | 10 000 000 | 10 000 000 | 1 500 000 | Upgrade | 2 |
| Basic Service Delivery | An Accessible and Connected City | 37 | CNL - UPGRADING OF ROADS IN ASHBURTON - Design | CNL | 600 000 | 5 000 000 | 5 000 000 | Upgrade | 2 |
| Basic Service Delivery | An Accessible and Connected City | 1-37 | CNL - ROAD REHABILITATION - PMS | CNL | 25 000 000 | 25 000 000 | 25 000 000 | Rehabilitation | 1 |
| Basic Service Delivery | An Accessible and Connected City | 25/32 | CNL - CONNOR - OTTO'S BLUFF ROADS - LINK | CNL | 2 000 000 | 13 000 000 | 1 600 000 | Upgrade | 2 |
| Basic Service Delivery | An Accessible and Connected City | 36 | CNL - LESTER BROWN LINK ROAD | CNL | 6 500 000 | 10 000 000 | 500 000 | Upgrade | 1 |
| Basic Service Delivery | An Accessible and Connected City | 27/33 | CNL - Upgrade SWD system in the CBD Roads - Chapel Street floods, etc | CNL | 350 000 | 1 700 000 | 2 000 000 | Upgrade | 2 |
| Basic Service Delivery | An Accessible and Connected City | 35 | CNL - GRIMTHORPE ROAD BRIDGE (DESIGN AND EIA) | CNL | 60 000 | 6 000 000 | 7 000 000 | Committed | 1 |
| Basic Service Delivery | An Accessible and Connected City | 14, 15, 16, 17, 18, 19, 22, 24, 28, 30, 33, 35 | CNL - TRAFFIC CALMING MEASURES | CNL | 1 500 000 | 1 500 000 | 1 500 000 | Upgrade | 1 |
| Basic Service Delivery | An Accessible and Connected City | 13, 14, 15, 16, 17, 18, 19, 22, 24, 28, 29, 32, 34, 35 | CNL - NON MOTORISED TRANSPORT INFRASTRUCTURE DESIGN | CNL | 500 000 | 4 000 000 | 6 000 000 | Upgrade | 1 |
| Basic Service Delivery | An Accessible and Connected City | 32 | CNL - CHOTA MOTALA INTERCHANGE | CNL | 7 121 900 | 0 | 0 | Committed | 1 |
| Basic Service Delivery | An Accessible and Connected City | 32 | CNL - BROOKSIDE TAXI HOLDING AREA | CNL | 4 500 000 | 0 | 0 | Committed | 1 |
| Basic Service Delivery | An Accessible and Connected City | 12, 15, 22, 23, 24, 25, 26, 27, 28, 29, 31, 32, 33, 34, 35, 36, 37 | CNL - TRAFFIC LIGHT SPARES, EQUIPMENT & TOOLS | CNL | 0 | 100 000 | 100 000 | Maintenance | 1 |

| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | 2015 / 2016 BUDGET | 2016 / 2017 BUDGET | PROJECT PRIORITISATION | PRIORITY CATEGORY |
|------------------------|----------------------------------|------------|--|------|--------------------|--------------------|--------------------|------------------------|-------------------|
| Basic Service Delivery | An Accessible and Connected City | 24, 28, 34 | CNL - INSTALLATION OF TRAFFIC SIGNALS | CNL | 1 200 000 | 800 000 | 0 | Upgrade | 1 |
| Basic Service Delivery | An Accessible and Connected City | 33 & 35 | EASTERN RING ROAD DETAIL DESIGN | CNL | 1 500 000 | 1 000 000 | 1 500 000 | Upgrade | 1 |
| Basic Service Delivery | An Accessible and Connected City | 29/37 | Rehab of New Greytown road (road reached state of disrepair and riddled with dangerous potholes) | CNL | 5 000 000 | 10 000 000 | 4 000 000 | Rehabilitation | 2 |
| Basic Service Delivery | An Accessible and Connected City | ALL | Installation of Guardrails | CNL | 0 | 500 000 | 550 000 | 600 000 | 2 |
| | | | | | R 62 611 900.00 | | | | |

| PROPOSED BUDGET 2014/2015 | PRIORITY CATEGORY 1 | PRIORITY CATEGORY 2 | PRIORITY CATEGORY 3 |
|---------------------------|---------------------|---------------------|---------------------|
| 62 611 900 | 53 381 900 | 8 730 000 | 500 000 |
| 92 200 000 | 51 200 000 | 38 800 000 | - |
| DoRA Allocation | | | |
| 154 811 900 | 104 581 900 | 47 530 000 | 500 000 |

5.6.6 FLEET

| 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 rates payments. | 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. |

Table 88: Fleet budet

| KPA | MUNICIPAL STRATEGIC THRUST | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | PRIORITY CATEGORY |
|-----------------------------|----------------------------|------|---|------|--------------------|-------------------|
| Cross Cutting Interventions | A Well-Serviced City | N/A | CNL - REPLACEMENT OF WORKSHOP FLOOR IN PARKS SMALL PLANT WORKSHOP | CNL | 60 000 | 1 |
| Cross Cutting Interventions | A Well-Serviced City | N/A | CNL - PALISADE FENCING TO ENCLOSE AREA FOR VEHICLE REPAIRS | CNL | 100 000 | 1 |
| Cross Cutting Interventions | A Well-Serviced City | N/A | CNL - REPLACEMENT OF MECHANICAL WORKSHOP EQUIPMENT | CNL | 100 000 | 1 |
| Cross Cutting Interventions | A friendly, safe city; | N/A | CNL - NEW VEHICLE MONITORING CONTROL ROOM AT FLEET FACILITY | CNL | 150 000 | 2 |
| Cross Cutting Interventions | A Well-Serviced City | N/A | CNL - PALISADE FENCING TO ENCLOSE AREA FOR VEHICLE ACCIDENT DAMAGE & DISPOSAL | CNL | 100 000 | 1 |
| Cross Cutting Interventions | A Well-Serviced City | N/A | CNL - NEW VEHICLE WASHING FACILITY AT FLEET FACILITY | CNL | 150 000 | 1 |
| Cross Cutting Interventions | A Well-Serviced City | N/A | CNL - REPLACEMENT OF VEHICLES, PLANT & EQUIPMENT | CNL | 30 000 000 | 1 |
| | | | | | 30660000 | |

| | | | | | | | | | |
|------------------------|----------------------------------|----|---|-----|-----------|-----------|---------|---------------|---|
| Basic Service Delivery | An Accessible and Connected City | 27 | CNL - REPLACEMENT OF LIFTS A S CHETTY BUILDING | CNL | 100 000 | 0 | 0 | Refurbishment | 1 |
| Basic Service Delivery | An Accessible and Connected City | 27 | CNL- LIGHTING UPGRADE 4TH, 2ND, 1ST FLOORS AS CHETTY BUILDING | CNL | 200 000 | 175 000 | 200 000 | Upgrade | 2 |
| Basic Service Delivery | An Accessible and Connected City | 27 | CNL- A S CHETTY BUILDING - WATERPROOFING ROOF SLAB | CNL | 250 000 | | | Refurbishment | 2 |
| Basic Service Delivery | An Accessible and Connected City | 27 | CNL - AIRCONDITIONING UPGRADE 4TH, 2ND, 1ST FLOORS AS CHETTY BUILDING | CNL | 1 000 000 | 1 000 000 | 0 | Upgrade | 2 |
| Basic Service Delivery | An Accessible and Connected City | 27 | CNL - FURNITURE | CNL | 140 000 | 50 000 | 20 000 | Upgrade | 1 |
| Basic Service Delivery | An Accessible and Connected City | 27 | CNL- REPLACEMENT EDENDALE ROAD DEPOT ROOF - DAMAGED BY WHITE ANTS | CNL | 400 000 | 0 | 0 | Refurbishment | 1 |
| Basic Service Delivery | An Accessible and Connected City | 27 | CNL - HOSTEL AND CHANGEROOMS (Water/Sanitation Female staff) | CNL | 500 000 | 1 000 000 | 0 | Upgrade | 1 |
| Basic Service Delivery | An Accessible and Connected City | 27 | CNL -COMPLETE REFURB OF LIFTS PROFESSOR NYEMBEZI BUILDING | CNL | 100 000 | 0 | 0 | Committed | 1 |

| | | | | | | | | | |
|------------------------|----------------------------------|----|--|-----|-----------|-----------|-----------|----------------|---|
| Basic Service Delivery | An Accessible and Connected City | 27 | CNL- REPAIRS TO BRICKWORK PROFESSOR NYEMBEZI BUILDING | CNL | 500 000 | 500 000 | 0 | Upgrade | 3 |
| Basic Service Delivery | An Accessible and Connected City | 27 | CNL- PROFESSOR NYEMBEZI BLDG - REPLACEMENT OF AIRCON CONSOLE UNITS | CNL | 600 000 | 500 000 | 500 000 | Upgrade | 2 |
| Basic Service Delivery | An Accessible and Connected City | 27 | CNL- NEW PLANT AND EQUIPMENT | CNL | 100 000 | 150 000 | 200 000 | Upgrade | 1 |
| Basic Service Delivery | An Accessible and Connected City | 27 | CNL - REFURBISHMENT OF CITY HALL BUILDING - (Door, Windows, Gutters, Down Pipe, Moldings, Toilets Etc) Appt AMAFA Consultant for application and costing | CNL | 180 000 | 2 500 000 | 1 000 000 | Rehabilitation | 2 |
| Basic Service Delivery | An Accessible and Connected City | 22 | CNL - COMPLETION OF MOSES MABHIDA MULTI-PURPOSE BUILDING | CNL | 3 000 000 | 4 500 000 | 0 | Rehabilitation | 1 |
| Basic Service Delivery | An Accessible and Connected City | 27 | UPGRADE OF FIRE DETECTORS IN CITY HALL | CNL | 350 000 | | | | 1 |

5.6.7 ELECTRICITY

| 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. | 1.2 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. |

Table 89: Electricity Budget

| KPA | MUNICIPAL STRATEGIC THRUST | VOTE NO 13/14 | WARD | PROJECT DESCRIPTION | FUND | 2014 / 2015 BUDGET | PRIORITY CATEGORY |
|------------------------|----------------------------------|------------------|------|---|------|-----------------------|----------------------|
| Basic Service Delivery | An Accessible and Connected City | | All | CNL - SYSTEM REINFORCEMENT | CNL | 11 000 000 | 1 |
| Basic Service Delivery | An Accessible and Connected City | 1402 | All | CNL - NETWORK REFURBISHMENT | CNL | 20 000 000 | 1 |
| Basic Service Delivery | An Accessible and Connected City | | All | CNL - CROSSWAYS CABLES | CNL | 26 000 000 | 1 |
| Basic Service Delivery | An Accessible and Connected City | 1401 | All | INEP - ELECTRIFICATION | INEP | 20 000 000 | 1 |
| Basic Service Delivery | An Accessible and Connected City | | All | DME - NETWORK 132kV REHABILITATION PLAN | DME | 100 000 000 | 1 |
| Basic Service Delivery | An Accessible and Connected City | | | CNL - NETWORK 132kV REHABILITATION PLAN | CNL | 20 000 000 | 1 |
| Basic Service Delivery | An Accessible and Connected City | | All | CNL - LV PROTECTION RETROFIT | CNL | 1 500 000 | 1 |
| Basic Service Delivery | An Accessible and Connected City | | All | CNL - QOS SYSTEMS | CNL | 1 000 000 | 1 |
| Basic Service Delivery | An Accessible and Connected City | | All | CNL - RE-ROUTING OF OHL IN CLARIDGE | CNL | 6 000 000 | 1 |
| Basic Service Delivery | An Accessible and Connected City | | All | CNL - SMART METERS | CNL | 15 000 000 | 1 |
| Basic Service Delivery | An Accessible and Connected City | | All | CNL - STREETLIGHTING | CNL | 8 000 000 | 1 |
| Basic Service Delivery | An Accessible and Connected City | 1401 | | MIG - HIGH MAST LIGHTS IN VULINDLELA & GREATER EDENDALE | MIG | 10 000 000 | 1 |
| Basic Service Delivery | An Accessible and Connected City | 1402 | All | DOE - ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT | DOE | 8 000 000 | 1 |
| Basic Service Delivery | An Accessible and Connected City | | All | CNL - UPGRADE OF TRANSFORMER | CNL | 17 000 000 | 1 |
| Basic Service Delivery | An Accessible and Connected City | 1401 | All | CNL - SUBSTATION BATTERY CHARGERS | CNL | 3 000 000 | 1 |
| | | | | | | 266500000 | |



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| ELECT | FUNDING SOURCE | PROPOSED BUDGET 2014/2015 | PRIORITY CATEGORY 1 | PRIORITY CATEGORY 2 | PRIORITY CATEGORY 3 |
|-------|----------------|---------------------------|-------------------------|---------------------|---------------------|
| | CNL | 128 500 000 | 128 500 000 | 0 | 0 |
| | DOE | 8 000 000 | 8 000 000 | 0 | 0 |
| | DME | 100 000 000 | 100 000 000 | 0 | 0 |
| | INEP | 20 000 000 | 20 000 000 | 0 | 0 |
| | MIG | 10 000 000 | 10 000 000 | 0 | 0 |
| | TOTAL | R 266 500 000.00 | R 266 500 000.00 | 0 | 0 |

SECTION F CHAPTER 6: FINANCIAL PLAN

6.1 INTRODUCTION

This section summarises key elements from the municipal budget.

6.2 OPERATING BUDGET

The following table summarises the Msunduzi Operating Budget.

Table 90: Operating Budget

| KZN225 Msunduzi - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding | | | | | | | | | | | |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Vote Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Capital expenditure - Vote | | | | | | | | | | | |
| Multi-year expenditure to be appropriated | 2 | | | | | | | | | | |
| Vote 1 - Corporate Services | | 3 552 | 12 689 | – | 2 500 | 24 025 | 24 025 | 24 025 | 25 454 | 65 822 | 72 487 |
| Vote 2 - Financial Management Area | | 152 | 35 | – | – | – | – | – | 24 417 | – | – |
| Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management | | 91 807 | 195 273 | 163 117 | 379 546 | 379 246 | 379 246 | 379 246 | 451 922 | 150 555 | 166 765 |
| Vote 4 - Sustainable Community Service Delivery Provision Management | | 15 638 | 15 963 | 32 815 | – | 126 | 126 | 126 | 74 305 | 372 211 | 298 329 |
| Capital multi-year expenditure sub-total | 7 | 111 149 | 223 959 | 195 932 | 382 046 | 403 397 | 403 397 | 403 397 | 576 098 | 588 588 | 537 581 |
| Single-year expenditure to be appropriated | 2 | | | | | | | | | | |
| Vote 1 - Corporate Services | | – | 5 150 | 3 100 | 3 100 | 3 100 | 3 100 | 3 100 | 3 818 | 21 941 | 24 163 |
| Vote 2 - Financial Management Area | | – | – | 7 000 | 7 012 | 7 012 | 7 012 | 7 012 | 10 479 | – | – |
| Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management | | – | – | 15 636 | 42 702 | 73 804 | 73 804 | 73 804 | 132 441 | 58 889 | 4 726 |

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

| Vote Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|--|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Vote 4 - Sustainable Community Service Delivery Provision Management | | – | – | 13 296 | 8 310 | 35 820 | 35 820 | 35 820 | 24 918 | 123 181 | 99 510 |
| Capital single-year expenditure sub-total | | – | 5 150 | 39 032 | 61 124 | 119 736 | 119 736 | 119 736 | 171 656 | 204 011 | 128 399 |
| Total Capital Expenditure – Vote | | 111 149 | 229 109 | 234 964 | 443 170 | 523 133 | 523 133 | 523 133 | 747 754 | 792 599 | 665 980 |
| Capital Expenditure – Standard | | | | | | | | | | | |
| Governance and administration | | 7 557 | 12 723 | 3 713 | 30 760 | 49 425 | 49 425 | 49 425 | 23 899 | 46 413 | 32 450 |
| Executive and council | | 235 | | 309 | – | 353 | 353 | 353 | 1 961 | 46 413 | 32 450 |
| Budget and treasury office | | 7 323 | 35 | 3 404 | 30 760 | 49 072 | 49 072 | 49 072 | 21 938 | | |
| Corporate services | | | 12 689 | – | – | | | | – | – | |
| Community and public safety | | 612 | 12 838 | 18 084 | 4 500 | 9 437 | 9 437 | 9 437 | 10 656 | 11 417 | 12 682 |
| Community and social services | | 436 | 12 620 | 12 610 | 2 800 | 3 837 | 3 837 | 3 837 | 4 128 | 4 499 | 4 994 |
| Sport and recreation | | – | | 5 475 | 1 700 | 5 000 | 5 000 | 5 000 | 6 008 | 6 268 | 6 707 |
| Public safety | | 165 | 218 | – | – | 600 | 600 | 600 | 520 | 649 | 981 |
| Housing | | 11 | | – | – | | | | – | – | |
| Health | | – | | – | – | | | | – | – | |
| Economic and environmental services | | 46 382 | 84 650 | 66 580 | 163 976 | 414 348 | 414 348 | 414 348 | 450 836 | 505 906 | 403 691 |
| Planning and development | | – | 59 | – | 2 700 | 252 572 | 252 572 | 252 572 | 223 873 | 272 963 | 180 353 |
| Road transport | | 46 382 | 84 591 | 66 580 | 161 276 | 161 776 | 161 776 | 161 776 | 226 963 | 232 943 | 223 338 |
| Environmental protection | | | | | | | | | | | |
| Trading services | | 45 413 | 110 623 | 109 130 | 241 112 | 253 416 | 253 416 | 253 416 | 229 896 | 194 122 | 179 984 |
| Electricity | | 16 592 | 26 696 | 54 869 | 151 500 | 153 493 | 153 493 | 153 493 | 145 035 | 117 517 | 110 899 |
| Water | | 12 860 | 63 324 | 35 317 | 34 425 | 41 835 | 41 835 | 41 835 | 59 191 | 49 141 | 39 386 |
| Waste water management | | 15 491 | 396 | 16 892 | 47 097 | 47 097 | 47 097 | 47 097 | 14 129 | 15 577 | 16 979 |
| Waste management | | 471 | 20 206 | 2 052 | 8 091 | 10 991 | 10 991 | 10 991 | 11 541 | 11 887 | 12 719 |
| Other | | 11 184 | 3 125 | 22 811 | 2 810 | 26 510 | 26 510 | 26 510 | 32 468 | 34 742 | 37 174 |
| Total Capital Expenditure - Standard | 3 | 111 149 | 223 959 | 220 319 | 443 158 | 753 136 | 753 136 | 753 136 | 747 754 | 792 599 | 665 980 |
| Funded by: | | | | | | | | | | | |
| National Government | | 73 020 | 123 449 | 189 180 | 383 158 | 391 760 | 391 760 | 391 760 | 283 897 | 464 283 | 470 992 |
| Provincial Government | | 11 429 | 25 621 | 31 139 | | 25 459 | 25 459 | 25 459 | 9 927 | 9 000 | – |
| District Municipality | | – | – | – | – | | | | – | – | |



| KZN225 Msunduzi - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding | | | | | | | | | | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|--|
| Vote Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | | 2014/15 Medium Term Revenue & Expenditure Framework | | | |
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 | |
| Other transfers and grants | | 205 | – | – | – | 2 427 | 2 427 | 2 427 | – | – | | |
| Transfers recognised – capital | 4 | 84 654 | 149 070 | 220 319 | 383 158 | 419 646 | 419 646 | 419 646 | 293 824 | 473 283 | 470 992 | |
| Public contributions & donations | 5 | – | – | – | – | | | | – | | | |
| Borrowing | 6 | 26 495 | – | – | – | 4 193 | 4 193 | 4 193 | 250 000 | | | |
| Internally generated funds | | – | 74 889 | – | 60 000 | 99 294 | 99 294 | 99 294 | 203 930 | 319 316 | 194 988 | |
| Total Capital Funding | 7 | 111 149 | 223 959 | 220 319 | 443 159 | 523 133 | 523 133 | 523 133 | 747 754 | 792 599 | 665 980 | |

Table 91: Transfers and grant receipts

| KZN225 Msunduzi - Supporting Table SA18 Transfers and grant receipts | | | | | | | | | | |
|--|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| RECEIPTS: | 1, 2 | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | | |
| National Government: | | 267 375 | 310 326 | 342 704 | 362 139 | 362 139 | 362 139 | 384 424 | 402 078 | 422 802 |
| Local Government Equitable Share | | 267 211 | 304 835 | 338 903 | 354 313 | 354 313 | 354 313 | 373 541 | 392 761 | 413 174 |
| Finance Management | | 165 | 1 979 | 1 500 | 1 550 | 1 550 | 1 550 | 1 600 | 1 650 | 1 700 |
| Municipal Systems Improvement | | | 978 | 800 | 890 | 890 | 890 | 934 | 967 | 1 018 |
| EPWP Incentive | | | | 1 501 | 1 874 | 1 874 | 1 874 | 2 782 | | |
| Energy Efficiency and Demand Management | | | 2 534 | | – | – | – | – | – | |
| Water Services Operating Subsidy | | | | | | | | | | |
| Other transfers/grants (insert description) | | | | | 3 512 | 3 512 | 3 512 | | | |
| Operating costs-MIG | | | | | | | | 4 000 | 4 200 | 4 410 |
| Neighbourhood Development Partnership Technical ass | | | | | | | | 1 567 | 2 500 | 2 500 |
| Provincial Government: | | 33 467 | 4 074 | 22 500 | 21 709 | 21 709 | 21 709 | 30 948 | 34 562 | 35 841 |
| Health subsidy | | | – | | | | | | | |
| Provincial Government: | | 20 979 | 1 207 | | | | | | | |
| Health subsidy | | | – | | | | | | | |

KZN225 Msunduzi - Supporting Table SA18 Transfers and grant receipts

| Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|--|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Expanded Public Works Grant | | | 2 868 | | | | | | | |
| Operating Grant - Property Rates | | | | | | | | | | |
| Health | | 12 488 | | 2 537 | | | | | | |
| Human Settlements | | | | 9 000 | | | | 7 722 | 9 945 | 9 702 |
| Public Works | | | | | | | | | | |
| Arts and Culture | | | | 10 963 | 21 709 | 21 709 | 21 709 | 23 226 | 24 617 | 26 139 |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| (insert description) | | | | | | | | | | |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| (insert description) | | | | | | | | | | |
| Total Operating Transfers and Grants | 5 | 300 842 | 314 400 | 365 204 | 383 848 | 383 848 | 383 848 | 415 372 | 436 640 | 458 643 |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | | 73 225 | 138 340 | 208 599 | 386 670 | 389 761 | 389 761 | 283 897 | 464 283 | 470 992 |
| Municipal Infrastructure Grant (MIG) | | 48 348 | 138 340 | 153 399 | 154 824 | 151 312 | 151 312 | 159 158 | 166 213 | 173 983 |
| Public Transport and Systems | | 11 663 | | 45 000 | 100 846 | 100 846 | 100 846 | 100 000 | 220 000 | 250 000 |
| Neighbourhood Development Partnership | | | | 700 | | | | 10 350 | 10 737 | 11 288 |
| Rural Households Infrastructure | | | | 4 500 | | | | | | |
| Dept of Mineral/Electricity | | 3 757 | | | 8 000 | 8 000 | 8 000 | | | |
| Intergrated National Electrification Pogramme | | | | 5 000 | 123 000 | 123 000 | 123 000 | 3 000 | 9 000 | 9 000 |
| | | | | | | 353 | 353 | | | |
| Municipal Water Infrastructure Grant | | 9 457 | | | | 6 250 | 6 250 | 11 389 | 58 333 | 26 721 |
| Provincial Government: | | 11 429 | 11 836 | 19 315 | - | 25 460 | 25 460 | 9 927 | 9 000 | - |
| Airport Development Project | | 11 429 | 11 836 | 19 315 | | 16 200 | 16 200 | - | - | |
| Sport and Recreation | | | | 2 100 | | | | 150 | | |
| Corridor Development | | | | | | 8 660 | 8 660 | | - | - |
| KZNPA | | | | | | 600 | 600 | | | |
| Treasury | | | | | | | | 5 500 | | |
| COGTA | | | | | | | | 4 277 | 9 000 | |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| (insert description) | | | | | | | | | | |

KZN225 Msunduzi - Supporting Table SA18 Transfers and grant receipts

| Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Other grant providers: | | - | - | 135 | - | 2 427 | 2 427 | - | - | - |
| Carnegie | | | | 135 | | 296 | 296 | | | |
| Cementry Trust | | | | | | 2 131 | 2 131 | | | |
| Total Capital Transfers and Grants | 5 | 84 654 | 150 176 | 228 049 | 386 670 | 417 648 | 417 648 | 293 824 | 473 283 | 470 992 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | | 385 496 | 464 576 | 593 253 | 770 518 | 801 496 | 801 496 | 709 196 | 909 923 | 929 635 |

6.3 COST OF FREE BASIC SERVICES

The following table summarises the budgets associated with the indigents.

Table 92: Cost of FBS

KZN225 Msunduzi - Table A10 Consolidated basic service delivery measurement

| Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|--|----------|----------|----------------|------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Household service targets | 1 | | | | | | | | | |
| Water: | | | | | | | | | | |
| Piped water inside dwelling | | | 78 552 | 100 | 79 | 79 | 79 | 81 771 | 84 406 | 87 074 |
| Piped water inside yard (but not in dwelling) | | | 63 301 | 7 | 63 | 63 | 63 | 65 855 | 67 172 | 68 515 |
| Using public tap (at least min.service level) | 2 | | 15 744 | 1 | 18 | 18 | 18 | 16 266 | 16 591 | 16 922 |
| Other water supply (at least min.service level) | 4 | | | | | | | | | |
| <i>Minimum Service Level and Above sub-total</i> | | - | 157 597 | 108 | 160 097 | 160 097 | 160 097 | 163 892 | 168 169 | 172 511 |
| Using public tap (< min.service level) | 3 | | | | | | | | | |
| Other water supply (< min.service level) | 4 | | | | | | | | | |
| No water supply | | | 6 396 | | | | | 6 659 | 5 792 | 4 927 |
| <i>Below Minimum Service Level sub-total</i> | | - | 6 396 | - | - | - | - | 6 659 | 5 792 | 4 927 |
| Total number of households | 5 | - | 163 993 | 108 | 160 097 | 160 097 | 160 097 | 170 551 | 173 961 | 177 438 |
| Sanitation/sewerage: | | | | | | | | | | |
| Flush toilet (connected to sewerage) | | | 84 675 | 55 228 | 84 975 | 84 975 | 84 975 | 85 125 | 85 275 | 85 425 |

KZN225 Msunduzi - Table A10 Consolidated basic service delivery measurement

| Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|--|----------|----------------|----------------|----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Flush toilet (with septic tank) | | | 8 540 | 4 979 | 8 560 | 8 560 | 8 560 | 8 570 | 8 580 | 8 590 |
| Chemical toilet | | | 5 489 | 315 | 3 000 | 3 000 | 3 000 | 3 000 | 2 500 | 2 500 |
| Pit toilet (ventilated) | | | 28 344 | 32 116 | 24 344 | 24 344 | 24 344 | 22 344 | 32 696 | 32 696 |
| Other toilet provisions (> min.service level) | | | 32 044 | - | 24 044 | 24 044 | 24 044 | 20 044 | 16 044 | 12 044 |
| <i>Minimum Service Level and Above sub-total</i> | | - | 159 092 | 92 638 | 144 923 | 144 923 | 144 923 | 139 083 | 145 095 | 141 255 |
| Bucket toilet | | | 1 585 | | | | | | | |
| Other toilet provisions (< min.service level) | | | | | | | | 31 468 | 28 866 | 36 183 |
| No toilet provisions | | | 3 316 | | | | | | | |
| <i>Below Minimum Service Level sub-total</i> | | - | 4 901 | - | - | - | - | 31 468 | 28 866 | 36 183 |
| Total number of households | 5 | - | 163 993 | 92 638 | 144 923 | 144 923 | 144 923 | 170 551 | 173 961 | 177 438 |
| Energy: | | | | | | | | | | |
| Electricity (at least min.service level) | | | | 44 000 | 44 500 | 44 500 | 44 500 | 145 139 | 148 041 | 151 001 |
| Electricity - prepaid (min.service level) | | | | 20 000 | 21 000 | 21 000 | 21 000 | 22 000 | 23 034 | 23 494 |
| <i>Minimum Service Level and Above sub-total</i> | | - | - | 64 000 | 65 500 | 65 500 | 65 500 | 167 139 | 171 075 | 174 495 |
| Electricity (< min.service level) | | | | | | | | | | |
| Electricity - prepaid (< min. service level) | | | | | | | | 3 412 | 2 886 | 2 943 |
| Other energy sources | | | | | | | | | | |
| <i>Below Minimum Service Level sub-total</i> | | - | - | - | - | - | - | 3 412 | 2 886 | 2 943 |
| Total number of households | 5 | - | - | 64 000 | 65 500 | 65 500 | 65 500 | 170 551 | 173 961 | 177 438 |
| Refuse: | | | | | | | | | | |
| Removed at least once a week | | 89 910 | - | 70 000 | 89 910 | 89 910 | 89 910 | 110 000 | 124 200 | 124 200 |
| <i>Minimum Service Level and Above sub-total</i> | | 89 910 | - | 70 000 | 89 910 | 89 910 | 89 910 | 110 000 | 124 200 | 124 200 |
| Removed less frequently than once a week | | 19 000 | | 38 910 | 29 000 | 29 000 | 29 000 | | - | |
| Using communal refuse dump | | | | | | | | | | |
| Using own refuse dump | | | | | | | | | | |
| Other rubbish disposal | | | | | | | | 26 551 | 29 761 | 33 238 |
| No rubbish disposal | | 35 090 | | 35 090 | 25 090 | 25 090 | 25 090 | 34 000 | 20 000 | 20 000 |
| <i>Below Minimum Service Level sub-total</i> | | 54 090 | - | 74 000 | 54 090 | 54 090 | 54 090 | 60 551 | 49 761 | 53 238 |
| Total number of households | 5 | 144 000 | - | 144 000 | 144 000 | 144 000 | 144 000 | 170 551 | 173 961 | 177 438 |
| Households receiving Free Basic Service | 7 | | | | | | | | | |

KZN225 Msunduzi - Table A10 Consolidated basic service delivery measurement

| Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|--|-----|---------|---------|---------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Water (6 kilolitres per household per month) | | | | 20 119 | 21 125 | 21 125 | 21 125 | 21 760 | 22 630 | 22 630 |
| Sanitation (free minimum level service) | | | | 20 119 | 21 125 | 21 125 | 21 125 | 21 760 | 22 630 | 22 630 |
| Electricity/other energy (50kwh per household per month) | | | | | | | | | | |
| Refuse (removed at least once a week) | | | | 20 119 | 21 125 | 21 125 | 21 125 | 21 760 | 21 760 | 21 760 |
| | | | | | | | | | | |
| Cost of Free Basic Services provided (R'000) | 8 | | | | | | | | | |
| Water (6 kilolitres per household per month) | | | | | | | | 50 880 | 53 628 | 56 524 |
| Sanitation (free sanitation service) | | | | | | | | 8 087 | 8 524 | 8 984 |
| Electricity/other energy (50kwh per household per month) | | | | | | | | 7 117 | 7 501 | 7 906 |
| Refuse (removed once a week) | | | | | | | | 2 759 | 2 908 | 3 065 |
| Total cost of FBS provided (minimum social package) | | - | - | - | - | - | - | 68 843 | 72 561 | 76 479 |
| | | | | | | | | | | |
| Highest level of free service provided | | | | | | | | | | |
| Property rates (R value threshold) | | | | 150 000 | 150 000 | 150 000 | 150 000 | 100 000 | 100 000 | 100 000 |
| Water (kilolitres per household per month) | | | | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Sanitation (kilolitres per household per month) | | | | - | - | - | - | - | | |
| Sanitation (Rand per household per month) | | | | - | - | - | - | - | | |
| Electricity (kwh per household per month) | | | | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Refuse (average litres per week) | | | | - | - | - | - | - | | |
| Revenue cost of free services provided (R'000) | 9 | | | | | | | | | |
| Property rates (R15 000 threshold rebate) | | 12 955 | | 16 431 | 17 623 | 17 623 | 17 623 | 18 969 | 20 297 | 20 297 |
| Property rates (other exemptions, reductions and rebates) | | | | | | | | | | |
| Water | | 61 891 | | 78 496 | 84 193 | 84 193 | 84 193 | 90 622 | 96 967 | 96 967 |
| Sanitation | | 47 393 | | 60 109 | 64 472 | 64 472 | 64 472 | 69 395 | 74 669 | 74 669 |
| Electricity/other energy | | 97 757 | | 123 984 | 132 984 | 132 984 | 132 984 | 143 138 | 154 016 | 154 016 |


KZN225 Msunduzi - Table A10 Consolidated basic service delivery measurement

| Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|--|-----|----------------|----------|----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Refuse | | 47 215 | | 59 883 | 64 229 | 64 229 | 64 229 | 69 134 | 74 388 | 74 388 |
| Municipal Housing - rental rebates | | | | | | | | | | |
| Housing - top structure subsidies | 6 | | | | | | | | | |
| Other | | | | | | | | | | |
| Total revenue cost of free services provided (total social package) | | 267 211 | - | 338 903 | 363 502 | 363 502 | 363 502 | 391 259 | 420 337 | 420 337 |
| References | | | | | | | | | | |
| 1. Include services provided by another entity; e.g. Eskom | | | | | | | | | | |
| 2. Stand distance <= 200m from dwelling | | | | | | | | | | |
| 3. Stand distance > 200m from dwelling | | | | | | | | | | |
| 4. Borehole, spring, rain-water tank etc. | | | | | | | | | | |
| 5. Must agree to total number of households in municipal area | | | | | | | | | | |
| 6. Include value of subsidy provided by municipality above provincial subsidy level | | | | | | | | | | |
| 7. Show number of households receiving at least these levels of services completely free | | | | | | | | | | |
| 8. Must reflect the cost to the municipality of providing the Free Basic Service | | | | | | | | | | |
| 9. Reflect the cost to the municipality in terms of 'revenue foregone' of providing free services (note this will not equal 'Revenue Foregone' on SA1) | | | | | | | | | | |

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

A major focus of 2013/2014 and 2014/2015 IDP Review processes 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 regard to the lack of alignment between the budget and the IDP.

Table 93: Alignment with revenue budget
KZN225 Msunduzi - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

| Strategic Objective | Goal | Goal Code | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|------------------------------------|---|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| R thousand | | | | | | | | | | | | |
| Financial Viability and Management | An efficiently managed, financially viable and sustainable city | | | 835 014 | 765 774 | 792 096 | 1 143 178 | 1 143 178 | 1 143 178 | 911 271 | 843 596 | 870 116 |

| KZN225 Msunduzi - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue) | | | | | | | | | | | | |
|--|--|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Strategic Objective | Goal | Goal Code | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
| R thousand | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Basic Service and Infrastructure Development | A city where everybody has access to habitable human settlement-decent houses, clean water and proper sanitation | | | 1 667 326 | 2 070 036 | 2 531 176 | 2 482 689 | 2 481 019 | 2 481 019 | 2 601 800 | 2 900 769 | 3 116 465 |
| Local Economic Development | A vibrant economic centre, attracting investment, supporting business development and creating jobs | | | 8 233 | 7 549 | 7 808 | 9 382 | 9 382 | 9 382 | 10 573 | 11 579 | 12 109 |
| Good Governance and Public Participation | A well-governed city underpinned by meaningful public participation | | | 249 | 237 | 245 | 284 | 284 | 284 | 326 | 357 | 373 |
| Institutional Development and Transformation | A well-governed city underpinned by meaningful public participation | | | 330 | 339 | 351 | 376 | 376 | 376 | 448 | 491 | 513 |
| Environmental Planning and Social Services | An environmentally sustainable and healthy city | | | 33 988 | 34 903 | 36 103 | 38 733 | 38 733 | 38 733 | 46 157 | 50 549 | 52 865 |
| Allocations to other priorities | | | 2 | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | | 1 | 2 545 140 | 2 878 839 | 3 367 779 | 3 674 642 | 3 672 972 | 3 672 972 | 3 570 575 | 3 807 340 | 4 052 442 |

Table 94: Alignment with operating expenditure budget

| KZN225 Msunduzi - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure) | | | | | | | | | | | | |
|---|--|------------------|------------|------------------------|------------------------|------------------------|-----------------------------|------------------------|---------------------------|--|-------------------------------|-------------------------------|
| Strategic Objective | Goal | Goal Code | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
| R thousand | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Financial Viability and Management | An efficiently managed, financially viable and sustainable city | | | 807 735 | 703 614 | 790 732 | 936 989 | 936 989 | 936 989 | 1 036 740 | 1 104 589 | 1 140 427 |
| Basic Service and Infrastructure Development | A city where everybody has access to habitable human settlement-decent houses, clean water and proper sanitation | | | 1 516 571 | 1 995 727 | 2 439 028 | 2 239 884 | 2 197 533 | 2 197 533 | 2 405 194 | 2 562 967 | 2 693 887 |
| Local Economic Development | A vibrant economic centre, attracting investment, supporting business development and creating jobs | | | 7 964 | 6 936 | 7 795 | 9 238 | 9 238 | 9 238 | 11 521 | 12 731 | 38 196 |
| Good Governance and Public Participation | A well-governed city underpinned by meaningful public participation | | | 241 | 218 | 245 | 279 | 279 | 279 | 1 621 | 2 187 | 27 552 |
| Institutional Development and Transformation | A well-governed city underpinned by meaningful public participation | | | 319 | 311 | 350 | 370 | 370 | 370 | 1 721 | 2 295 | 27 661 |
| Environmental Planning and Social Services | An environmentally sustainable and healthy city | | | 32 878 | 32 070 | 36 041 | 38 139 | 38 139 | 38 139 | 43 458 | 46 744 | 72 533 |
| Allocations to other priorities | | | | | | | | | | | | |
| Total Expenditure | | | | 1 | 2 365 707 | 2 738 877 | 3 274 191 | 3 224 899 | 3 182 548 | 3 182 548 | 3 500 255 | 4 000 257 |

Table 95: Alignment with capital expenditure

| KZN225 Msunduzi - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure) | | | | | | | | | | | | |
|--|---|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Strategic Objective | Goal | Goal Code | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
| R thousand | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| To promote social integration | Promote the city heritage & enhance sustainable tourism | G | | | 5 377 | | | | | | | |
| To provide sustainable & developmental finance through sound financial management | Use technology advancement to improve service delivery | | | | 120 970 | | | | | | | |
| To ensure proper regulations, control and enforcement | To promote & enhance e-governance | | | | 4 453 | | | | | 5 580 | 6 687 | 5 680 |
| To develop social housing | To promote integrated development | | | | 17 036 | | | | | | | |
| To provide adequate staffing levels | To promote & enhance e-governance | | | | 14 281 | | | | | | | |
| To promote the involvement of communities | To promote integrated development | | | | 6 489 | | | | | | | |
| Environmentally sustainable development | To promote integrated development | | | | 22 875 | | | | | | | |
| To promote access to basic services | To promote integrated development | | | | 1 902 | | | | | 19 600 | 23 488 | 19 950 |

KZN225 Msunduzi - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

| Strategic Objective | Goal | Goal Code | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|---|---|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Basic Service Delivery and Infrastructure Development | A city where everybody has access to habitable human settlements-decent houses, clean water and proper sanitation | | | | 1 673 | 234 964 | 370 040 | 390 431 | 390 431 | 90 201 | 108 092 | 91 812 |
| Financial Viability and Management | An efficiently managed, financially viable and sustainable City | | | | 11 104 | | | | | 22 969 | 27 525 | 23 379 |
| Basic Service Delivery and Infrastructure Development | A safe city, with low crime levels, and quality living areas | H | | | 1 794 | | | | | 4 512 | 5 407 | 4 593 |
| Environmental Planning and Social Services | An environmental sustainable and healthy city | I | | | 7 443 | | 27 680 | 27 680 | 27 680 | | | |
| Local Economic Development | A vibrant economic centre,attracting investment, supporting business development and creating jobs | J | | | 11 322 | | 22 725 | 22 725 | 22 725 | 10 350 | 12 403 | 10 535 |
| Basic Service Delivery and Infrastructure Development | A well planned, spatially integrated city | K | | | 2 392 | | 22 725 | 22 725 | 22 725 | | | |
| | | L | | 85 957 | | | | | | 141 500 | 169 567 | 144 028 |
| Access to electricity | provides an adequate energy supply | | | | | | | | | 173 429 | 275 107 | 233 673 |

KZN225 Msunduzi - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

| Strategic Objective | Goal | Goal Code | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|--|---|-----------|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| To provide access to Roads, Storm-water | well maintained roads, rail and other physical infrastructure serving all residents | M | | | | | | 59 572 | 59 572 | 74 980 | 98 853 | 76 721 |
| To provide access to water | serviced with quality of water | | | | | | | | | 23 834 | 28 561 | 24 259 |
| Access to sanitation | serviced with sanitation reticulation | | | | | | | | | 30 799 | 36 909 | 31 350 |
| Fleet management | Replacement of certain vehicles that are not roadworth | | | | | | | | | | | |
| To provide access to solid waste | Landfill upgrade | | | | | | | | | | | |
| To provide access to solid waste | regular waste removal for all neighborhoods | | | | | | | | | | | |
| To reduce non technical electricity losses | service with uninterrupted, adequate energy supply | | | | | | | | | | | |
| To provide access to electricity | To provide adequate energy supply to all communities & centres of business | N | | | | | | | | | | |
| | | O | | 12 070 | | | | | | | | |
| | | P | | 11 906 | | | | | | | | |
| | | O | | 1 216 | | | | | | | | |
| | | P | | | | | | | | | | |
| Allocations to other priorities | | | 3 | | | | | | | | | |
| Total Capital Expenditure | | | 1 | 111 149 | 229 109 | 234 964 | 443 170 | 523 133 | 523 133 | 597 754 | 792 599 | 665 980 |

6.5 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 through the 2014/15 budget, as well as in future budgets.

Table 96: Repairs and Maintenance Costs

| KZN225 Msunduzi - Supporting Table SA1 Supporting detail for '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 |

6.6 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 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 municipality is busy with this process in 2014/2015 awaiting public consultation. It will be implemented on the 1st July 2014

(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 arrears 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:

- Focus on business. Started issuing of summons in February. Delay due to procurement All debts in excess of R20 000 are handed over to a 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 these are limited to buildings, roads, water, and sanitation, and do 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), and that to date, no plans have been prepared. Ageing infrastructure is the priority.

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 with Grap 17. No impairment reports have been made 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
- Growth of revenue and reduction of 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.

Table 97: Committed budgets by Sector Departments

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 | | |

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

| PROJECT NAME | 2013/14 | 2014/15 | 2015/16 |
|--|-----------|-----------|---------|
| Pietermaritzburg Urban Renewal Programme | 6 000 000 | 8 000 000 | |

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 |

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 S'nathing | 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 |
| KwaThirty | - | - | 7 000 000 |
| Hollingwood | - | - | 7 000 000 |
| Khalanyoni | - | - | 7 000 000 |
| South East Sector | - | - | 7 000 000 |
| North East Sector | - | - | 7 000 000 |

IDP REVIEW FOR 2014/15 - 2016/17



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| PROJECT NAME | 2013/14 | 2014/15 | 2015/16 |
|---------------------------------|------------|------------|------------|
| Edendale Priority 5 | - | - | 7 000 000 |
| Ambleton Ph 3 | - | - | 8 000 000 |
| Msunduzi National Rectification | 14 625 000 | 16 250 000 | 32 500 000 |

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 | | |
| Gamalethu Road Phase 2 | 840 000 | | |
| Goudine Road Phase 2 | 800 000 | | |
| Ext. of D54 | 1 080 000 | | |
| Gamalethu 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 | | |
| 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 | | |

| ACTIVITIES | PROJECT NAME | TOTAL |
|-------------------|---|-------------------|
| Pedestrian Bridge | 3496 Willow Fountain Pedestrian Bridge | 2 837 732 |
| | 3550 Kwagezubuso Pedestrian Bridge | 3 000 000 |
| Upgrade | Impendle, Thandokuhle Creche, Mkhiz'obomvu And Shange Roads | 5 000 000 |
| | Nomponjwane & Sponono Roads, | 5 000 000 |
| | P412 Ntembeni To Kwanxamalala | 15 750 000 |
| Vehicle Bridge | 3497 Msunduze River Bridge | 2 100 000 |
| | | 33 687 732 |

UMNGENI WATER

| PROJECT NAME | 2013/141 | 2014/151 | 2015/161 |
|--|-------------|-------------|--------------|
| 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 |

ESKOM

| WARD | COUNCILLOR | VILLAGES | BACKLOG | CLOSEST NETWORKS | COMMENT |
|------|----------------|---|---------|--|--|
| 3 | Clr Madlala | Mpande, Nqabeni, Nxamalala, Siwelile, Mgwagwa, Haza, Mtoqotho | 360 | Vulindlela NB 57, Mphophomeni NB 54, Edendale NB EC, Elandskop NB 9 | |
| 4 | Clr Buthelezi | Mpande 1 and 2, Shange 1 and 2, Henley, Emgodi, Henley, Etsheni, Mbubu, Ekhuthuleni | 500 | Vulindlela NB 57, Edendale NB EM, Edendale NB EC | |
| 5 | Clr Shoji | Mnyandu, Mbizana, Mvundlweni, Gezubuso, Ngubeni, Mkangala, Vulisakha, Noshezi 1 | 1400 | Edendale NB EM | Low Cost Housing |
| 6 | Clr Makhathini | Deda | 63 | Edendale NB EM | |
| 7 | Clr Mkhize | Upper Elandskop, Shayamoya, Vulingondo, Mafunze, Nkabini, Gobindlovu, Nzondweni, Mbumbane, Mafakathini | 350 | Elandskop NB 11, Elandskop NB 12 | |
| 9 | Clr Ngcobo | Phenduka (Mafakathini), Ngcondomhlope, Khethi, Kobongwane, Madladla, Ndebeqeke, Magwinyane, Gqumeni, Kobongwaneni | 250 | Elandskop NB 9, Elandskop NB 12, Edendale NB EM | Houses have been given yellow stickers and never been connected since 2010 |
| 11 | Clr Madonda | Kwa-chief, Dambuza (Entabeni), Nhlazatshe | 900 | Sinathingi NB SB, Sinathingi NB SE, Sinathingi NB SC, Dambuza NB DF, Dambuza NB DH | Clr prefers that we move 100 planned connections from Kwa-chief to Entabeni area |
| 19 | Clr Ndawonde | Imbali Stage 1 and stage 2, Imbali Crossing | 100 | Hospital NB HI, Hospital NB HJ, Thathawe NB TL, Thathawe NB TJ, Thathawe NB TD, Thathawe NB TF, Zikali NB ZD | |

SECTION G CHAPTER 7: ORGANISATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

7.1 ORGANISATION PERFORMANCE 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, which 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:

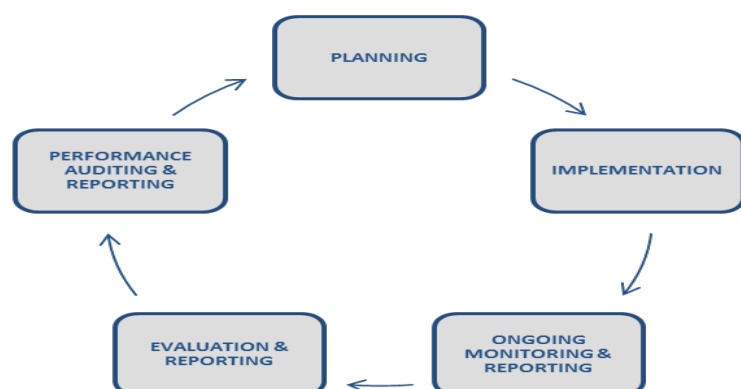
- Planning;
- Implementation;
- Monitoring;
- Evaluation.

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 and the IDP have 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 21: 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 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 agreements 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.

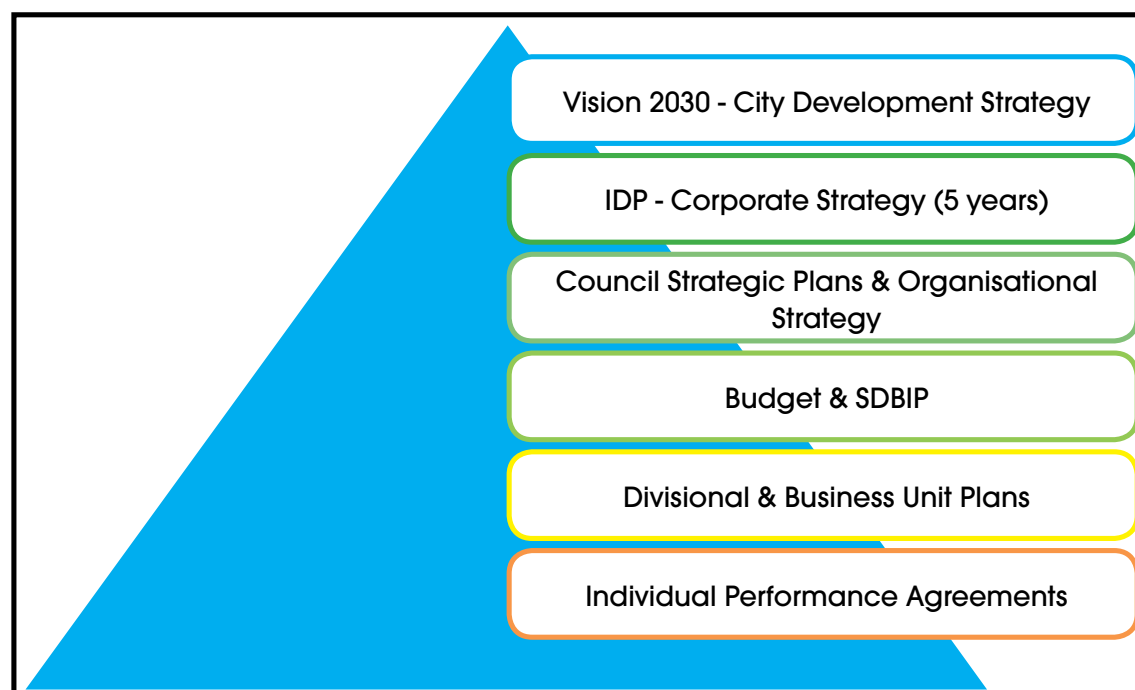
7.4 LINKING OF OUTPUTS IN PERFORMANCE AGREEMENTS WITH ACTIVITIES IN THE OPERATIONAL PLANS AND INDICATORS

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 22: Performance Management in the Msunduzi Municipality



- (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 municipality's 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 municipality's 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 adjusted 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.

All the municipal Business units have revised scorecards for this financial year and the information below relates to Corporate Business unit being used as an example. Ps these could not be included here to volume of spreadsheets.

Table 98: Draft Service Delivery and Budget Implementation Plans

The municipality is currently in the process of finalising the Service Delivery and Budget Implementation Plan (SDBIP) 2014/15 which will be presented to the mayor 14 days after the approval of the IDP and the budget by Council.

Community Services

| SDBIP REF | NKPA | OUTCOME 9 | IDP LINK | STRATEGIC OBJECTIVE | STRATEGIES | KEY PERFORMANCE INDICATORS | ANNUAL TARGET | Demand | Baseline | Backlog | Q1 | Q2 | Q3 | Q4 | Responsible Business Unit | OPEX | CAPEX |
|------------|---|--|----------|---|---|--|---------------|--------|----------|---------|--------|--------|--------|--------|---------------------------|------|-------|
| COMM:A3.1 | MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT | DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT | A3 | Increase community services efficiency | Comply to the PMS framework and execute all work plans for COMM Serv. | Overall Community Services performance rating (1-5) | 3 | 5 | 2 | 2 | 2 | 2 | 3 | 3 | All | | |
| COMM:A3.2 | | | | | | % Community Services compliance with PMS framework and policy | 100% | 100% | 80% | 20% | 100 | 100 | 100 | 100 | All | | |
| COMM:A3.3 | | | | | | % of people rating Community Services efficiency good on the consumer survey | 80% | 100% | 0% | 100% | 50% | 60% | 70% | 80% | All | | |
| COMM:A1.1 | | | A1 | Improve Community services processes and systems | Map and Re-engineer Comm Serv Processes | Average turnaround time (in days) taken to respond to community issues | 30 days | 7 | 0 | 23 | 30 | 30 | 30 | 30 | All | | |
| COMM:A1.2 | | | | | | Number of community services processes mapped and re-engineered | 4 | 20 | 0 | 16 | 1 | 1 | 1 | 1 | All | | |
| COMM:A4.1 | | | A4 | Improve planning for Provision of Community Service | Implement the SDBIP | Number of Dept. strategic planning session held | 2 | 1 | 1 | 0 | | 1 | | 1 | All | | |
| COMM:A4.2 | | | | | | % Compliance with the IDP and SDBIP submissions | 100% | 100% | 90% | 10% | 100% | 100% | 100% | 100% | All | | |
| COMM:A4.3 | | | | | | Number of strategies executed accordingly | 15 | 15 | | 15 | 5 | 10 | 10 | 15 | All | | |
| COMM:B1.1 | BASIC SERVICE DELIVERY | IMPROVED ACCESS TO BASIC SERVICES | B1 | Improve provision of waste management services | Implement Recycling project & use Co-Ops | Number of households with access to refuse removal | 110000 | 149000 | 85000 | | 110000 | 110000 | 110000 | 110000 | COMMUNITY DEVELOPMENT | | |
| COMM:B1.2 | | | | | | Number of operational garden refuse sites | 9 | 9 | 8 | 1 | 9 | 9 | 9 | 10 | | | |
| COMM:B1.3 | | | B1 | Improve provision of public amenities | Co-ordinate the provision of community services | Number of community facilities in good state | 148 | 148 | 20 | 128 | 20 | 50 | 100 | 148 | | | |
| COMM:B1.4 | | | | | | Number of cemeteries with adequate burial capacity | | | | | | | | | | | |
| COMM:B1.5 | | | | | | Number of new facilities established | 3 | 3 | 0 | 3 | 0 | 1 | 0 | 2 | | | |
| COMM:B1.6 | | | | | | Number of operational community amenities | 151 | 158 | 148 | 10 | 148 | 149 | 149 | 151 | | | |
| COMM:B3.1 | | HEALTH & SOCIAL SERVICES | B3 | Improve access to Community & Social Services | Implement the HIV/AIDS and social support programme | Number of wards with HIV/AIDS and social support groups | 20 | 37 | 20 | 17 | 20 | 20 | 20 | 20 | | | |
| COMM:B3.2 | | | | | | Number of HIV/AIDS and social support programmes co-ordinated | 420 | 148 | 120 | 68 | 105 | 105 | 105 | 105 | | | |
| COMM:B3.3 | | | | | | Number of people infected and affected by HIV/AIDS and social supported | | | | | | | | | | | |
| COMM:B3.4 | | | | | | Number of Local Aids Council forum meetings held | 4 | 4 | 4 | | 1 | 1 | 1 | 1 | | | |
| COMM:B1.7 | | PUBLIC SAFETY ENFORCEMENT & DISASTER MANAGEMENT | B1 | Improve community safety and security | Enforce public safety bylaws | Number of road blocks conducted | 12 | 24 | 12 | 12 | 3 | 3 | 3 | 3 | | | |
| COMM:B1.8 | | | | | | % of community services bylaws enforced | 100% | 100% | 50% | 50% | 50% | 60% | 80% | 100% | | | |
| COMM:B1.9 | | | | | | Number of functional community policing forums | 6 | 6 | 6 | 0 | 6 | 6 | 6 | 6 | | | |
| COMM:B1.10 | | | | | | Number of road and safety campaigns conducted | 160 | 160 | 160 | 0 | 40 | 40 | 40 | 40 | | | |

| SDBIP REF | NKPA | OUTCOME 9 | IDP LINK | STRATEGIC OBJECTIVE | STRATEGIES | KEY PERFORMANCE INDICATORS | ANNUAL TARGET | Demand | Baseline | Backlog | Q1 | Q2 | Q3 | Q4 | Responsible Business Unit | OPEX | CAPEX |
|-----------|--|--|----------|---|---|---|---------------|--------|----------|---------|------|------|------|------|---|------|-------|
| COMM:C1.1 | LED | Implementation of Community works Programme and supported Cooperatives | C1 | Promote the use of Co-operatives & maximise the use of EPWP | Implement the Co-operative model and EPWP support programme | Number of jobs created through Community services projects with support form EPWP | | | | | | | | | COMMUNITY DEVELOPMENT | | |
| COMM:C1.2 | | | | | | Number of jobs created through the use of Co-operatives for deleivering community services projects | | | | | | | | | | | |
| COMM:D1.1 | FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT | DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT | D1 | Increase income for Community Services | Co-ordinate the leasing community facilities and enforce traffic bylaws | Amount generated from leasing of community facilities | | | | | | | | | COMMUNITY DEVELOPMENT | | |
| COMM:D1.2 | | | | | | Amount generated from fines issued | | | | | | | | | PUBLIC SAFETY ENFORCEMENT & DISASTER MANAGEMENT | | |
| COMM:D2.1 | | | D2 | Improve expenditure planning for community services | Implement expenditure controls for community services | Number of Community Services procurement plan reviews conducted | 4 | 1 | 1 | | 1 | 1 | 1 | 1 | ALL | | |
| COMM:D2.2 | | | | | | % of goods and services procured by Community Services according to the procurement plan | 80% | 100% | 50% | 50% | 80 | 80 | 80 | 80 | ALL | | |
| COMM:D2.3 | | | | | | Number of diviation froms SCM policy motivated by Community Services | 0 | 0 | 6 | | 0 | 0 | 0 | 0 | ALL | | |
| COMM:D3.1 | | | D3 | Increase budget for Community Services | Comply with the budgeting process plan accordingly | Number of Community Services budget inputs conducted before the deadline | 2 | 1 | 1 | 0 | | 1 | | 1 | ALL | | |
| COMM:D3.2 | | | | | | % of Community Services budget actually spent vs Actual | 100% | 100% | | | 25% | 50% | 75% | 100% | ALL | | |
| COMM:D3.3 | | | | | | Number of Community Services SDBIP reviews and updates conducted | 12 | 12 | 12 | | 3 | 3 | 3 | 3 | ALL | | |
| COMM:E1.1 | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | DEEPEN DEMOCRACY THROUGH A REFINES WARD COMMITTEE SYSTEM | E1 | Improve community services compliance & reduce risk | Ipmlement the community services risk management and compliance plan | % of Commuity Services audit queries resolved | 100% | 100% | 100% | 0% | 100% | 100% | 100% | 100% | All | | |
| COMM:E1.2 | | | | | | Number of Community Services related policies reviewed | | | | | | | | | All | | |
| COMM:E1.3 | | | | | | % Community Services compliance to line function specific legislative mandates | 100% | 100% | 100% | 0% | 100% | 100% | 100% | 100% | All | | |
| COMM:E1.4 | | | | | | % of Community Services risk reduction recommendations made by internal audit implemented | 100% | 100% | 100% | 0% | 100% | 100% | 100% | 100% | All | | |
| COMM:E1.5 | | | | | | % of Community Services related risk committee recommendations implemented | 100% | 100% | 100% | 0% | 100% | 100% | 100% | 100% | All | | |
| COMM:E2.1 | | | E2 | Increase community participation | Implement the public participation policy | Number of community education and awareness campaign on topical issues conducted | 120 | | | | | | | | AREA BASED MANAGEMENT | | |
| COMM:E2.2 | | | | | | Number of Area Based Management centers offering all Municipal Services | 4 | 5 | 4 | 1 | 4 | 4 | 4 | 4 | | | |
| COMM:E2.3 | | | | | | Number of public participation campaigns conduted | | | | | | | | | | | |
| COMM:E2.4 | | | | | | % of community service related Presidential and POSSH issues resolved | 95% | 100% | | | 90% | 95% | 95% | 95% | | | |
| COMM:E2.5 | | | | | | Number of wards with functional war rooms | 37 | 37 | 36 | 1 | 36 | 37 | 37 | 37 | | | |

| SDBIP REF | NKPA | OUTCOME 9 | IDP LINK | STRATEGIC OBJECTIVE | STRATEGIES | KEY PERFORMANCE INDICATORS | ANNUAL TARGET | Demand | Baseline | Backlog | Q1 | Q2 | Q3 | Q4 | Responsible Business Unit | OPEX | CAPEX |
|-----------|------|----------------------|----------|---|--|--|---------------|--------|----------|---------|------|------|------|------|---|------|-------|
| COMM:F2.1 | | CROSS CUTTING ISSUES | F2 | Increase provision of environmental health and social services | Implement the health services plan | Number of compliance inspections conducted | 9320 | 9000 | 9000 | 0 | 2330 | 2330 | 2330 | 2330 | HEALTH & SOCIAL SERVICES | | |
| COMM:F2.2 | | | | | | Number of fire inspections conducted | 800 | 800 | 800 | 0 | 200 | 200 | 200 | 200 | | | |
| COMM:F2.3 | | | | | | Number of water sources tested | 450 | 500 | 450 | 50 | 112 | 112 | 112 | 114 | | | |
| COMM:F2.4 | | | F2 | Improve Disaster and Management and response to fires and emergencies | Implement the Disaster Management plan | % of fires, accidents and disasters responded to within the set time frame | 100% | 100% | 95% | 5% | 95% | 100% | 100% | 100% | PUBLIC SAFETY ENFORCEMENT & DISASTER MANAGEMENT | | |
| COMM:F2.5 | | | | | | % of disaster management strategy implemented | 0% | 100% | 0% | 100% | 0% | 0% | 0% | 0% | | | |
| COMM:F2.6 | | | | | | Number of wards with disaster relief committees | 37 | 37 | 37 | 0 | 37 | 37 | 37 | 37 | | | |

Corporate Services

| SDBIP REF | NKPA | OUTCOME 9 | IDP LINK | STRATEGIC OBJECTIVE | STRATEGIES | KEY PERFORMANCE INDICATORS | ANNUAL TARGET | Demand | Baseline | Backlog | Q1 | Q2 | Q3 | Q4 | Responsible Business Unit | OPEX | CAPEX |
|-----------|---|--|----------|--|---|---|---------------|--------|----------|---------|------|------|------|------|---------------------------|------|-------|
| CORP:A3.1 | MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT | DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT | A3 | Increase performance and efficiency levels of Corporate Services | Comply to the PMS framework and execute all work plans for Corporate Services | Overall Corporate Services performance rating (1-5) | 3 | 5 | 3 | 2 | 2 | 2 | 3 | 3 | All | | |
| CORP:A3.2 | | | | | | % Corporate Services compliance with PMS framework and policy | 100% | 100% | | | 100% | 100% | 100% | 100% | All | | |
| CORP:A3.3 | | | | | | % of employees rating Corporate Services efficiency good on the internal employee satisfactory survey | | 100% | | | | | | | All | | |
| CORP:2.1 | | | A2 | Increase institutional capacity and promote transformation | Implement WSP | Number of employees trained according to PDP | | 100% | | | | | | | HRD | | |
| CORP:2.2 | | | | | | Number of critical posts filled | | | | | | | | | HRM | | |
| | | | | | | Number of people benefitting from the study assistant programme | | | | | | | | | | | |
| CORP:2.3 | | | | | | % of employment equity targets achieved | | 100% | | | | | | | HRM | | |
| CORP:2.4 | | | | | | % of Work place skills plan implemented | | 100% | | | | | | | HRD | | |
| CORP:A1.1 | | | A1 | Optimise system, procedures and processes | Re-engineer critical organisation processes | % of disciplinary enquiries finalised within the prescribed timeframe. | | 100% | | | | | | | HRM | | |
| CORP:A1.2 | | | | | | Number of ICT Master Systems plan projects implemented | | | | | | | | | ICT | | |
| CORP:A1.3 | | | | | | Average Number of days taken to complete minutes after meetings | | | | | | | | | SG | | |
| CORP:A1.4 | | | | | | Number of policies with procedure manuals | | | | | | | | | LEGAL | | |
| CORP:A4.1 | | | A4 | Improve operational planning for Corporate Services | Implement the SDBIP | Number of Dept. strategic planning session held | | | | | | | | | All | | |
| CORP:A4.2 | | | | | | % Compliance with the IDP and SDBIP submissions | | 100% | | | | | | | All | | |
| CORP:A4.3 | | | | | | Number of strategies executed accordingly | | | | | | | | | All | | |
| CORP:C1.1 | LED | Implementation of Community works Programme and supported Cooperatives | C1 | Increase the provision of internship and bursaries | Implement the bursary and internship programme | Number of internship opportunities given to focus groups | | | | | | | | | HRM | | |
| CORP:C1.2 | | | | | | Number of external bursaries awarded | | | | | | | | | | | |

| SDBIP REF | NKPA | OUTCOME 9 | IDP LINK | STRATEGIC OBJECTIVE | STRATEGIES | KEY PERFORMANCE INDICATORS | ANNUAL TARGET | Demand | Baseline | Backlog | Q1 | Q2 | Q3 | Q4 | Responsible Business Unit | OPEX | CAPEX | | |
|-----------|--|--|----------|---|--|---|--|--|----------|---------|------|------|------|------|---------------------------|------|-------|--|--|
| | | | | | | | | | | | | | | | | | | | |
| CORP:D1.1 | FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT | DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT | D1 | Increase income for Corporate Services | Sumbitt LGSETA reports and claim grants for training from respective sources | Amount received from LGSETA for skills development | | | | | | | | | HRD | | | | |
| | | | | | | | | | | | | | | | | | | | |
| CORP:D2.1 | | | D2 | Improve expenditure planning for Corporate services | Implement expenditure controls for community services | Number of Corporate Services procurement plan reviews conducted | 1 | 2 | | | 1 | | 1 | | | ALL | | | |
| | | | | | | | % of OPEX budget spent on WSP | | 6% | | | | | | | HRD | | | |
| CORP:D2.2 | | | | | | | % of goods and services procured by Corporate Services according to the procurement plan | | 100% | | | | | | | ALL | | | |
| | | | | | | | | | | | | | | | | | | | |
| CORP:D2.3 | | | | | | | | Number of diviation froms SCM policy motivated by Corporate Services | | 0 | | | | | | | ALL | | |
| CORP:D3.1 | | | | | D3 | Increase budget for Corporate Services | Comply with the budgeting process plan accordingly | Number of Corporate Services budget inputs conducted before the deadline | 2 | 2 | | | | | 1 | 1 | ALL | | |
| | | | | | | | | % Employee cost budget vs OPEX | | 35% | | | | | | | HRM | | |
| CORP:D3.2 | | | | | | | | % of Corporate Services budget actually spent vs Actual | 100% | 100% | | | | | | | ALL | | |
| CORP:D3.3 | | | | | | Number of Corporate Services SDBIP reviews and updates conducted | 4 | 4 | | | 1 | 1 | 1 | 1 | ALL | | | | |
| | | | | | | | | | | | | | | | | | | | |
| CORP:E1.1 | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | DEEPEEN DEMOCRACY THROUGH A REFINES WARD COMMITTEE SYSTEM | E1 | Improve Corporate services compliance & reduce risk | Implement Corporate Services compliance plan and risk management committee resolutions | % of Commuity Services audit queries resolved | 100% | 100% | 100% | 0% | 100% | 100% | 100% | 100% | All | | | | |
| CORP:E1.2 | | | | | | Number of Municipal policies reviewed | | | | | | | All | | | | | | |
| CORP:E1.3 | | | | | | % Corporate Services compliance to line function specific legislative mandates | 100% | 100% | 100% | 0% | 100% | 100% | 100% | 100% | All | | | | |
| CORP:E1.4 | | | | | | % of Corporate Services risk reduction recommendations made by internal audit implemented | 100% | 100% | 100% | 0% | 100% | 100% | 100% | 100% | All | | | | |
| CORP:E1.5 | | | | | | % of Corporate Services related risk committee recommendations implemented | 100% | 100% | 100% | 0% | 100% | 100% | 100% | 100% | All | | | | |
| CORP:E2.1 | | | E2 | Strengthen Governance | Comply with the legislative provisions for all Corporate Services functions | Number of Council meetings held according to the approved calendar | | | | | | | | | | SG | | | |
| CORP:E2.2 | | | | | | Number of Council structures with adopted terms of reference | | | | | | | | | SG | | | | |
| CORP:E2.3 | | | | | | Number of required bylaws gazetted | | | | | | | | | LEGAL | | | | |
| CORP:E2.4 | | | | | | Number of Council policies, contracts and bylaws legally tested | | | | | | | | | LEGAL | | | | |
| CORP:E2.5 | | | | | | % Compliance to the Occupational Health and saftey plan | | 100% | | | | | | | | HRM | | | |
| | | | | | | | | | | | | | | | | | | | |

Economic Development

| SDBIP REF | NKPA | OUTCOME 9 | IDP LINK | STRATEGIC OBJECTIVE | STRATEGIES | KEY PERFORMANCE INDICATORS | ANNUAL TARGET | Demand | Baseline | Backlog | Q1 | Q2 | Q3 | Q4 | Responsible Business Unit | OPEX | CAPEX |
|-----------|---|--|----------|---|--|--|---------------|--------|----------|---------|------|------|------|------|---------------------------|------|-------|
| EDP:A3.1 | MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT | DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT | A3 | Increase performance and efficiency levels of Economic Development Services | Comply to the PMS framework and execute all work plans for Economic Development Services | Overall Economic Development Services performance rating (1-5) | 3 | 5 | 3 | 2 | 2 | 2 | 3 | 3 | ALL | | |
| EDP:A3.2 | | | | | | % Economic Development Services compliance with PMS framework and policy | 100% | 100% | | | 100% | 100% | 100% | 100% | ALL | | |
| EDP:A3.3 | | | | | | % of employees rating Economic Development Services efficiency good on the internal employee satisfactory survey | | 100% | | | | | | | ALL | | |
| EDP:A1.1 | | | A1 | Optimise system, procedures and processes for Economic Development and Planning | Improve PDA and GIS processes | Average number of days taken to process PDA applications | | 100% | | | | | | | Planning | | |
| EDP:A1.2 | | | | | | Average number of days taken to provide GIS and Civil services to Departments & customers | | | | | | | | | Planning | | |
| EDP:A1.3 | | | | | | Age in months of cadastral information | | | | | | | | | GIS | | |
| EDP:A1.4 | | | | | | Average number of days taken to approve street pole adverts | | | | | | | | | Planning | | |
| EDP:A4.1 | | | A4 | Improve operational planning for Economic Development Services | Implement the SDBIP | Number of Dept. strategic planning session held | | | | | | | | | ALL | | |
| EDP:A4.2 | | | | | | % Compliance with the IDP and SDBIP submissions | | 100% | | | | | | | ALL | | |
| EDP:A4.3 | | | | | | Number of strategies executed accordingly | | | | | | | | | ALL | | |
| EDP:C1.1 | LED | Implementation of Community works Programme and supported Cooperatives | C1 | Reduce unemployment | Implement LED projects and monitor job creation | Number of job created through LED projects | | | | | | | | | Economic Development | | |
| EDP:C1.2 | | | | | | Number of SMME's and Co-operatives established | | | | | | | | | | | |
| EDP:C1.3 | | | | | | | | | | | | | | | | | |
| EDP:C2.1 | | | C2 | Increase economic activity | Implement the LED strategy and City Development Strategy | Number of LED strategy projects implemented | | | | | | | | | | | |
| EDP:C2.2 | | | | | | % of business opportunities awarded to local supplies | | | | | | | | | | | |
| EDP:C2.3 | | | | | | % of LED strategy implemented | | | | | | | | | | | |
| EDP:C3.1 | | | C3 | Strengthen LED capacity | Implement the investor attraction strategy and SMME development programme | Number of SMME and Co-operative development programmes conducted | | | | | | | | | | | |
| EDP:C3.2 | | | | | | Number of stakeholders mobilised for LED | | | | | | | | | | | |
| EDP:C3.3 | | | | | | Number of SMME and Cooperatives developed | | | | | | | | | | | |
| EDP:C3.4 | | | | | | | | | | | | | | | | | |

IDP REVIEW FOR
2014/15 - 2016/17



| SDBIP REF | NKPA | OUTCOME 9 | IDP LINK | STRATEGIC OBJECTIVE | STRATEGIES | KEY PERFORMANCE INDICATORS | ANNUAL TARGET | Demand | Baseline | Backlog | Q1 | Q2 | Q3 | Q4 | Responsible Business Unit | OPEX | CAPEX | |
|-----------|--|--|----------|--|---|--|---------------|--------|----------|---------|------|------|----------|----------|---------------------------|---------------|-------|--|
| EDP:D1.1 | FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT | DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT | D1 | Increase income for Economic Development Services | Enhance revenue collection for LED services | Amount generated from outdoor advertising | | | | | | | | | Planning | | | |
| | | | | | | Amount generated from GIS services | | | | | | | Planning | | | | | |
| EDP:D2.1 | | | D2 | Improve expenditure planning for Economic Development services | Implement expenditure controls for community services | Number of Economic Development and planning Services procurement plan reviews conducted | 1 | 2 | | | 1 | | 1 | | | All | | |
| | | | | | | | | 6% | | | | | All | | | | | |
| EDP:D2.2 | | | | | | % of goods and services procured by Economic Development Services according to the procurement plan | | | | | | All | | | | | | |
| EDP:D2.3 | | | | | | Number of diviation froms SCM policy motivated by Economic Development Services | | 0 | | | | | All | | | | | |
| EDP:D3.1 | | | D3 | Increase budget for Economic Development Services | Comply with the budgeting process plan accordingly | Number of Economic Development Services budget inputs conducted before the deadline | 2 | 2 | | | | 1 | | 1 | | All | | |
| | | | | | | | | 35% | | | | | All | | | | | |
| EDP:D3.2 | | | | | | % of Economic Development Services budget actually spent vs Actual | 100% | 100% | | | | | All | | | | | |
| EDP:D3.3 | | | | | | Number of Economic Development Services SDBIP reviews and updates conducted | 4 | 4 | | | 1 | 1 | 1 | 1 | | All | | |
| | | | | | | | | | | | | | | | | | | |
| EDP:E1.1 | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | DEEPEN DEMOCRACY THROUGH A REFINES WARD COMMITTEE SYSTEM | E1 | Improve Economic Development services compliance & reduce risk | Implement Economic Development Services compliance plan and risk management committee resolutions | % of Commuity Services audit queries resolved | 100% | 100% | 100% | 0% | 100% | 100% | 100% | 100% | All | | | |
| EDP:E1.2 | | | | | | Number of Municipal policies reviewed | | | | | | | All | | | | | |
| EDP:E1.3 | | | | | | % Economic Development Services compliance to line function specific legislative mandates | 100% | 100% | 100% | 0% | 100% | 100% | 100% | 100% | All | | | |
| EDP:E1.4 | | | | | | % of Economic Development Services risk reduction recommendations made by internal audit implemented | 100% | 100% | 100% | 0% | 100% | 100% | 100% | 100% | All | | | |
| EDP:E1.5 | | | | | | % of Economic Development Services related risk committee recommendations implemented | 100% | 100% | 100% | 0% | 100% | 100% | 100% | 100% | All | | | |
| EDP:E2.1 | | | E2 | Strengthen Governance for Economic Development and Planning | Comply with the legislative provisions for all Economic Development Services functions | Number of building inspections conducted | | 12 | | | | | | | | Town planning | | |
| EDP:E2.2 | | | | | | Number of Economic Development bylaws enforced | | | | | | | | All | | | | |
| EDP:E2.3 | | | | | | % of investor attraction policy implemented | | | | | | | | Eco. Dev | | | | |
| EDP:E2.4 | | | | | | | | | | | | | | | | | | |
| EDP:E2.5 | | | | | | | | 100% | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |

| SDBIP REF | NKPA | OUTCOME 9 | IDP LINK | STRATEGIC OBJECTIVE | STRATEGIES | KEY PERFORMANCE INDICATORS | ANNUAL TARGET | Demand | Baseline | Backlog | Q1 | Q2 | Q3 | Q4 | Responsible Business Unit | OPEX | CAPEX |
|-----------|--|---|----------|-----------------------------------|---|---|---------------|--------|----------|---------|------|------|------|------|---------------------------|------|-------|
| | | | | | | | | | | | | | | | | | |
| | FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT | Business like approach to resource usage and allocation | D1 | Increase revenue | Implement the revenue enhancement strategy | % of revenue collected VS billed | 1 | 2 | | | 1 | | 1 | | Income | | |
| | | | | | | % of the Financial Recovery Plan developed and implemented | | | | | | | | | | | |
| | | | | | | Number of months statements distributed before the due date (15th of each month) | | 6% | | | | | | | | | |
| | | | | | | % reduction in number of statement returned for incorrect addresses | | 100% | | | | | | | | | |
| | | | | | | % reduction in billing errors | | | | | | | | | | | |
| | | | | | | Debt recovery ratio (times) | | | | | | | | | | | |
| | | | | | | Outstanding debtors to revenue ratio (%) | | 0 | | | | | | | | | |
| | | | D2 | Improve expenditure and SCM | Apply expenditure controls | Cost coverage ratio (days) | 2 | 2 | | | | | 1 | 1 | Expenditure | | |
| | | | | | | % of actually budget spent VS projected | | 35% | | | | | | | | | |
| | | | | | | % of suppliers paid within 30 days from date of receipt of the invoice | 100% | 100% | | | | | | | | | |
| | | | | | | Number of months bank reconcile to cash book 100% | 4 | 4 | | | 1 | 1 | 1 | 1 | | | |
| | | | D3 | Improve budgeting and reporting | Conform to MFMA calendar of reporting | % variance between physical assets and those on the asset register | 100% | 100% | 100% | 0% | 100% | 100% | 100% | 100% | Budget and Reporting | | |
| | | | | | | Number of budget reviews conducted | | | | | | | | | | | |
| | | | | | | % compliance to MFMA calendar | 100% | 100% | 100% | 0% | 100% | 100% | 100% | 100% | | | |
| | | | | | | % of grants spent | 100% | 100% | 100% | 0% | 100% | 100% | 100% | 100% | | | |
| | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | Strong partnerships with all stakeholders and Customers | E1 | Strengthen Governance | Ensure compliance to MFMA and Treasury regulations | Reduce the number of audit findings on financial management | | | | | | | | | | | |
| | | | | | | AG opinion on financial management statements | | | | | | | | | | | |
| | | | | | | Number of financial management policies reviewed and/or revised yearly | | | | | | | | | | | |
| | | | | | | Average customer satisfactory rating of customer care | | | | | | | | | | | |
| | | | | | | % of customer billing queries resolved within 30 days | | | | | | | | | | | |
| | | | | | | Number of public engagements conducted for rates and tariffs reviews | | 100% | | | | | | | | | |
| | | | E2 | Reduce risk, fraud and corruption | Implement risk mitigation strategy for financial services | % of Financial Services risk reduction recommendations made by internal audit implemented | | | | | | | | | | | |
| | | | | | | % of risk committee recommendations implemented | | | | | | | | | | | |
| | | | | | | % compliance to Treasury Regulations and MFMA | | | | | | | | | | | |
| | | | | | | % of bid adjudication objections resolved within 30 days | | | | | | | | | | | |

Infrastructure Services

| SDBIP REF | NKPA | OUTCOME 9 | IDP LINK | STRATEGIC OBJECTIVE | STRATEGIES | KEY PERFORMANCE INDICATORS | ANNUAL TARGET | Demand | Baseline | Backlog | Q1 | Q2 | Q3 | Q4 | Responsible Business Unit | OPEX | CAPEX |
|------------|---|--|----------|---|--|--|---------------|--------|----------|---------|------|------|------|------|----------------------------|------|-------|
| IDS :A3.1 | MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT | DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT | A3 | Increase Infrastructure services efficiency | Comply to the PMS framework and execute all work plans for Infrastructure services | Overall Infrastructure Services performance rating (1-5) | 3 | 5 | 2 | 2 | 2 | 2 | 3 | 3 | All | | |
| IDS :A3.2 | | | | | | % Infrastructure Services compliance with PMS framework and policy | 100% | 100% | 80% | 20% | 100 | 100 | 100 | 100 | All | | |
| IDS :A3.3 | | | | | | % of people rating Infrastructure Services efficiency good on the consumer survey | 80% | 100% | 0% | 100% | 50% | 60% | 70% | 80% | All | | |
| IDS :A1.1 | | | A1 | Improve Infrastructure services processes and systems | Enhance Infrastructure services processes | Average turnaround time (in days) taken to repair faults | 30 days | 7 | 0 | 23 | 30 | 30 | 30 | 30 | All | | |
| IDS :A1.2 | | | | | | % of infrastructure project implemented according to schedule | 4 | 20 | 0 | 16 | 1 | 1 | 1 | 1 | All | | |
| IDS :A4.1 | | | A4 | Improve planning for Provision of Infrastructure Service | Implement the SDBIP | Number of Dept. strategic planning session held | 2 | 1 | 1 | 0 | | 1 | | 1 | All | | |
| IDS :A4.2 | | | | | | % Compliance with the IDP and SDBIP submissions | 100% | 100% | 90% | 10% | 100% | 100% | 100% | 100% | All | | |
| IDS :A4.3 | | | | | | Number of strateies executed accordingly | 15 | 15 | | 15 | 5 | 10 | 10 | 15 | All | | |
| IDS :B1.1 | BASIC SERVICE DELIVERY | IMPROVED ACCESS TO BASIC SERVICES | B1 | Increase Provision of Municipal Services | | Number of new water connections established | | | | | | | | | Water and Sanitation | | |
| IDS :B1.2 | | | | | | Number of new sewer connections established | | | | | | | | | | | |
| IDS :B1.3 | | | | | | KM's of roads established | | | | | | | | | | | |
| IDS :B1.4 | | | | | | KM's of sewer pipes established | | | | | | | | | | | |
| IDS :B1.5 | | | | | | KM's of water pipes established | | | | | | | | | | | |
| IDS :B1.6 | | | | | | Number of new electricity connections established | | | | | | | | | | | |
| IDS :B1.7 | | | | | | Number of containment berms constructed | | | | | | | | | Project Management Unit | | |
| IDS :B1.8 | | | | | | % of Capital Projects on schedule | | | | | | | | | | | |
| IDS :B1.9 | | | | | | Number of IDP projects commissioned | | | | | | | | | | | |
| IDS :B1.10 | | | | | | | | | | | | | | | | | |
| IDS :B2.1 | | | B2 | Improve the state of Municipal Infrastructure | | % of operations and maintenance plan implemented according to schedule | | | | | | | | | Operations and Maintenance | | |
| IDS :B2.2 | | | | | | % of operations and maintenance budget spent | | | | | | | | | | | |
| IDS :B2.3 | | | | | | KM's of gravel road maintained | | | | | | | | | | | |
| IDS :B2.4 | | | | | | | | | | | | | | | | | |
| IDS :C1.1 | LED | Implementation of Community works Programme and supported Cooperatives | C1 | Promote the use of Co-operatives & maximise the use of EPWP | Implement the Co-operative model and EPWP support programme | Number of Jobs created through EPWP projects | | | | | | | | | Project Management Unit | | |
| IDS :C1.2 | | | | | | % of economic development targeted infrastructure projects implemented according to plan | | | | | | | | | | | |

IDP REVIEW FOR
2014/15 - 2016/17



| SDBIP REF | NKPA | OUTCOME 9 | IDP LINK | STRATEGIC OBJECTIVE | STRATEGIES | KEY PERFORMANCE INDICATORS | ANNUAL TARGET | Demand | Baseline | Backlog | Q1 | Q2 | Q3 | Q4 | Responsible Business Unit | OPEX | CAPEX |
|-----------|--|--|----------|--|---|--|---------------|--------|----------|---------|------|------|------|------|---------------------------|------|-------|
| IDS :D1.1 | FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT | DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT | D1 | Increase income for Infrastructure Services | Improve Project Management and reporting | Amount of MIG received | | | | | | | | | Project Management Unit | | |
| IDS :D2.1 | | | D2 | Improve expenditure planning for Infrastructure services | Implement expenditure controls for community services | Number of Infrastructure Services procurement plan reviews conducted | 4 | 1 | 1 | | 1 | 1 | 1 | 1 | ALL | | |
| IDS :D2.2 | | | | | | % of goods and services procured by Infrastructure Services according to the procurement plan | 80% | 100% | 50% | 50% | 80 | 80 | 80 | 80 | ALL | | |
| IDS :D2.3 | | | | | | Number of diviation froms SCM policy motivated by Infrastructure Services | 0 | 0 | 6 | | 0 | 0 | 0 | 0 | ALL | | |
| IDS :D3.1 | | | D3 | Increase budget for Infrastructure Services | Comply with the budgeting process plan accordingly | % of Capital budget actually spent on capital projects | 2 | 1 | 1 | 0 | | 1 | | 1 | ALL | | |
| IDS :D3.2 | | | | | | % of MIG spent | 100% | 100% | | | 25% | 50% | 75% | 100% | ALL | | |
| IDS :D3.3 | | | | | | Number of SDBIP reviews conducted | 12 | 12 | 12 | | 3 | 3 | 3 | 3 | ALL | | |
| IDS :E1.1 | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | DEEPEN DEMOCRACY THROUGH A REFINES WARD COMMITTEE SYSTEM | E1 | Improve Infrastructure services compliance & reduce risk | Ipmlment the community services risk management and compliance plan | % of Infrastructure Services audit queries resolved | 100% | 100% | 100% | 0% | 100% | 100% | 100% | 100% | All | | |
| IDS :E1.2 | | | | | | Number of Infrastructure Services related policies reviewed | | | | | | | | | All | | |
| IDS :E1.3 | | | | | | % Infrastructure Services compliance to line function specific legislative mandates | 100% | 100% | 100% | 0% | 100% | 100% | 100% | 100% | All | | |
| IDS :E1.4 | | | | | | % of Infrastructure Services risk reduction recommendations made by internal audit implemented | 100% | 100% | 100% | 0% | 100% | 100% | 100% | 100% | All | | |
| IDS :E1.5 | | | | | | % of Infrastructure Services related risk committee recommendations implemented | 100% | 100% | 100% | 0% | 100% | 100% | 100% | 100% | All | | |

Corporate Business Unit

| SDBIP REF | NKPA | OUTCOME 9 | IDP LINK | STRATEGIC OBJECTIVE | STRATEGIES | KEY PERFORMANCE INDICATORS | ANNUAL TARGET | Demand | Baseline | Backlog | Q1 | Q2 | Q3 | Q4 | Responsible Business Unit | OPEX | CAPEX |
|-----------|---|--|----------|--|---|---|---------------|--------|----------|---------|------|------|------|------|---------------------------|------|-------|
| EDP:A3.1 | MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT | DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT | A3 | Increase performance and efficiency levels | Implement the performance management framework | Overall organisation performance rating | 3 | 5 | 3 | 2 | 2 | 2 | 3 | 3 | ALL | | |
| | | | | | | % overall compliance with PMS framework and policy | | | | | | | | | | | |
| EDP:A3.2 | | | | | | % of Performance Audit committee resolution implemented | 100% | 100% | | | 100% | 100% | 100% | 100% | ALL | | |
| | | | | | | Number of section 56/7 performance contracts signed | | | | | | | | | | | |
| EDP:A3.3 | | | | | | % of PMS refinement project completed | | 100% | | | | | | | ALL | | |
| EDP:A1.1 | | | A1 | Optimise system, procedures and processes | | % of performance management processes automated | | 100% | | | | | | | Planning | | |
| EDP:A1.2 | | | | | | % of internal audit committee process plan implemented according to schedule | | | | | | | | | Planning | | |
| EDP:A1.3 | | | | | | % of compliance plan implemented | | | | | | | | | GIS | | |
| EDP:A1.4 | | | | | | % of monitoring and evaluation strategy being implemented | | | | | | | | | Planning | | |
| EDP:A4.1 | | | A4 | Improve operational planning for Economic Development Services | Implement the SDBIP | Number of Dept. strategic planning session held | | | | | | | | | ALL | | |
| EDP:A4.2 | | | | | | % Compliance with the IDP and SDBIP submissions | | 100% | | | | | | | ALL | | |
| EDP:A4.3 | | | | | | Number of strateies executed accordingly | | | | | | | | | ALL | | |
| EDP:D2.1 | FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT | Financially viable and well governed City | D2 | Improve expenditure planning for Economic Development services | Implement expenditure controls for community services | Number of Office of the MM procurement plan reviews conducted | 1 | 2 | | | 1 | | 1 | | All | | |
| | | | | | | % of goods and services procured by Office of the MM Services according to the procurement plan | | 6% | | | | | | | All | | |
| EDP:D2.2 | | | | | | Number of diviations from SCM policy motivated by Office of the MM | | 100% | | | | | | | All | | |
| EDP:D2.3 | | | | | | | | 0 | | | | | | | All | | |
| EDP:D3.1 | | | D3 | Increase budget for Economic Development Services | Comply with the budgeting process plan accordingly | % Office of the MM budget inputs conducted before the deadline | 2 | 2 | | | | | 1 | 1 | All | | |
| | | | | | | % of Office the Services budget actually spent vs Actual | | 35% | | | | | | | All | | |
| EDP:D3.2 | | | | | | Number of Office of the MM SDBIP reviews and updates conducted | 100% | 100% | | | | | | | All | | |
| EDP:D3.3 | | | | | | | 4 | 4 | | | 1 | 1 | 1 | 1 | All | | |

IDP REVIEW FOR
2014/15 - 2016/17



[illegible]

CHAPTER 8: 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 of 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 acquire the necessary documentation.

Table 99: 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 is to align with new Census 2011 information. | It is anticipated that the WSDP will be completed and adopted by council in June 2014. Not done |
| 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 were not previously covered. | A consultant has been appointed. It is anticipated that this process will be completed the next financial year |
| 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 | This is now being implemented |
| 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 | 1st Draft approved, 2nd Draft in progress | Currently refining data on 5 focus areas |



| SECTOR PLAN | STATUS | COMMENTS |
|--|-------------------------------------|--|
| Climate Change Policy and adaptation strategies | 1st Draft in progress | |
| Comprehensive Integrated Transport Plan (CITP) (2012) | Approved by Council | Legislative Requirement. To be updated every 5 years i.e. in 2017. It incorporates / consolidates a range of smaller plans |
| 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 | Under review , being integrated with IRTPLAN |
| Roads Asset Management Plan (RAMP) (2006) | Not Approved | Under review completion 2014/15 |
| 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 | Budgeted for next financial year. 14/15 |

It must be noted that Sector Plans are the strategic tools of each Municipal Department, and as such, they should play a pivotal role in determining the strategic allocation of resources, 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 AUDITOR GENERAL'S COMMENTS AND MANAGEMENT'S RESPONSE

Auditor General Report 2012 / 2013

The Auditor General has expressed a qualified opinion with emphasis of matters relating to:

- Restatement of corresponding figures.
- Material losses/impairment.
- Material under spending of the conditional grants and capital budget.
- Irregular expenditure.
- The audit opinion from the previous financial year was an unqualified opinion with similar emphasis of matter items that were reported.

Whilst there is no significant improvement on the above matters but there is an improvement of 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 R34. 91 million. Great strides have been made in this area by implementing controls and processes of identifying contracts which had 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 the SCM Regulations.

An audit action plan has been prepared to address these matters going forward.

**THE MSUNDUZI MUNICIPALITY
REPORT BY THE MUNICIPAL MANAGER FOR COUNCIL
JANUARY 2014**

**RESPONSE TO THE REPORT OF THE AUDITOR-GENERAL ON THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
OF THE MSUNDUZI MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2013**

BACKGROUND & PURPOSE OF THE REPORT

The report of the Auditor-General dated 30 November 2013 on the Audit of the Accounts of the Council for the financial year ended 30 June 2013, has been received and is on the Council agenda.

Section 21(1) and (2) of the Public Audit Act, 2004 (Act No. 25 of 2004) states:

- 1) The Auditor-General must submit an audit report in accordance with any legislation
- 2) applicable to the audited which is the subject of the audit

If there is no such legislation as contemplated in subsection (1) the Auditor-General must submit the audit report to the relevant legislature within a reasonable time.

Also the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) Section 126 (1) and (2) must be complied with.

Comments and action on matters raised in the report are set out below with the numbering corresponding to the Auditor-General's report.

GENERAL RESPONSE

The Auditor General has expressed a qualified opinion with emphasis of matters relating to restatement of corresponding figures, material losses/impairment, material under spending of the conditional grants and capital budget and irregular expenditure,

The audit opinion from the previous financial year was an unqualified opinion with similar emphasis of matter items that were reported. An audit action plan has been prepared to address these matters going forward.

REPORT ON THE ANNUAL FINANCIAL STATEMENTS

- 1. Introduction**
Noted
- 2. Accounting officer's responsibility for the consolidated financial statements**
Noted
- 3. Auditor-General's responsibility**
Noted

6. Basis for qualified opinion

Revenue – Service Charges

The office of the Auditor General was unable to obtain sufficient appropriate audit evidence for revenue from service charges as 30% of the meter readings on which this amount was based, were estimated over periods exceeding a year. Management was unable to provide evidence that this estimate was based on reliable historical records.

Management has formed a task team to put together an action plan that addresses issues raised by the office of the Auditor General. This team is represented by infrastructure, finance and economic development. It is expected to report weekly to Strategic management committee on the progress made in addressing the issue of unread meters.

7. Qualified opinion

Noted, action plan addressing the basis of qualification is monitored weekly.

8. Emphasis of matters

Noted

9. Restatement of corresponding figures

Action plan addressing the shortcomings identified in the implementation of Generally Recognized Accounting Practice has been developed and will be monitored and tested during the preparation of the interim financial statements.

10. Material losses/Impairments

The material losses are noted and will be part of the action plan developed by infrastructure to address water and electricity losses.

10.1 Electricity Losses

The acceptable norm of electricity loss is 3%.

The loss above norm is due to theft, distribution losses, illegal tampering of electricity meters and can also be attributable to the ageing infrastructure. The 132 Network Rehabilitation Plan currently under implementation will reduce the technical losses while the electrification of informal settlements starting with Ezinketheni and Hlalakahle will reduce the losses for illegal connections including Jika Joe informal settlements.

10.2 Water Losses

The acceptable norm of water loss in the developing countries is 20%. The loss above norm is due to theft, distribution losses, illegal tampering of water meters and can also be attributable to ageing infrastructure. The Master Plan for Non – Revenue Water currently under implementation has to be approved by Council and will be implemented for the period of five year with annual target to reduce water losses.

12. Material under spending of the budget

Noted, Action addressing material under spending of budget has been developed, currently being implemented. The action plan is linked to the procurement plan with most projects spanning over three financial years.

13. Irregular expenditure

Irregular expenditure was confined to the following areas;

13.1 Procurement irregularities

A concerted effort is being made to improve and upgrade existing systems to ensure contracts do not run over the time limit.

Extensive consultations were held between the Municipality and the Taxi Association and Independent Development Trust to reach an understanding in respect to compliance to ensure that SCM procedures and policies are not compromised.

13.2. Splitting of orders

Deliberate splitting of orders will be monitored to ensure that this practice does not continue.

14. Additional matter

Noted, Action plan has been developed addressing this matter.

15. Unaudited supplementary schedules

Noted, Action plan has been developed addressing this matter.

16. Report on other legal and regulatory requirements

Noted, Action plan has been developed addressing this matter.

17. Predetermined objectives

Noted, Action plan has been developed addressing this matter.

19. Usefulness of information

Presentation

Noted, Action plan has been developed addressing this matter.

20. Measures taken to improve performance not disclosed

Noted, Action plan has been developed addressing this matter.

21. Additional matter

Noted, Action plan has been developed addressing this matter.

22. Achievement of planned targets

Noted, Action plan has been developed addressing this matter.

23. Compliance with laws and regulations

Noted, Action plan has been developed addressing this matter.

24. Annual financial statements

Noted, Action plan has been developed addressing this matter.

25. Expenditure management

Noted, Action plan has been developed addressing this matter.

26. Revenue management

Noted, Action plan has been developed addressing this matter.

27. Internal control

Noted, Action plan has been developed addressing this matter.

28. Leadership

Noted, Action plan has been developed addressing this matter.

30. Financial and performance management

Noted, Action plan has been developed addressing this matter.

31. Other Reports

Investigations completed

Noted

RECOMMENDATION

IT IS RECOMMENDED THAT:

The report dated 30th November 2013 by The Auditor-General to the members of the Council on the consolidated annual financial statements of The Msunduzi Municipality for the year ended 30th June 2013 is noted.

The report dated 13th January 2014 by the Municipal Manager, in reply to the Auditor-General's report be noted

That the audit action developed and attached be adopted and monitored.

Submitted for consideration as per legislation.

M. A. NKOSI

MUNICIPAL MANAGER



| 2012/07/01 - 2013/06/30 | | | |
|---|---|-----------------------------------|------|
| Audit Finding | Action Plan | Responsibility | Date |
| <p>Restatement of corresponding figures</p> <p>As disclosed in note 48 to the financial statements, the corresponding figures for 30 June 2012 have been restated as a result of errors discovered during 30 June 2013 in the financial statements of the Msunduzi Municipality at, and for the year ended, 30 June 2012.</p> | <p>The process culminating to the preparation of the interim financial statements is underway. Implementation of GRAP is also under review. Checklist used in the process has been confirmed by Accountant General</p> | Chief Financial Officer: N Ngcobo | |
| <p>Material losses/impairments</p> <p>With reference to note 52 to the financial statements, the municipality incurred material losses relating to water of R92,41 million (15 701 747kl) and electricity of R122,34 million (202 469 552 kWh).</p> | <p>The acceptable norm of electricity loss is 3%. The loss above norm is due to theft, distribution losses, illegal tampering of electricity meters and can also be attributable to the ageing infrastructure. The 132 Network Rehabilitation Plan currently under implementation will reduce the technical losses while the electrification of informal settlements starting with Ezinketheni and Hlalakahle will reduce the losses for illegal connections including Jika Joe informal settlements.</p> <p>The acceptable norm of water loss in the developing countries is 20%. The loss above norm is due to theft, distribution losses, illegal tampering of water meters and can also be attributable to ageing infrastructure. The Master Plan for Non – Revenue Water currently under implementation has to be approved by Council and will be implemented for the period of five year with annual target to reduce water losses.</p> | Acting DMM: IS - ES Nomnganga | |
| <p>Material losses/impairments</p> <p>As disclosed in note 5 to the financial statements, the municipality raised a provision for bad debts amounting to R801,84 million (2011/12: R584 043 million) on consumer debts as the recoverability of these amounts are doubtful.</p> | <p>Implemented consolidated billing to improve collections. Water write off has also been implemented. Finalising data cleansing process after funds have been allocated during mid term review.</p> | Chief Financial Officer: N Ngcobo | |

2012/07/01 - 2013/06/30

| Audit Finding | Action Plan | Responsibility | Date |
|---|---|--|------|
| <p>Material under spending of the Grants and Budget</p> <p>As disclosed in note 16 to the financial statements, the municipality materially under spent grants at year end amounting to R170,46 million. In addition, the municipality has under spent its capital budget to the amount of R33,557 million. As a consequence the municipality has not achieved its objectives of basic service delivery and infrastructure development.</p> | <p>Noted, Action addressing material under spending of budget has been developed, currently being implemented. The action plan is linked to the procurement plan with most projects spanning over three financial years.</p> | <p>Acting DMM: IS - ES Nomnganga</p> | |
| <p>Irregular expenditure</p> <p>As disclosed in note 49 to the financial statements, irregular expenditure amounting to R34,91 million was incurred during the year mainly as a result of contracts awarded to suppliers, which were in contravention of the Local Government: Municipal Supply Chain Management Regulations.(GNR 868 of 30 May 2005) (Municipal SCM Regulations).</p> | <p>The irregular expenditure incurred was as a result of the contracts awarded to persons in the service of the state amounting to R6M. To overcome this the Council have enhanced the MBD 4 which is the disclosure of interest to add the legal aspect in the condition of tender/contract and to make it stand in the court of law; the following recourse will include the termination of contract, the recovery of the costs incurred and the blacklisting of the bidder/s into the National Treasury database of default bidders. Further to this bidders and employers will be informed accordingly of the misconduct. The R28M is still to be investigated as this was incurred by contracting IDT. If this can be proven that the SCM process was followed it will be removed from irregular expenditure note. the irregular expenditure register is updated on a regular basis and quarterly reports are being submitted to manage, curbing and condonement by Council as per Circular 68 of the MFMA. the Council has embarked on the contract management on the value for money principle, quality assurance, contract duration period is adhered to by submitting monthly report to SMC.</p> | <p>Chief Financial Officer: N Ngcobo</p> | |

| Audit Finding | Action Plan | Responsibility | Date |
|--|--|--|------------------|
| <p>Meter Readings estimated for long periods of time</p> <p>During the audit of Electricity and Water meter readings it was noted that meter readings for a number of properties have been estimated for more than eight years. Per inspection of corroborative information and per discussion with meter reading personnel it was noted that some meters were last read in 2004, 2008 or 2010 and the reason for not reading meters was because of meters not being located, faulty, with mud or overgrown with grass. Furthermore it was noted that revenue billed in these properties have been outstanding for a long period of time and no proof of follow up for collection or disconnection for services could be provided to the auditor</p> | <p>A task team was established in October 2013 comprising of IS & Finance that meets on weekly basis to discuss progress on tasks allocated to the Process Managers & Managers of both departments. The task team is still continuing with the process & meet every Friday. A report is done on weekly basis reporting to SMC the progress in addressing the estimation of meter readings. The Progress reports will be provided to the Audit Committee.</p> | <p>Chief Financial Officer & DMM: IS</p> | |
| <p>Measures to improve performance of the municipality not included in the annual performance report The annual performance report for Msunduzi Municipality does not reflect a comparison of the performance with targets set for and performances in the previous financial year as well as the measures taken to improve performance.</p> <p>Further to the above, it was noted in the annual performance report that where targets have not been met, reasons or comments have not been reported on.</p> <p>Improvement measures in the annual performance report for a total of 100 % of the planned targets not achieved were not disclosed as required by section 46 of the Municipal Systems Act. This was due to inadequate internal policies and procedures over the processes pertaining to the reporting of performance information.</p> | <p>A summary of the measures taken in order to improve performance will be included in the Annual Report.</p> | <p>M Jackson Manager in the Municipal Mangers office</p> | <p>22-Nov-13</p> |

2012/07/01 - 2013/06/30

| Audit Finding | Action Plan | Responsibility | Date |
|--|---|--|------------------|
| <p>Irregular expenditure - Inadequate SCM process documents from IDT</p> <p>In terms of Memorandum of Agreement:</p> <p>4.4 The Independent Development Trust (IDT) will in managing the Electrification Budget, comply with the provisions of PFMA applicable to it as the Major Public entity as well as other legislation that may be applicable to it in terms of implementation of this agreement will endeavour to comply with the provisions of MFMA.</p> <p>6.1.3 IDT will at its discretion apply its own Procurement procedures and policies as a public entity in procuring the services of the Programme creditors.</p> <p>In terms of SCM Policy, IDT uses the following related legislation:</p> <p>PFMA PPPFA SCM regulation</p> <p>During the audit of payments to IDT it was noted that SCM process was not followed due to inadequate SCM documentation.</p> | <p>A meeting with IDT was held in December 2013. At the meeting it was established that IDT appointed TNT as a strategic partner which was approved by Tender Adjudication Committee. They used a Turnkey Approach to undertake Msunduzi projects because of the technical nature of projects versus shortage of specialised services in the market. Copies of invoices by TNT were collected from IDT and reconciled & relevant projects identified that should be debited. Regular project meetings are taking place with IDT whereby expenditure vs payment are reconciled and the supporting documents are made available to management for review to ensure compliance with SCM regulations.</p> | <p>Chief Financial Officer: N Ngcobo</p> | <p>25-Nov-13</p> |
| <p>Misstatement of expenditure-IDT</p> <p>During the audit of expenditure it was noted that IDT had recorded expenditure incurred on behalf of Msunduzi Municipality to the value of R53 million, however municipality could only reconcile R28 million as expenditure incurred on its behalf. An amount of R24 million could not be reconciled to supporting documentation to be allocated to the correct projects.</p> | <p>Monthly expenditure reports will be obtained from IDT and expenditure incurred by IDT will be reconciled to payments made to IDT on a monthly basis.</p> | <p>Chief Financial Officer: N Ngcobo & DMM: IS</p> | <p>9-Nov-13</p> |

| Audit Finding | Action Plan | Responsibility | Date |
|---|--|---|------------------|
| <p>IDT Commission Fee is not based on the contract. Based on Par 4.6 of the Memorandum Agreement: The parties agree that the IDT will be entitled to charge a management fee at the rate of 10% of Electrification Programme budget. The IDT will deduct the management fee quarterly, based on the actual expenditure. During the audit of expenditure the management fee of R25 million was paid. However actual expenditure was only R28 million per the schedule received from IDT. No addendum was attached to the electrification MOA to regulate the management fees paid.</p> | <p>The analysis conducted did not reveal any management fee or commission of R25 million paid to IDT. The invoices for management fee paid to IDT as per their 2 invoices for April 2013 is R1773654.77. Furthermore the existing MOU with the IDT will be reviewed to include all the projects that are currently being implemented by IDT which will include the revised model of payments & accounting practices.</p> | <p>Manager: Office of the MM, Chief Financial Officer & DMM: IS</p> | |
| <p>Disclosure note -Unauthorised expenditure note incomplete.</p> <p>It was noted during the audit of disclosure notes that the prior year unauthorised expenditure amounting to R21,071,373 was not shown as an opening balance on the current year unauthorised expenditure note.</p> <p>No supporting documents to prove that an investigation was conducted by council on unauthorised expenditure and expenditure written-off as irrecoverable was provided.</p> | <p>This amount relates to depreciation in the previous year. A report to Council will be done to write off the amount.</p> | <p>Chief Financial Officer, N Ngcobo</p> | <p>23-Oct-13</p> |



2012/07/01 - 2013/06/30

| Audit Finding | Action Plan | Responsibility | Date |
|---|---|--|-----------------|
| <p>Suppliers in Service of the State</p> <p>Through the use of computer assisted audit techniques (CAATS), it was identified that awards were made to persons in the service of the state for the period 1 July 2012 to 31 June 2013:</p> | <p>Disclosure on the conditions of contract forms part of the bidding document and has been enhanced since January 2013, that will allow the municipality to take legal steps should the bidder misrepresent the facts, this will also assist to cancel and recover all cost from the bidder. Letters of award were also enhanced to address this issue by adding SCM Regulation 44. the SCM practitioners will also inform the employers of those bidders should they be find in the employ of the state. Having implemented all these measures they are still not full proof preventative but are just corrective measures. This is a national problem as all organs of state are faced with a similar finding every year since the SCM Regulations were promulgated by National Treasury. National Treasury has not provided solution to the municipalities & other organs of state. There is one option which will be preventative but will be cumbersome to implement. Before any organ of state appoints a service provider, National Treasury or Auditor-General should be requested to check the status of the directors, members & management whether they are in the service of the state. Organs of state don't have access to personnel data of all employees to check against but Auditor-General has that access.</p> | <p>Chief Financial Officer: N Ngcobo</p> | <p>9-Nov-13</p> |

| Audit Finding | Action Plan | Responsibility | Date |
|--|--|-----------------------------------|----------|
| <p>Procurement of goods was split into parts to avoid competitive bidding process.</p> <p>During the audit of procurement and contract management it was noted that the procurement of the refrigeration equipment as well as the erection of the chiller rooms required at the municipal market, were split into smaller quotation transactions to avoid procuring such through the competitive bidding process</p> | <p>The following is in place as to avoid the split of orders;</p> <p>The Procurement Plan was developed in 2011 and is in place from 2011/2012 and 2012/2013 it defines the Supply Chain Management needs of the organization, aligned to the municipality's IDP, Budget and Departmental SDBIP. The plan is for a minimum of one year but aligned to the IDP three year period, this is especially critical in the case of capital projects requiring the issuing of bids for multiyear projects, as well as in order to obtain cost savings through longer term goods and service contracts (limited to a three-year period in terms of the MFMA) and has assisted the Council in ensuring that all Grant projects are finalized and awarded in a correct manner.</p> <p>The main objective of the plan is to assist the service deliver business units to achieve their service delivery mandates and to meet their service delivery requirements without any SCM processes delays and this forms the integral component of the entire process to ensure effectiveness, efficient and economical SCM processes. The plan is also there to ensure that compliance with SCM Regulations is adhered to and assist with transparency of all SCM activities for the year; this is placed on our website.</p> <p>Internal audit has advised that this be sent to Council to regularize the expenditure, in future all mid-term funding will be added on the procurement plan to ensure that the correct procurement process is followed and to ensure that compliance is adhered to at all times.</p> | Chief Financial Officer: N Ngcobo | 6-Jun-13 |

2012/07/01 - 2013/06/30

| Audit Finding | Action Plan | Responsibility | Date |
|---|--|---|-----------------|
| <p>AOPO - Reported targets not consistent with planned targets.</p> <p>The reported targets as included in service delivery budget implementation plan (SDBIP), or second quarterly report submitted for auditing are not consistent with the targets as per the approved integrated development plan. All planned targets specified in the SDBIP for the year under review were not included in the integrated development plan.</p> | <p>Accountability has been assigned to DMMs to ensure that all information is first checked by them prior to submission to the PMS Unit. - Submissions for monthly and quarterly reports are only accepted from the office of the DMM for accountability purposes.</p> | <p>Manager: Office of the MM - M Jackson & All DMMs</p> | <p>9-Nov-13</p> |
| <p>AOPO- Planned and Reported indicators/measures are not well defined .</p> <p>Few of the indicators/measures relevant to the selected objective: Basic Service Delivery and Infrastructure Development (Roads, Transportation and Public Works) were not well defined in that clear, unambiguous data definitions were not available to allow for data to be collected consistently. This was due to a lack of understanding by business units relating to the defining of key performance indicators and inadequate training to enable application of the principles of the Municipal Planning and Performance Management Regulations, 2001.</p> | <p>Following the approval of the SDBIP and finalization of work plans, an exercise has been conducted to ensure alignment between the IDP, SDBIP and work plans. A report has been submitted to the SMC and, where gaps and/ or non-alignment have been identified these will be addressed during the mid-year review process.</p> | <p>Manager: Office of the MM - M Jackson & All DMMs</p> | <p>9-Nov-13</p> |



2014/15 - 2016/17

| Audit Finding | Action Plan | Responsibility | Date |
|--|---|--|------------------|
| <p>Service Delivery: Water and Sanation .</p> <p>Access to Basic Water .</p> <p>In terms of government's delivery agreement for outcome 9, output 2 was designed to improve access to basic services. In this regard the following sub outputs were identified: Improve universal access to basic services by 2014 as follows:</p> <ol style="list-style-type: none"> 1. Water from 92% to 100% 2. Sanitation from 69% to 100% <p>During the audit of the water and sanitation KPI's it was discovered that the municipality has not set their targets at 100% for the 2013/2014 year.</p> <p>The municipality has not set its target for the 2013-14 financial years to eradicate all basic water backlogs in line with the national targets to achieve 100% access to basic water by 2014.</p> | <p>The Target will be reviewed and amended to ensure that it is realistic & resonable taking into account the budget constraints within the municipality.</p> | <p>Acting DMM: IS - ES Nomnganga</p> | <p>29-Nov-13</p> |
| <p>Use of consultants.</p> <p>The following weaknesses were noted in the management of consultants:</p> <ul style="list-style-type: none"> • The use of other consultants was evidence of the long outstanding vacancies not filled by the municipality. • No evidence was kept of skills transferred from the respective consultants to the municipal staff members on the following consultant, • Neither did the assignment include an important component for training or transfer of knowledge and skills. | <p>No Action plan required, the Municipality will always appoint consultants where it deems necessary for various reasons.</p> | <p>Ms N Ngcobo Chief Financial Officer</p> | <p>27-Nov-13</p> |

2012/07/01 - 2013/06/30

| Audit Finding | Action Plan | Responsibility | Date |
|--|--|---|------------------|
| <p>Revenue not collected from Businesses & Government departments.</p> <p>During the audit of revenue charged on services it was noted that the municipality does not collect revenue due to the municipality from private businesses and government departments and no appropriate action has been taken to recover the outstanding monies. Furthermore evidence that these accounts have been handed over for collection or services being cut-off was not provided to the auditor</p> | <p>Regarding Government accounts we have since nominated a dedicated employee to deal with challenges pertaining to these accounts. Debt collection policy process shall be implemented in full in order to recover all outstanding amounts. A blue print is yet to be developed to guide the process to be followed to ensure full compliance with the policy</p> | <p>Chief Financial Officer: N Ngcobo</p> | <p>15-Oct-13</p> |
| <p>Electricity reconnected on overdue accounts without payment or approved arrangement by a senior official.</p> <p>During the audit of revenue it was noted that electricity and water reconnections are made by enquiry clerks without a payment received on outstanding account and without a debt repayment arrangement approved by the credit controller or Process Manager: Revenue</p> | <p>SMC has resolved that a security company be appointed to undertake monitoring of disconnections and reconnections.</p> | <p>Chief Financial Officer: N Ngcobo & Acting DMM: IS -</p> | <p>9-Jun-13</p> |
| <p>Revenue from transaction charges not accounted for in the correct period.</p> <p>During audit of revenue from the market the following discrepancies were noted:</p> <p>a) The basis of calculation of the transaction charges could not be provided.</p> <p>b) The transaction charges were only recorded when the revenue is received as opposed to the period when the revenue was earned</p> | <p>No Action plan required as reconciliations are done timeously. issue resolved</p> | <p>DMM: Economic Development - R Ngcobo</p> | <p>11-Dec-13</p> |

IDP REVIEW FOR
2014/15 - 2016/17



| Audit Finding | Action Plan | Responsibility | Date |
|---|--|---|------------------|
| <p>Reconciliation between daily cash sales and cash banked on the fresh market not performed.</p> <p>During our audit of revenue from the market, the following were discrepancies were noted:</p> <p>a) The reconciliation between the daily cash sales and daily cash banked were not prepared which resulted in discrepancies not identified timeously.</p> <p>b) The following discrepancies were identified between the sales from the sales report and daily transaction report provided.</p> | <p>This matter is resolved. No action plan required. Reconciliations are done daily.</p> | <p>DMM: Economic Development - R Ngcobo</p> | <p>11-Dec-13</p> |
| <p>Revenue from fines.</p> <p>During the audit of revenue from fines the following discrepancies were noted on the files selected for testing for March and June 2013:</p> <p>a) There was no adequate supporting documentation submitted by the contractor to the municipality to confirm the completeness of revenue received.</p> <p>b) The reconciliation of fines issued by the contractor and payments received by the municipality is not performed.</p> | <p>Community services will identify employee that will verifying and reconciling all traffic fines. Finance is currently reconciling cash received. Finance has a dedicated official that does the reconciliations on monthly basis of the bank against the cashbook before any payments to TNT are processed.</p> | <p>Chief Financial Officer: N Ngcobo & DMM: Community Services - B Zulu</p> | <p>9-Jun-13</p> |



2012/07/01 - 2013/06/30

| Audit Finding | Action Plan | Responsibility | Date |
|-------------------------------------|---|--|----------|
| Rental income not collected on time | <p>Housing Chief Accountant will ensure that management is provided with monthly stats of the outstanding debtors to ensure that balances are promptly recovered.</p> <ul style="list-style-type: none"> • The Credit Control and Debt Collection Policy will be improved. • In order to fast track and implement the easier methodology of debt collection for the housing will be to consolidate the accounts so that they can be disconnected if they opt to pay for services only as the system will auto allocate the payment to the oldest debt first. • Monthly management meetings between Finance and Housing Rental Stock will be held so as to co-ordinate debt recovery process. | DMM: Economic Development - R Ngcobo & Chief Financial Officer: N Ngcobo | 9-Jun-13 |



| Audit Finding | Action Plan | Responsibility | Date |
|---|--|--|------------------|
| <p>Recoverability of Debtors.</p> <p>During the audit of receivables it was noted that the municipality has not enforced credit control procedures and mechanisms in terms of its credit and debt collection policy and in compliance with the MFMA and MSA.</p> <p>At 30 June 2013, debtors' balances were as follows, with 68.55% outstanding for more than 365 days on electricity, refuse, sewerage, water and housing and 62.19% of debtors outstanding on rates for more than 365 days. This audit issue was raised in the 2011-12 financial year. The municipality did commit to implement a strategy to recover all the amounts due from debtors. Through inquiry of the Process Manager: Revenue (Mr. B Ngobese), it was noted that more problem were identified regarding the billing of debtors since some charges were not reasonable. This resulted in the piecemeal application of the strategy. The issue identified indicates insufficient or inappropriate application of the strategy and the monitoring thereof.</p> | <p>Management has engaged on the process of profiling all debtors that are unable to meet their obligation in terms of payment, this mainly affects Edendale areas whereby the community is affected by socio economic issues. The accounts have been submitted to council to effect debt write off during 13/14FY.</p> <p>It must also be noted the current economic climate has put people under economic pressure and the negative economic drivers are visible in energy petrol, electricity prices as well ravaging unemployment and these have placed limitations in our customers' ability to pay.</p> <p>The Council have implemented several initiatives in year 2013/14 that were introduced towards the end of 12/13 FY intended to expedite the accounts payments and these includes;</p> <p>Accounts consolidations that has resulted in higher disconnections level;</p> <p>We are consistently monitoring all the disconnected accounts and all the tempering are subject to hard disconnections;</p> <p>We have employed 18 credit controllers whose sole focus will be to call all outstanding accounts and give notice for imminent disconnections;</p> <p>Debt write off for all water accounts has commenced with a view of cleaning our debtors book;</p> <p>We have implemented the amnesty in order to encourage the payment of all outstanding debtors;</p> <p>Our debtors has started to show the sign decreasing and the impact of these initiatives is showing a tangible signs ;</p> <p>The revenue has shown the signs of marked improvements</p> <p>The full impact of these initiatives will be visible and realised in 2013/14 financial year and outer years and we are optimistic that in the following year we will see a good indication that will decrease the debtor's book.</p> | <p>Nelisiwe Ngcobo Chief Financial Officer</p> | <p>18-Nov-13</p> |

2012/07/01 - 2013/06/30

| Audit Finding | Action Plan | Responsibility | Date |
|--|--|---|------------------|
| <p>Housing Debtors not recovered on time. It was noted during the audit of long-term debtors that debtors were not timeously collected, as they've been outstanding for more than 360 days, This might result in loss of revenue due to non-payment of debtors furthermore no provision for doubtful debts has been raised</p> | <p>Housing Debtors not recovered on time. It was noted during the audit of long-term debtors that debtors were not timeously collected, as they've been outstanding for more than 360 days, This might result in loss of revenue due to non-payment of debtors furthermore no provision for doubtful debts has been raised</p> | <p>DMM: Economic Development - R Ngcobo & Chief Financial Officer: N Ngcobo</p> | <p>31-Oct-13</p> |
| <p>Payments not made within 30 days of receipt of invoice.</p> <p>payments were not made within 30 days after receipt of the invoice or issuing of the goods received note, due to the delays in the submission of supporting documentation to the creditors department</p> | <p>The Outstanding Orders and the Creditors Age Analysis are month-end reports that are distributed after the month-end process. Three columns will be added on the Creditors' Age Analysis for the date on which the order was received/created/issued, invoice & Goods Received Note were received by Creditors & a fourth column will be for the narration relating to the cause for paying after 30 days. The monthly report to SMC will identify the Business Units that did not submit the necessary documents described above. The report on outstanding orders will be distributed so as to assist the Business Units to which of their orders are not yet processed for payment. The Financial Management Support Services Managers will be responsible for following up & reporting on monthly basis to the Process Manager: Expenditure on the reasons for the orders that are outstanding for more than 30 days without an invoice being submitted.</p> <p>Regular reminders will be circulated monthly to all business units reminding them of the due date for the submission of invoices to creditors. Currently there are two major payment dates, these dates will be reviewed with the intention to introduce weekly payment dates. Staff involved in payment process will be provided with training on the payment process. Monitoring of documents and identifying units or departments that do not submit on time and report them to the DMM.</p> | <p>Chief Financial Officer: N Ngcobo</p> | <p>8-Nov-13</p> |

| Audit Finding | Action Plan | Responsibility | Date |
|--|--|---|------------------|
| <p>Overpayments to Natal Joint Pension Fund not accounted for in financial statements.</p> <p>During the audit of employee cost it was noted that overpayments were made to Natal Joint Pension Fund, however these overpayments has noted been disclosed in the financial statements resulting in the understatements of accounts receivable and overstatements of pension contribution.</p> | <p>Pension fund statement will be requested from Natal Joint to ensure that our monthly payments reconciled with the Pension Fund. The reconciliation will be reviewed, signed & dated by the Chief Accountant Pay Office & Process Manager: Expenditure & filled on monthly basis. The Procedure Manual will be reviewed/ developed/updated with all the month-end processes that must take place on monthly basis. An amount of R 70 549.62 which is still unresolved, statements for the previous financial period 2012/2013 will be requested from Natal Joint & attended to.</p> | <p>Chief Financial Officer: N Ngcobo</p> | <p>4-Nov-13</p> |
| <p>Councillor's with accounts outstanding for more than 90 days at 30 June 2013.</p> <p>As disclosed in Note 39 to the financial statements, eight councillors collectively had arrear accounts of R106 634.00 that were outstanding for a period longer than 90 days. These councillor s are non compliant with section 12 A of schedule 1 of the Municipal Systems Act, 2000 (Act No.32 of 2000)(MSA).</p> | <p>Letters notifying councillors regarding outstanding debts will be written to them quarterly. A report will be done through SMC to Finance Portfolio, MPAC, Audit Committee, Exco & Full Council on all outstanding debts in respect of Councillors on quarterly basis with a recommendation that complies with the MFMA & other legislation.</p> | <p>Chief Financial Officer: N Ngcobo</p> | <p>22-Oct-13</p> |
| <p>High vacancy rate.</p> <p>During the audit of employee costs it was noted that 32% of staff establishment posts are vacant. A high vacancy rate has a negative impact on achievement of service delivery objectives of the municipality</p> | <p>60 positions have been prioritized & will be advertised in January 2014 and filled during February to April 2014. Management has commenced with the process of migrating staff from old the organogram to a new approved structure. This entails Job Writing. Job Grading and Evaluation, assessment will be done before the placement of staff in the new organogram. Prioritize critical positions from July 2014 in accordance with the budget. The process will continue throughout the year for all budgeted vacant position. The process of Job Grading should be complete by April 2014, enabling posts in the new structure to be filled.</p> | <p>DMM: Corporate Services - M Molapo</p> | <p>11-Dec-13</p> |

2012/07/01 - 2013/06/30

| Audit Finding | Action Plan | Responsibility | Date |
|---|--|------------------------------------|-----------|
| <p>Negative leave balances.</p> <p>During the audit of employee's leave it was noted that employees took leave which was more than the balance that each employee was entitled to, resulting in negative balances</p> | Human resources /DMM Corporate services are in the process of auditing and cleaning all staff leave balances, completion will be by April 2014. Controls are also in place, Managers are being continually capacitated\ advised and checked by HRSSM's to ensure that no officials are granted leave more that they are entitled in terms of the Employer's Conditions of Service; and Employer's Leave Policy. Engage the vendor of Payday to create parameters in the system to deal with excessive leave of all categories. | DMM: Corporate Services - M Molapo | 10-Sep-13 |
| <p>Leave taken without prior approval</p> <p>There are employees who took leave before it was approved by the relevant Process Manager/ Deputy Municipal Manager.</p> | No Action required. | DMM: Corporate Services - M Molapo | 10-Sep-13 |
| <p>No leave form for captured leave.</p> <p>During the audit of annual leave, it was noted that leave days were captured and approved on the system however no leave form were located on the employee's leave files.</p> | Ongoing administration of leave and monitoring is occurring through Centralized Leave Office. The Office is being given extra resources i.t.o space, equipment so that they can offer a consolidated, comprehensive service. Engage the vendor of Payday to create parameters in the system to deal with excessive leave of all categories. | DMM: Corporate Services - M Molapo | 10-Sep-13 |
| <p>Family responsibility leave exceeding 5 days.</p> <p>During the audit of family responsibility leave, it was noted that there are employees who took more than 5 days for family responsibility leave, this is contrary to the requirements of the collective agreement</p> | Ongoing administration of leave and monitoring is occurring through Centralized Leave Office. The Office is being given extra resources i.t.o space, equipment so that they can offer a consolidated, comprehensive service. Engage the vendor of Payday to create parameters in the system to deal with excessive leave of all categories. | DMM: Corporate Services - M Molapo | 10-Sep-13 |
| <p>Study leave incorrectly classified as family responsibility leave</p> <p>During the audit of special leave, it was noted that for some employees study leave has been incorrectly classified as family responsibility leave. This is contrary to the collective agreement as study leave does not qualify as family responsibility leave</p> | Ongoing administration of leave and monitoring is occurring through Centralized Overtime Office. Engage the vendor of Payday to create parameters in the system to deal with excessive leave of all categories. | DMM: Corporate Services - M Molapo | 10-Sep-13 |

| Audit Finding | Action Plan | Responsibility | Date |
|---|--|-----------------------------------|------------|
| <p>Bank reconciliations are not prepared timeously.</p> <p>During the audit of cash and bank it was noted that bank reconciliations were not prepared on a timely manner resulting in reconciling items not be cleared timeously.</p> | Two Sub-Accountants have been appointed to undertake the reconciliations. | Chief Financial Officer: N Ngcobo | 14/10/2013 |
| <p>Internal control deficiencies relating to asset count.</p> <p>The annual asset count conducted was inadequate as it was confirmed through review of the asset count report to council that only 50% of the total assets were physically verified.</p> | Management has put measures in place to address this issue. The verification process has been reviewed and the asset policy and procedures amended . Presently all units have been instructed by SMC to account for all unverified assets and report back to SMC on the outcome of this exercise and treatment of all unverified assets. | Chief Financial Officer: N Ngcobo | 15/10/2013 |
| <p>Annual reviews and useful lives and residual values not performed.</p> <p>During the audit of assets it was noted that, the review to determine the useful life of the following assets is not performed during the period under review:</p> <ul style="list-style-type: none"> • Infrastructure assets • Buildings • Community assets • Intangible assets • Investment property <p>It was further noted that a conditional assessment is carried out upon asset verification for moveable assets; however, the review of useful lives of the asset group is not performed.</p> | A request has been made to include in the budget for the next three financial years a budget to appoint a consultant to undertake the process of reviewing the useful life of all assets and to benchmark the process to other municipalities in order to standardise the process and develop an asset management plan to guide the process. | Chief Financial Officer: N Ngcobo | 11-Apr-13 |

2012/07/01 - 2013/06/30

| Audit Finding | Action Plan | Responsibility | Date |
|--|--|--------------------------------------|-------------------|
| <p>Lack of formal policy for the management of road infrastructure.</p> <p>An approved asset management policy (2007-2012) was presented for audit inspection. However, it was noted that the policy does not clearly set out the following regarding road infrastructure:</p> <ul style="list-style-type: none"> • Strategic planning • Proactive and routine maintenance planning • Funding of new road infrastructure and maintenance of existing road infrastructure • Management information system • Addressing backlogs • Roles and responsibilities of the staff members <p>The absence of an updated approved policy and procedures to manage road infrastructure, resulted in the following:</p> <ul style="list-style-type: none"> • No planned or preventative maintenance being conducted (short and long term) • Lack of skilled staff • Backlogs not being addressed | <p>Develop the policy</p> <ul style="list-style-type: none"> • Research and benchmark to complete by 30 June 2014 • Complete draft Policy by 31 August 2014 • Submit to Council for approval by 30 October 2014 • Implement in November 2014 • Revise every 5 years | <p>Acting DMM: IS - ES Nomnganga</p> | <p>18/11/2013</p> |



IDP REVIEW FOR
2014/15 - 2016/17

| Audit Finding | Action Plan | Responsibility | Date |
|--|--|-------------------------------|------------|
| <p>Funding of road infrastructure.</p> <p>An inspection of the road network master plan contained in the 2012/13 to 2016/17 integrated development plan (IDP) revealed the following projects to be started within the 2012/13 financial year:</p> <ul style="list-style-type: none"> • Municipal Infrastructure Grant (MIG) will fund R56 million which is 50 per cent of the projects reflected in the master plan • Provincial Department of Transport (DoT) will fund 40 per cent of road projects and • Council will fund 10 per cent of the projects <p>It can be seen from the above that MIG and DoT funds 90 per cent of road infrastructure were as council only funds 10 per cent. Your attention is drawn to the Division of Revenue Act, 2012 (Act No 5 of 2012) which states: "MIG will not fund specific projects, but is designed to complement the capital budgets of municipalities."</p> <p>Furthermore through inspection of the approved budget and through enquiry with the process manager: construction and re-construction (Mr. S. Mbimbi) on the 11 March 2013 the following was noted:</p> <ul style="list-style-type: none"> • The municipality only utilises the MIG for the development, upgrading and rehabilitation of new road infrastructure. Council does not budget for the development, upgrading or rehabilitation of road infrastructure. This result in that council could not sustain completed projects. • The municipality does not budget for preventative maintenance on new road and existing road infrastructure. <p>Based on the finding above it can result in the following:</p> <ul style="list-style-type: none"> • Increase in road infrastructure backlogs • Deterioration of road infrastructure, decreasing the useful life of the road • Potholes, cracks and sink holes will develop which is a symptom when preventative maintenance is not done. | <p>Draft Capex and Opex budget has been submitted for approval by Council.</p> <p>The following amounts have been requested:</p> <ol style="list-style-type: none"> 1. Gravel Backlog = R66.7 million MIG 2. Road Upgrade = R31.2 million CNL 3. Rehabilitation = R25 million 4. Maintenance = R44.7 million <p>Over and above the Municipality is currently undertaking assessment of its road infrastructure network which will prioritize and update preventative maintenance programme in terms of the Pavement Management System (PMS).</p> | Acting DMM: IS - ES Nomnganga | 18/11/2013 |

2012/07/01 - 2013/06/30

| Audit Finding | Action Plan | Responsibility | Date |
|---|---|---|------------------|
| <p>Lack Of It Governance Framework.</p> <p>The municipality does not have an IT Governance framework which governs the IT infrastructure.</p> <p>This may result in IT functions not being governed in a standardised manner across the municipality. This may further result in IT staff not having entity-wide IT governance standards to subscribe to and management not having a framework or guidance to align to.</p> | <p>The IT Governance framework compilation is in progress.</p> | <p>DMM: Corporate Services - M Molapo</p> | <p>15-Dec-13</p> |
| <p>Lack of Service Level Agreements for the IT Infrastructure</p> <p>There are no signed Service Level Agreement ("SLA"s) for the network infrastructure in place to support the IT environment that hosts critical business systems. The following systems were identified as not having an adequate SLA:</p> <ul style="list-style-type: none"> • INTENDA • BAUD • METVAL • FRESHMARKET • PROMIS • PAYDAY • PROMIS financial system <p>This could result in inadequate service delivery by third parties. As the roles, responsibilities and obligations of each party are not formally defined and agreed upon; neither party can hold the other accountable for breaches of the agreement.</p> | <p>Formal software licence contracts and service level agreements between the municipality and its service providers are under negotiation and at an advanced stage of finalization. They will facilitate adequate vendor management of SP's procured to provide IT software and support to the Unit.</p> | <p>DMM: Corporate Services - M Molapo</p> | <p>15-Dec-13</p> |

| Audit Finding | Action Plan | Responsibility | Date |
|---|---|------------------------------------|-----------|
| <p>Lack Of An Approved Disaster Recovery Plan And Business Continuity Plan.</p> <p>The municipality had not approved and implemented a Disaster Recovery Plan ("DRP") and does not have Business Continuity Plan ("BCP") in place.</p> <p>The municipality may fail to timely recover normal business operations after a disaster or information processing interruptions. This may affect the day to day activities of the business.</p> | <p>Funds have been set aside in the 2013/ 2014 to draft and implement place Disaster Recovery Plan and Business Continuity plan; including upgrading obsolete IT infrastructure; and bulk equipment such as servers.</p> <p>An appropriate "climate controlled" and secure spaces for the incoming servers is also being investigated\ facilitated.</p> | DMM: Corporate Services - M Molapo | 28-Feb-14 |
| <p>Lack Of Approved Information Technology Security Policies And Procedures.</p> <p>The Municipality does not have approved Information Technology policies and procedures in place.</p> <p>This will result in users and administrators not having any rules and procedures to follow. This may increase the risk of errors, fraud and the loss of data. This may further compromise the integrity of data at the organisation.</p> | <p>ICT Policies have been developed and approved. An Implementation Plans to render the policies operational are in the process of being finalized for approval by SMC in February 2014.</p> | DMM: Corporate Services - M Molapo | |

2012/07/01 - 2013/06/30

| Audit Finding | Action Plan | Responsibility | Date |
|--|--|---|------------------|
| <p>Lack Of Change Control Standards And Procedures For Applications And Windows Operating System.</p> <p>A formal change management procedure has not yet been approved and implemented at the municipality; moreover the draft change management procedure did not include other systems that are used at the municipality.</p> <p>Furthermore, there is no formal change control documentation used to document changes made to all systems and applications.</p> <p>The documented change management procedure which has not been approved did not cater for emergency changes and documenting procedures.</p> <p>This could result in insufficient tracking of changes and control over normal, configuration and emergency changes. It would also increase the likelihood of unauthorised changes taking place on key business systems.</p> | <p>Formal, up-to-date service level agreements between the municipality and service providers are at an advanced stage of renegotiation\finalization.</p> <p>Conclusion of agreements between the municipality and its service providers will be done by the end of Jan 2014.</p> | <p>DMM: Corporate Services - M Molapo</p> | <p>30-Nov-13</p> |
| <p>Inadequate Password Settings Defined On The Domain Controller.</p> <p>The lockout counter is set to 15 minutes on the domain controller, which means that a locked account will automatically unlock itself after 15 minutes.</p> <p>This could result in unauthorised users gaining access to the systems in use and may lead to unauthorised transactions being performed.</p> | <p>A key prerequisite for full proof and secure password management is the procurement of appropriate software licence contracts and service level agreements between the municipality and designated service providers, which are under negotiation.</p> <p>The negotiations are at an advanced stage of finalization and should pave the way for secure password management.</p> | <p>DMM: Corporate Services - M Molapo</p> | <p>Immediate</p> |

| Audit Finding | Action Plan | Responsibility | Date |
|---|---|---|------------------|
| <p>Inadequate Physical Access Controls to the Municipality's Main Computer Room.</p> <p>Physical access controls at the computer room are inadequate and the following weaknesses exist:</p> <ul style="list-style-type: none"> • The Environmental Controls Procedure has been developed but not approved and implemented • The sensitive areas, such as the passage in the ICT department and the computer room, were not monitored by cameras, thus anybody can enter the department • The magnetic key that is used by IT staff to access the main computer server room is not uniquely linked to the respective users • Management could not provide a Maintenance schedule for servicing of environmental controls such as the fire extinguisher and the smoke detectors • No report could be obtained or withdrawn for server room access log | <p>Physical access control measures to address security of the server room are in place and being maintained in the interim while new servers are awaited, in line with policies and procedures approved to manage physical access to the server room and unauthorised access is in place and implementation is being enforced. Going forward alternative secure means of access are being investigated, including biometric access (Finger-print access) or "restricted access" electronic turnstiles.</p> | <p>DMM: Corporate Services - M Molapo</p> | <p>Immediate</p> |

The server room register was inadequate
The following inadequacies were identified:

- The register is not reviewed
- The time that a person left the room is not specified
- Formal access request documentation was not completed for registering users, changing users' access rights and terminating access rights on the physical access control system
- Formal procedures had not been approved and implemented to ensure that the access rights of users on the physical access control system were periodically reviewed to confirm that their current access was in line with their job responsibilities

Inadequate physical access controls increase the risk of unauthorised persons gaining access to the computer room.

Management may not be able to establish accountability for unauthorised actions performed in the server room. Unauthorised access to server room may lead to theft of material in the server room, and the municipality data may be compromised. This may result in damage to the server room which may lead to a loss of data.

Physical access control measures to address security of the server room are in place and being maintained in the interim while new servers are awaited, in line with policies and procedures approved to manage physical access to the server room and unauthorised access is in place and implementation is being enforced. Going forward alternative secure means of access are being investigated, including biometric access (Finger-print access) or “restricted access” electronic turnstiles.

DMM: Corporate
Services - M
Molapo

15-Dec-13

[illegible]

- Backups have not been performed since September 2012
- There is no register to track the movement of the backup tapes between the production site and the offsite storage location
- There was no formal evidence of restoration or testing of backup tapes during the financial year under review

Without adequate backup procedures, the municipality will not be able to recover critical data in the event of a disaster.

A key prerequisite for secure data backup management is the procurement of appropriate software for said purpose; including appropriate servers. Software licence contracts and service level agreements between the municipality and service providers are under negotiation. The negotiations are at an advanced stage of finalization and should pave the way for secure data management and backup.

DMM: Corporate
Services - M
Molapo

15-Dec-13

| Audit Finding | Action Plan | Responsibility | Date |
|--|---|------------------------------------|-----------|
| <p>Inadequate Vendor Security Implemented And Password Settings.</p> <p>The following security weakness was identified:</p> <ul style="list-style-type: none"> • The service provider was able to access the application via the back end and this allows the service provider to view user passwords • In addition passwords on Baud application does not expire <p>This could result in unauthorised activities performed on user account without the user being aware. Moreover if passwords are not frequently changed this may result in passwords being known by other employees. This increase the risk of unauthorised activities being performed using other users passwords.</p> | <p>A key prerequisite for full proof and secure password management is the procurement of appropriate software licence contracts and service level agreements between the municipality and its service providers, which are under negotiation. The negotiations are at an advanced stage of finalization and should pave the way for secure password management.</p> | DMM: Corporate Services | 15-Dec-13 |
| <p>Lack Of Review Of Baud System Controller Activities.</p> <p>The activities of persons with powerful privileges such as controller/admin privileges were not monitored periodically by an independent person and this could therefore result in controllers/administrators performing inappropriate or even unauthorised activities that will remain undetected.</p> | <p>Security control measures to address security of the server room are in place but are being maintained to include: security clearance of individuals having access to server rooms and security\ integrity of data. In addition, periodic security reviews\ spot checks will be instituted by independent appropriately qualified parties to ensure that high security environment is maintained.</p> | DMM: Corporate Services - M Molapo | 15-Dec-13 |
| <p>Segregation Of Duties Not Enforced</p> <p>Segregation of duties was not enforced as the BAUD administrator was responsible for application administration and data processing.</p> <p>If segregation of duties is not enforced, this may result in unauthorised activities performed in the system. These transactions may remain undetected and maybe difficult to identify.</p> | <p>Managing user accounts is being handled entirely in-house; and this will be enforced NOT outsourced to external Service Providers. Secondly, periodic security clearance of individuals having access to the Employer's user accounts; and periodic spot checks of persons administering user accounts will be undertaken by indepent appropriately qualified parties to maintain a secure environment within IT sensitive spaces.</p> | DMM: Corporate Services - M Molapo | 15-Dec-13 |

2012/07/01 - 2013/06/30

| Audit Finding | Action Plan | Responsibility | Date |
|---|--|--|------------------|
| <p>Unsecure Mode Of Data Transfer.</p> <p>Asset data from Promis application was manually imported to the Baud application in a spreadsheet format using a Compact Disk ("CD") or Universal Serial Bus ("USB").</p> <p>This may result in unauthorised data modification before the data is uploaded to the Baud application. This may compromise the integrity of the data and may lead to the loss of significant data.</p> | <p>Managing user accounts is being handled entirely in-house; and this will be enforced NOT outsourced to external Service Providers. Secondly, periodic security clearance of individuals having access to the Employer's user accounts; and periodic spot checks of persons administering user accounts will be undertaken by independent appropriately qualified parties to maintain a secure environment within IT sensitive spaces.</p> | <p>DMM: Corporate Services - M Molapo</p> | <p>15-Dec-13</p> |
| <p>Lack Of Segregation Of Duties.</p> <p>Segregation of duties were not enforced as the Metval administrator from the service provider had full access to the application. The administrator was responsible for registering users, managing passwords, changing access user access rights and terminations.</p> <p>This may result in unauthorised activities being performed. In addition users may gain unauthorised access to the systems in use.</p> | <p>Managing user accounts is being handled entirely in-house; and this will be enforced NOT outsourced to external Service Providers. Secondly, periodic security clearance of individuals having access to the Employer's user accounts; and periodic spot checks of persons administering user accounts will be undertaken by indepent appropriately qualified parties to maintain a secure environment within IT sensitive spaces.</p> | <p>DMM: Economic Development - R Ngcobo & DMM: Corporate Services - M Molapo</p> | |
| <p>Programmer Changes To the Application.</p> <p>Actual changes made to the application were done by the service provider who was also the programmer of the application. Moreover the application does not maintain or generate a log of all changes made to the application.</p> <p>This may result in unauthorised changes being made to the application without management approval. Furthermore changes made to the application may not be timely detected. This may compromise the integrity of the system.</p> | <p>No action as the application contains a Log of version changes, application also indicates version number in the task bar any changes are immediately visible.</p> | <p>DMM: Economic Development - R Ngcobo & DMM: Corporate Services - M Molapo</p> | |
| <p>Non-compliance with the recruitment policy.</p> <p>During the inspection of personnel files, it was discovered that the Human Resources department of Msunduzi Municipality did not perform reference checks for the certain appointees</p> | <p>A reviewed Selection, Recruitment & Retention Policy is being finalized for approval by Management (SMC); followed by EXCO & Council to ensure appointment compliance throughout the appointment value chain. All new employees are subjected to security clearance.</p> | <p>DMM: Corporate Services - M Molapo</p> | <p>10-Sep-13</p> |

| Audit Finding | Action Plan | Responsibility | Date |
|---|---|---|-----------------|
| <p>Non Compliance with the Minimum competency regulations In terms of Regulations 14(2)(a) of Minimum Competency Levels regulation states, "Each municipality is required to furnish half yearly implementation returns to the National Treasury and relevant provincial treasury for the period ending 31 December and 30 June .The return is to be in the format of the Schedule of the Regulations and, where applicable, include consolidated information on all its municipal entities. The consolidated returns are to be furnished by no later than 30 January and 30 July respectively."</p> <p>Contrary to the above, the half yearly implementation return for the period 01 July 2012 to 31 December 2012 was only submitted on 26 February 2013 to National Treasury.</p> | <p>All DMM, Process Managers & other staff have been enrolled through the University of Pretoria. The returns will be submitted to National Treasury.</p> | <p>DMM: Corporate Services - M Molapo</p> | <p>9-Jun-13</p> |

8.3 GOVERNMENT AND PUBLIC SECTOR PARTICIPATION AND COMMUNITY INVOLVEMENT REPORT

Notes of the meeting of presenting mapping findings by cadres involved in Community Based Planning Project

Date: 18 February 2014

Venue: Imperial Hotel, Pietermaritzburg

Time: 10h00 to 12h00

Agenda for the meeting

Program Director: Mbhe Mdlalose (Built Environment Support Group –BESG)

1. **Opening and Welcome:** Mbhe Mdlalose
2. **Purpose of the Meeting:** Mbhe Mdlalose
3. **Background to the Community Based Planning Project:** Mnini Ntombela
4. **Presentation of findings:**
 - Msunduzi Municipality
 - uMngeni Municipality
 - Mkhambathini Municipality
 - Richmond Municipality
 - uMshwathi Municipality
 - Impendle Municipality
 - Mpofana Municipality
5. **Questions**
6. **Discussions**
7. **Closure**

1. The purpose of the meeting

The meeting was a platform for 30 trained cadres to report back on their mapping exercise conducted in seven local municipalities under Umgungundlovu District. The project is facilitated by BESG under their Deepening Democracy Project which started in 2008. This project was designed into 3 Phases over a period of 5 years.

Phase 1:

- Leadership training for community based organisations (CBOs).
- Conflict Management
- Citizenship
- Self-reliance

Phase 2:

- Training CBOs to understand local government structures and functions
- Engagement process with IDP Managers
- Establishment of clusters of CBOs
- Municipal action research

Phase 3:

- Strengthening clusters' voices
- Opening spaces for engagements
- Change management process

This meeting is one of the initiatives facilitated by BESG to open spaces for engagements between civil society and government's IDP Managers. IDP Managers are targeted because they are responsible for spaces that enable citizens to participate in planning and budgeting processes.

BESG process is in line with the government's commitment to work together with the citizens. It is in line with the "walk together scenario" which empowers citizens to take charge of their lives instead of the "walk behind" or the "walk apart" scenarios where citizens are beneficiaries or are angry and protesting against the government.

2. Background to the project.

The project equipped 30 cadres in total. Cadre training was funded by the Foundation for Human Rights and Hivos, with each funding 15 cadres for a period of 10 months and 12 months respectively. This funding came at an opportune time when there was a need to strengthen the voices of civil society. Cadres were chosen from CBO clusters in seven municipalities under Umgungundlovu District.

Community based planning is a process of producing plans that can be designed, implemented, managed and maintained by local communities. This process empowers local communities to voice their opinions and strengthen skills and confidence to participate in development interventions. Community based planning seeks to include vulnerable and excluded groups within the community and develop leaders to ensure inclusive involvement in the planning of initiatives. Communities need to identify their own problems and should take lead in reviewing, reflecting and organising events to share lessons and discuss options. Most importantly, communities should have a sense of ownership of these initiatives to ensure that they are sustainable and long lasting.

Community-initiated plans empower the citizen-resident and sets up possibilities for "co-producing" collaborative approaches to development projects. Community based maps are hence a negotiation tool for communities to demonstrate the existing assets and opportunities to their local governments. By partnering with local governments, community plans can inform some of the IDP projects.

The content of the training was based on the Constitutional Rights of South African citizens. Mobilisations of other citizens to participate in the process were through "Know Your Rights" campaign. The process involved information sharing with community members, mapping of development needs and facilitating constructive ways of improving their wards.

Methodology

Focus Groups

- Groups were comprised of community members from the different CBO clusters and were grouped by sector.
- Discussions were based on a pamphlet titled "Know Your Rights"
- Groups went through the pamphlet first as a tool to facilitate discussion.
- People shared their understanding on human rights and reflected on their own experiences.
- Groups used charts to draw their ward assets and identify gaps.

Door to door

Cadres used a 'door to door' methodology to create human rights awareness in their communities. They also allowed people to tell their stories in the process.

Capturing Evidence

Cadres captured key development issues to back up their findings. In some settings they recorded videos to capture people's stories.

Some common threads of the cadres' presentations

- There is a great need for municipalities and other government structures to plan with communities (for example, to discuss the times for the delivery of water where they are still using water trucks)
- Who is involved in the prioritisation of community needs to compare the needs of different wards/communities
- Challenges of communities located on private land where the government struggles to provide basic services – what is the solution to this?
- Communication problem between communities and government structures including councillors – this is more about lack of report back on the progress or lack of progress in projects promised to communities
- What is the strategy of the government to address people's perceptions and understanding about their development needs and who should do what? Who should maintain community facilities? How deep is government's pocket in satisfying community needs?
- Is the methodology used by IDP processes effective enough to gather real needs of the communities?
- There is lack of meaningful public participation
- There are challenges with housing allocation processes
- There is a need for the District to intervene on LED challenges in smaller local municipalities such as Mpofana
- Health hazards are a serious threat if there is irregular water supply – the infrastructure is in place which is appreciated by communities.

Input by IDP, Area Based, Public Participation and Operation Sukuma Sakhe Managers present.

Officials applauded the work done by the cadres. They applauded the methodology used by cadres.

1. Mr Ngcongo and Ms Gwala: Emphasised the importance of participation in ward meetings and in war rooms.
2. Mr Roopan: Indicated that the issues identified by cadres are similar to what community based planning in Msunduzi have come up with.
3. Mr Fakude: Indicated that such engagements raised expectations and recommended that as a next step: BESG should compile a report, which includes maps for submission to UMDM and LMs. The issues will be included in IDP, some projects have already started, i.e. UMDM's core mandate is sanitation and water in other LMs except in Msunduzi. He also advised that councillors should be involved in this process.
4. ALL officials highlighted development that the municipalities are undertaking to address some of the challenges listed by cadres

| WARD | GAPS | SERVICES IN PLACE | NEED TO IMPROVE |
|------------------|--|--|--|
| 3 | | War room sits | Parts of the ward: roads still need to be tar |
| 8 | | | |
| 11 | No sanitation No tax shelters | Water Electricity - War room are functioning | Regular waste collecting is needed |
| 12 | | War room sits | |
| 20 | No permanent clinic Jobs War room does not sit | | Mobile clinic to come often Children travel long distance to school |
| 30 (Ezinketheni) | No permanent clinic Part of the ward is still waiting for electricity | Taxi shelters | Mobile clinic need to come often and to have proper shelter. Children travel long distances to school Road is still a gravel |
| 37 (Mkondeni) | No permanent clinic War room does not sit | | Mobile clinic to come more often Children travel long distance to school Road is still a gravel |

8.4 SPATIAL DEVELOPMENT FRAMEWORK

See Part 2 of the Document for a full copy of the SDF.

8.5 DISASTER MANAGEMENT PROGRAMME (PLAN)

A provisional programme is in place to mitigate threats and acts of disaster as they occur. The Municipality, in the past, has reacted and responded accordingly and effectively to disaster and threats. The Municipality has identified flash points, and analysis has been conducted to prepare a comprehensive disaster management plan.

8.5.1 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. 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 schedule of natural and manmade hazards (and attendant problems) below is by no means an exhaustive list of occurrences/hazards/threats, but rather an overview of things that have happened, or have the potential to happen, because these events occur frequently within the Msunduzi Municipality.

TABLE 101: 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 |
| | Low-Level Bridges | Damage To Infrastructure, Sewers, Water, Electricity |
| Wind and Rain | Maswazini, Mafakatini, Sweetwaters, Pypini, Shayamoya, Copesville, Tamboville / Houses | Structural Failure/Loss Of Life/Property Damage/Personal Assets /Damage To Electricity & Communications |
| | Damage To Informal And Sub-standard Houses | Loss Of Life/Property Damage/Personal Assets / Accommodation , Re-Establishment Cost |
| Fire | 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 |
| | Open Flame Heating And Lighting 1 Informal Settlements 2 Formal Houses / Cannot Afford Electricity | Loss Of Life/Property Damage/Poor Accessibility |
| Transport | 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 |

| NATURAL HAZARDS | | |
|--|--|--|
| VULNERABILITY | | CONSEQUENCE |
| 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 Sub-standard 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.

Table 101: Annual report province 1 April 2012 - 31 March 2013

| | Incidents | Cost | Nr. of people | Nr. of houses | Nr. families |
|-------|-----------|--------|---------------|---------------|--------------|
| April | 13 | 19413 | 57 | 13 | 14 |
| May | 14 | 35354 | 80 | 27 | 27 |
| June | 28 | 23565 | 106 | 34 | 32 |
| July | 15 | 35354 | 121 | 64 | 64 |
| Aug | 39 | 31908 | 785 | 164 | 164 |
| Sept | 21 | 57225 | 335 | 83 | 83 |
| Oct | 18 | 26227 | 370 | 83 | 127 |
| Nov | 15 | 31172 | 141 | 35 | 35 |
| Dec | 15 | 12915 | 305 | 64 | 77 |
| Jan | 10 | 43471 | 13695 | 2960 | 2960 |
| Feb | 12 | 10879 | 107 | 27 | 22 |
| March | 2 | 1385 | 3 | 2 | 2 |
| | 202 | 328868 | 16105 | 3556 | 3607 |

Table 102: 2013/14 Msunduzi Disaster Stats

| | Incidents | Cost | Nr. of people | Nr. of houses | Nr. families |
|-------|-----------|--------|---------------|---------------|--------------|
| March | 4 | 19538 | 92 | 42 | 42 |
| April | 8 | 14399 | 53 | 19 | 14 |
| May | 10 | 19371 | 68 | 26 | 34 |
| June | 14 | 16858 | 60 | 21 | 24 |
| July | 10 | 8402 | 41 | 10 | 10 |
| Aug | 23 | 42916 | 211 | 50 | 69 |
| Sept | 10 | 114596 | 447 | 312 | 169 |
| Oct | 22 | 132900 | 313 | 233 | 232 |
| Nov | 12 | 43368 | 587 | 143 | 143 |
| Dec | 14 | 58714 | 330 | 98 | 99 |
| Jan | 13 | 26298 | 104 | 31 | 32 |
| Feb | 14 | 343617 | 2140 | 568 | 568 |
| | 154 | 840977 | 4446 | 1553 | 1436 |

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CITY OF CHOICE



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