

LEKWA LOCAL MUNICIPALITY



# DRAFT INTEGRATED DEVELOPMENT PLAN 2010/2011

## Foreword by Administrator

THE rollout of the Local Government Turn- Around Strategy (LGTAS) which aims to speed up and improve service delivery has kicked off. The project, which started end of January, will be done in four phases until March 2011, said the Department of Co-operative Governance and Traditional Affairs. The first phase will be the pilot project in which three identified municipalities in the Mpumalanga province will develop Municipal Turn- Around Strategies (MTAS). Bushbuckridge, Dipaleseng and Thembelesile Hani municipalities are expected to draft their MTAS and submit them to their municipal councils and the provincial coordinators.

After the submission of these draft strategies, stakeholder engagements will take place in February 2010, the department said.

The second phase will include all municipalities in developing their MTAS and incorporating them in the Integrated Development Plans (IDP's).

The third phase will include the budgeting and approval of these IDP's, while the fourth phase will be the implementation phase.

The turnaround strategy was developed following last year's service delivery protests where communities were demanding infrastructure, housing, electricity and water, among other essentials. The municipal turnaround strategy will involve communities which had largely been left out of decision making. The Mpumalanga province, together with the National Department of Cooperative Governance and Traditional Affairs (COGTA) has unearthed serious challenges confronting municipalities in the Mpumalanga province through the turnaround strategy.

In his address during the official opening of the provincial legislature, Premier DD Mabuza said his interaction with Minister for Cooperative Governance and Traditional Affairs, Sicelo Shiceka, revealed that Mpumalanga provincial municipalities face challenges manifesting themselves through:

\*Service delivery backlogs, chronic fraud and corruption induced by both corruptors and those being corrupted.

\* A shrinking skills base in the fields of town planning, engineering and financial management and dysfunctional intergovernmental service **delivery** coordination system with glaring provincial support oversight gaps.

During visits to local municipalities early this year, a response team deployed by the Department of Cooperative Governance and Traditional Affairs identified challenges faced by these institutions. These included human resource, financial and functionality of the identified municipalities.

According to the Department of Cooperative Governance and Traditional Affairs, a template outlining specific challenges facing each of the two municipalities has been created and this will be sent to various municipalities to form part of their integrated development plan to be adopted. Lekwa is one of those municipalities that faced challenges and have adopted a turnaround strategy to address those challenges.

The legislative configuration in respect of the separation of powers between governance and administration has created a fertile ground for the politicization of administration. Clear guidelines on the delegation of authority must be reviewed to address gaps so that administration and its associated powers are articulated. It is difficult to design effective performance management system in the absence of a tight delegation framework. The issues raised and the recent spate of protests signals systemic and structural challenges. The pronouncement of their own municipal turnaround strategies without addressing systemic issues can only lead to compliance without material differences – service delivery is about ensuring material difference in the lives of the communities.

It can also be argued that any strategy has resource implications and therefore the impending municipal turnarounds are no exception. For the strategy to be effective, Lekwa municipality must implement measures aimed at boosting income. Financial viability cannot be divorced from vigorous revenue in the form of rates.

- **Leadership challenge**

Leadership challenges must be resolved, as continuation will further compromise delivery. In practical terms, part of the business re-engineering process must include role definition between the mayor's office, the speaker's office and the municipal manager's office. Tensions at this level are being attributed to a lack of clear definition of role and responsibilities.

- **Communications**

Communication should be about how the municipality generates income, plans to upgrade infrastructure, provisioning of services such as water, refuse removal and costs for such projects. It was reported that if municipalities communicate these issues, public confidence can be restored.

- **Legislative framework**

The sphere of local government is not without legislative frameworks to guide service delivery. For example section 152 of the Constitution is clear on the role of Local Government. Similarly the Municipal Systems Act provides guidelines and yet challenges pointing to the framework continue unabated.

The current legislative framework on the separation of powers between administration and executive is said to be problematic in that the boundaries are not clearly defined as in other spheres of Government. The view of the administrator is that "In the absence of a clear division of labour between the mayor's office, the office of the speaker and the office of the municipal manager tensions and interference abound". Challenges promote a culture of non- performance as officials abdicate responsibilities by hiding behind politics. This matter is reflective of the President's assertion during his meeting with cabinet ministers and the municipal managers. In that meeting President Zuma indicated a need to review the legislative frameworks along the national and provincial lines. This issue has implications for municipality's own turnaround strategies as political interferences mal-administration and corruption has been linked to the weaknesses in the legislative framework. The process of the business re-engineering of municipalities must reflect on leadership to warrant authentic change.

- **Governance structure**

The conflict between the office of the mayor, the speaker and the municipal manager are well documented. The recent municipal assessment report by the Department of Cooperative Governance and Traditional Affairs (Cogta) points to political infighting and conflicts between senior management and councilors and human resources issues.

This suggests that the municipal turnaround strategy must address the causes and not the symptoms of such conflicts. In response to what constitutes the governance and administrative challenges, one manager made reference to a lack of alignment and a proper accountability framework. When asked to elaborate this view he said "rules of engagement regarding appointment of staff and allocation of resources are blatantly ignored". As a result it becomes difficult not to succumb to the politics of patronage as they define the order of the day.

- **Institutional capacity**

A turnaround strategy has resource implications which, if not adequately addressed, the ideals of flagship campaigns such as clean audits cannot be realized. The majority of municipalities have a high vacancy rate and inadequate in-house training on strategic areas such as finance and governance. In buttressing this point the municipal manager indicated that "Skills retention in our municipalities is still a challenge and it takes time to fill vacant posts". The biggest challenge is that municipal officials cannot divorce party politics from administration. He argued that tensions flair, particularly when it comes to senior positions (director). Under normal circumstance it takes two months to appoint a director but due to interferences the process can take up to six months. Where appointments are finally made it was argued that in most instances the incumbent does not meet the grade. One municipal manager said "Most administrative officials in senior positions were classroom teachers – teachers see the Local Government as a platform for greener pastures". In a similar vein one of the municipal manager said political deployment is destroying municipalities. When asked to elaborate, he said in his municipality about 70 percent of appointments do not meet the grade, due to political deployment. The process is fraught with corruption as even mayor wants to be consulted outside his scope of influence. Consequently institutional capacity becomes compromised as skills and competencies to design and implement programmes are virtually nonexistent.

- **Reporting Framework**

One municipal manager expressed concerns regarding the conversion of reporting frameworks. Municipalities were using what is referred to as the Generally Accepted Municipal Accounting Practice (GAMAP). In terms of section 216 (1) of the Constitution, Treasury as part of its mandate introduced the Generally Recognized Accounting Practice (GRAP). Eventually, GRAP will be the only standard applicable in municipalities and the target date for this was 2009. However its implementation has necessitated a number of changes not only in terms of policy but interpretation, reporting and the presentation of the annual financial statements of municipalities.

Although the application of the new financial and reporting model recognizes differences in terms of institutional capacities of municipalities, grave challenges remain. One municipal official indicated that whilst training has been conducted on GRAP, confusion continues unabated. When asked about typical challenges he declared "Our policies are noble but they continue on a one size fits all approach – the new system requires a dedicated financial support in terms of identifying and recording the value of all assets including underground water pipes. The general views among the municipal managers interviewed is that time constraints and lack of resources constitute the biggest challenge. To that effect one said "You need specialist asset management companies for this type of work and most municipalities do not have resources. To illustrate this point a municipal manager declared that "It took 8 years for the private sector to switch to the new reporting system for companies (e.g GAAP) but Local Government is expected to do it in 3 years". Another manager buttressed this point by saying "Come audit time by the end of the current financial year, I can tell you most municipalities are going to fail on this one". This clearly suggests that timelines for conversion to the new system will not be accomplished especially by poorer municipalities. Based on this, it can be argued that own municipal turnaround strategies would have serious financial implications unless such issues are addressed

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**MR. JI SINDANE**  
**ADMINISTRATOR**

## ACRONYMS

ABET	Adult Based Education and Training
AIDS	Acquired Immune Deficiency Syndrome
CBO's	Community Based Organizations
CETA	Construction Education and Training Authority
CHBC	Community Home Base Care
CMIP	Consolidated Municipal Infrastructure Programme
CPTR	Current Public Transport Record
DACE	Department of Agriculture, Conservation and Environment
DBSA	Development Bank of South Africa
DEAT	Department of Environmental Affairs and Tourism
DAC	District AIDS Council
DALA	Department of Agriculture and Land Administration
DLA	Department of Land Affairs
DLGH	Department of Local Government and Housing
DPLG	Department of Provincial and Local Government
DTI	Department of Trade and Industry
DM	District Municipality
DMA	District management Area
DME	Department of Minerals and Energy
DPW	Department of Public Works
DWAF	Department of Water Affairs and Forestry
ECA	Environmental Conservation Act
EIA	Environmental Impact Assessment
EIP	Environmental Implementation Plan
EHS	Environmental Health Services
EMP	Environmental Management Plan
EMS	Environmental Management System
EPWP	Expanded Public Works Programme
FBS	Free basic Services
FBE	Free Basic Electricity
FPA	Fire Protection Association
GIS	Geographic Information System
GSDM	Gert Sibande District Municipality
HDI	Human Development Index
HOD	Head of Department
IDP	Integrated Development Planning
IGR	Intergovernmental Relations
IEM	Integrated Environmental Management
IMEP	Integrated Municipal Environmental Programme
IWMP	Integrated Waste Management Plan
IS	Information System
IT	Information Technology
ITP	Integrated Transport Plan
KPA	Key Performance Area
KPI	Key Performance Indicator
LDO	Land Development Objective
LED	Local Economic Development
LM	Local Municipality



LRAD	Land Redistribution for Agricultural Development
LUMS	Land Use Management System
MAM	Multi Agency Mechanism
MEC	Member of Executive Committee
MFMA	Municipal Finance Management Act
MHS	Municipal Health Services
MIG	Municipal Infrastructure Grant
MPCC	Multi Purpose Community Centers
MSIG	Municipal Systems Improvement Grant
MSP	Master Systems Plan
NEMA	National Environmental Management Act
NEPAD	New Partnership for Africa's Development
NER	National Electricity Regulator
NGO	Non Governmental Organization
NSDP	National Spatial Development Perspective
NWMS	National Waste Management Strategy
PGDS	Provincial Growth and Development Strategy
PHC	Primary Health Care
PMS	Performance Management System
REDS	Regional Electricity Distribution System
SABS	South Africa Bureau of Standards
SACOB	South Africa Chamber of Business
SALGA	South Africa Local Government and Administration
SANAC	South African National AIDS Council
SANCO	South Africa National Civic Organization
SAPS	South African Police Service
SETA	Sector Education Training Authority
SDF	Spatial Development Framework
SLA	Service Level Agreement
SOER	State of the Environment Report
WSA	Water Services Authorities
IWSDP	Integrated Water Services Development Plan

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## 1 SECTION A: EXECUTIVE SUMMARY

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This document is about the Integrated Development Plan, of which it's a 5 year Strategic Plan which gives direction for all development initiatives in the municipality. It integrates communities and co-ordinates all development and needs of the communities. It's a policy framework for

Preparation of budgets - national, provincial & municipal project budgeting. It's integrated and aligned with National & Provincial programmes. So it can be said that the IDP is the planning, budgeting & management instrument which guides a municipality to;

- Provide an instrument which guides what and where investment should occur in order to speed up delivery & secure the buy-in of all relevant role players for implementation
- Attract private investors and sector departments with a clear framework of the municipality's development direction
- Overcome apartheid legacy at local level by facilitating redistribution of resources in a consultative process
- Promote intergovernmental co-ordination by facilitating a system of communication & co-ordination between local, provincial & national spheres of government.

The document consists of ten sections. In expose it will start by the background on Review Process and National/Provincial Planning Framework affecting Municipalities, followed by an In-depth Situational Analysis of the Development within the Municipality that include; Demographic Profile, Development Profile Economic Profile, Development Objectives, Strategies and KPIs as Per 5 Strategic Agendas, High Level Spatial Development Framework (SDF), Implementation Plan: 3 Year, Annual Operational Plan – Business Plan, Financial Strategy, Organizational Performance Management and conclude by the Sector Plans.

Lekwa Municipality was established on the 5<sup>th</sup> of December 2000 after the amalgamation of 3 former Transitional Local Councils namely Standerton, Sakhile and Morgenzon. The Lekwa Municipality lies on large open plains of the Highveld region that is characterised by tall grass and it is transverse by the Vaal River which flows in a western direction. The municipality span over an area of 4 586 km<sup>2</sup> which equates to 15% of the overall Gert Sibande District. The Municipality is named after the Vaal River which is commonly known as Lekwa (a Sotho name for Vaal River); the demarcation code is MP 305.

Lekwa Local Municipality is one of seven municipalities within the Gert Sibande District Municipality in Mpumalanga Province; it is located in the South West of the Gert Sibande District Municipality; with immediate entrances to Kwa-Zulu Natal, Gauteng and Free State provinces, Newcastle, Heidelberg and Vrede are respective immediate entrances.

The Municipality consists of Standerton which serves as an urban node, whilst Morgenzon which is 45km North East of Standerton which serves as a satellite node. It is landlocked by the following local municipalities, Pixley ka Seme and Msukaligwa on the east, Dipaliseng on the west and Govan Mbeki on the north. The south edge is abutted by Mpumelelo Local Municipality which is in the northern part of the Free State Province.

The Municipality is predominantly inhabited by Nguni speaking people, namely: Zulu, Siswati, Ndebele, Sotho and Xhosa and other race groups.

**Map1. Lekwa**



## 1.1 Boundaries and Neighbors'

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Lekwa Local Municipality has Standerton as its major urban node, whilst Morgenzon which is 45km north east of Standerton serves as a satellite node. The municipality is surrounded by the following local municipalities, Pixley ka Seme and Msukaligwa on the east, Dipaleseng on the west and Govan Mbeki on the north. In the south the municipality shares the boundary with Phumelela Local Municipality which is in the northern part of the Free State Province.

## 1.2 Key Features

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- The Municipality is predominantly inhabited by Nguni speaking people. The following racial groups are found in the municipality: Zulu, Swati, Ndebele, Xhosa and Sotho and others.
- The major town within Lekwa Local Municipality is Standerton. The town provides services for the surrounding mines, agriculture, power stations and tourism industries.
- Vaal River transverses the municipal area and runs through Standerton.
- The R23 connects the municipal area to Johannesburg, Volksrust, Durban and Newcastle.
- Standerton is served by the national rail network which mainly transports coal with one passenger service route between Standerton and Richardsbay.
- Agriculture is the dominant land use in the municipality.
- Agriculture, mining and power generation are the key economic contributors towards the economy of the area.

## 1.3 Main Semi-urban areas

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Most of the semi-urban areas within the municipality may be defined as hubs in terms of the current SDF definition which says that hubs are small urban centres which are located within the rural areas, often at the crossroads of two important roads or along one major road possibly in close proximity to a parallel running railway. They are fundamentally distribution centres for the rural areas providing a moderate range of services and economic activities. There are only two hubs in the municipal area, namely Thuthukani Village and Morgenzon . Each of these is now described in more detail below:

### 1.3.1 Morgenzon

The area is located at the intersection of the R35 and R39. The existence of the town is influenced by the transportation of coal from the Secunda complex to Majuba. The area shows limited diversification yet accommodates all basic social services.

Morgenzon and Sivukile form the last urban areas within the Lekwa local municipal area. Given the vast distance between this locality and the Standerton-Sakhile Urban node, Morgenzon and Sivukile form a completely self-contained economic sub-node with a slightly different character than the former. It is characterised by a spatial pattern which on the one hand shows a high concentration of people per km<sup>2</sup> (in the case of Sivukile Township) and a very low density part of town in Morgenzon. This pattern is a result of the historical legacy which led to the establishment of Sivukile as a worker town not intended for permanent settlement.

While this pattern may be viewed as a constraint in terms of the ability of Sivukile to develop into a viable residential area due to land availability and obvious limited infill land parcels, it provides huge opportunities for densification insofar as Morgenzon is concerned. The latter is particularly dominated by low density residential developments which may be sub-divided in future provided that the existing Engineering Infrastructure can support such sub-division. Such densification opportunities may practically only be implemented through the relaxation by Council of the minimum densities per hectare in Morgenzon where the majority of properties are in private hands. In order for voluntary infill-planning to take place in Morgenzon, it is proposed that similar guidelines like those proposed for Meyerville be adopted

Another area of some spatial importance to Lekwa Local Municipality is Morgenzon, some 45km north-east of Standerton. This is historically a local service centre that served (and still does) the surrounding commercial farming areas with basic needs. Despite its potential due to its location along a major route (R35) to Volksrust via the N11 from Bethal, it is still largely under-developed as a service centre due possibly to the competition offered by the more attractive business centres of Ermelo, Bethal and even Standerton itself.

### 1.3.2 Thuthukani.

Thuthukani is located some 18km North-East of Standerton and it began essentially as a workers village for the Thuthuka Power Station which is situated about 3km east of the Village. It is divided into two main sections namely, the eastern section belonging to Eskom and the western section owned by New Denmark Mining Company (part of Amcoal Group).

Recently the Lekwa local municipality approved about 500 low-cost housing units to be built on the southern section of the Eskom part of the village. This is the first phase of an eventual take-over of the village by the local municipality as already most of the land here belongs to Lekwa local municipality. According to information obtained recently from Eskom, there are about 336 stands (118 serviced and 218 unserviced) which are still in Eskom's hands and the process of alienating these to the local municipality is currently underway.

The village presently has about 130 houses on free-standing stands and a further 60 cluster units. In terms of engineering infrastructure, the following summary is provided:

- **Sewerage:** Currently there is water-borne sewerage supplying the village as well as the planned 500 housing units.
- **Potable water:** Thuthuka Power Station currently supplies the village with drinking water. It appears that in the meantime Eskom will remain the supplier of the service to the community of Thuthukani.

**Future possibilities for Expansion:** Given the location of the village in relation to other sub-regional economic activities, it appears the chances of the village expanding beyond its current form are quite slim. This is also indicated by the fact that there are currently about 118 serviced stands which cannot be developed due to lack of interest from the open market and this despite the relatively good living environment within the village itself.

### 1.3.3 Satellites

The remaining settlements which are situated outside the urban areas and those classified as hubs, are categorized as satellites. There are only two satellites in the municipal area. These are:

- Holmdene and
- Platrand.

These places have no infrastructure and no residential formal component. Fundamentally they constitute silos located along a railway line and are more so a point on a map than an agglomeration of rural settlements. Each has however some social infrastructure services which, if developed, may become valuable service points for the surrounding farming communities. The current social infrastructure facilities include the following;

### 1.3.4 Holmdene

This area is located about 15 km to the north-western side of the Standerton town, off the R23 to Standerton from Balfour. It has the following characteristics and social facilities:

- Railway station;
- Two(2) Primary schools;
- One(1) Secondary school;
- One(1) Combined School;
- Two local shops;
- One old Post office( vacant);
- One Private Community Hall;
- There is electricity and some boreholes supplying the area in terms of basic engineering services

### 1.3.5 Platrand

The rural area is located some 12km from the Standerton Town and is defined by the following:

- Railway station( redundant);

- Three(3) Primary Schools;
- One(1) High School;
- Two local shops;
- One old Post office( Vacant);
- Boreholes , windmills and hand pumps;
- Electricity is also supplied.

With some capital investment, these rural nodes do have potential to serve as Rural Service Centres.

## **2 SECTION 2: BACKGROUND ON IDP REVIEW PROCESS**

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The preparation of an Integrated Development Plan (IDP) by municipalities is a legislative requirement according to the Municipal Systems Act (MSA) Act No. 32 of 2000. Lekwa Local Municipality completed its IDP mid 2007 in line with Chapter 5, Section 25, of the MSA.

It will be noted that, in terms of section 34 of the Local Government: Municipal Systems

Act, No. 32 of 2000, all municipalities are required to review their Integrated Development Plans (IDP's) on an annual basis (and to the extent that changing circumstances, needs and demands) - in accordance with a prescribed process.

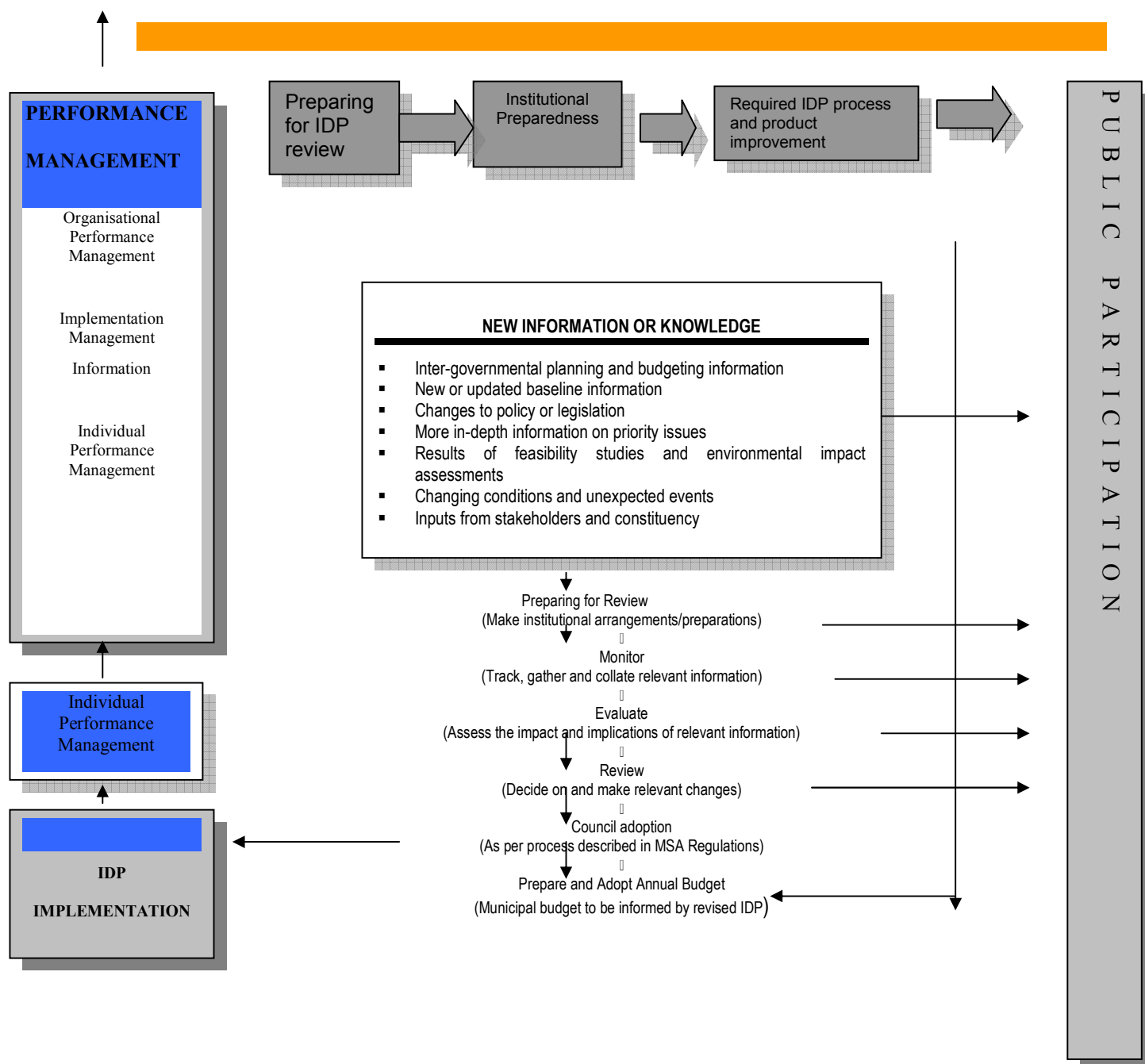
The annual review process thus relates to the assessment of the Municipality's performance against organizational objectives as well as implementation delivery, and also takes into cognizance any new information or change in circumstances that might have arisen subsequent to the adoption of the previous IDP. The review and amendment process must also adhere to the requirements for public participation as articulated to Chapter 4 of the MSA (2000).

In terms of the IDP Review Guidelines, IDPs are reviewed based on 4 primary areas of intervention, i.e. Annual IDP Review, the IDP Process, Amendments in Response to Changing Municipal Circumstances, and Comment from the MEC.

The process described and outlined in the flow chart below represents a continuous cycle of planning, implementation and review. Implementation commences after the Municipal Council adopts the initial IDP whilst Public Participation remains pivotal throughout the process of the IDP.

In terms of the National Department of Provincial and Local Government's document entitled Guide VI: Implementing the IDP, the process to be followed when undertaking an annual IDP Review is as follows:

Fig: 1 IDP Review Process



National Department of Provincial and Local Government's document entitled Source: IDP Format Guide vi: 1999

In terms of section 28 of the Local Government: Municipal Systems Act, No. 32 of 2000, all municipalities are required to adopt an IDP Review Plan. The municipality has complied with this requirement, with Council having to adopt a Process Plan (entitled Integrated Development Plan [IDP]: Process Plan for the IDP Review 2008/09).

Once again the focus of the review has been on fine-tuning programmes and projects to align with:

- New demands, most significantly the infrastructure maintenance expenditure demands;
- Updating of statistical information;
- Adjustment in targets as backlog figures are refined against the access modeling exercise;
- The revised needs of communities and be categorized per ward with clearly defined problem statement reflecting key service delivery challenges
- Clearly manifest as to how the community is consulted during the IDP process and measures taken by the Municipality in informing them to partake in the IDP process.
- Refining of the Local Economic Development strategy
- Reflect the availability of the SDF as the critical planning tool
- Reflect the alignment of the Provincial Growth Development Strategy
- National Spatial Development Perspective and Neighborhood Development Partnership Grant (Urban Design Framework),

## **2.1 The 2009-2010 IDP Review process can be summarized as follows.**

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- The commencement of the 2009/2010 IDP Review process was advertised during September 2009 following the approval by Council of the 2010/2011 IDP Review Process Plan.
- **PHASE 1 & 2: Implementation Monitoring, Review and confirmation of Development Priority Issues**
- Assess 2009/10 IDP Process/ Content
- Council Approval & Advertisement of the IDP & Budget Process
- Constitution of the IDP Structures: 1<sup>st</sup> IDP RF
- Analysis, amendment and confirmation of Development issues from the 2009/10 IDP
- Review and Confirm objectives and Strategies
- **PHASE 3 & 4 : Review, Amend/Confirm Objectives, Strategies and Projects**
- Prepare Draft IDP elements to include into the Draft Provincial 3 year MTEF's.
- Provide project / priority inputs into the Provincial MTEF process (workshops / meetings/bi-laterals, etc)
- 2<sup>nd</sup> IDP RF to Review IDP documentation: Municipal identified aspects (i.e. Objectives, Strategies and Projects)
- Input IDP Review Projects (alignment of IDP Review) to the Municipal budgeting process – ensure alignment.
- Adoption of the 2010/11 Draft IDP:
- 3<sup>rd</sup> IDP Representative Forum to Consider Draft IDP, and consolidated inputs from Provincial and National Departments
- Convening of the Municipal Planning Alignment Summit
- 21 Days advertisement for public comments
- Public Participation
- Ensure IDP, Budget and PMS alignment
- Submit 2010/11 Draft IDP to DCG & TA for credibility assessments
- Consider inputs from the 2010 IDP credibility assessments process
- 4<sup>th</sup> IDP RF to Final confirmation and amendment of Sector Plans, programmes and projects
- Executive Mayor table Final 2010/11 IDP before Council for approval
- Submit a copy of the Final 2010/11 IDP 10 days upon approval by Council to the MEC of DCG & TA
- Notify the Public of the approval of the Final 2010/11 IDP Budget by Council within 14 days upon approval
-

## 2.2 MEC'S Comments

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The MEC has acknowledged the receipt of the reviewed 2009/10 IDP as adopted by Council on the 28<sup>th</sup> May 2009 and received by the Department on the 10 June 2009. The MEC'S Comments are as follows:

- Compliance in relation to chapter 5 of the Municipal Systems Act No: 32 of 2000.
- Technical assessment in terms of the quality and presentation of information in the IDP Document.

In line with the above assessment, the Department would like to emphasize the following matters to be attended to by community with immediate effect:

- The municipality is commended for its ability to include attachments of all their sector plans and Policies in the IDP and their status quo of the plans on pages 153. The municipality must however prioritize finalizing outstanding plans such as the PMS, LUMS and review those that require being such EMP. The municipality must also clearly indicate in their IDP, the kind of support they require from various sectors for assistance on the development, implementation and review of the core components of the IDP.
- The municipality has indicated on page 152 that it is planning to develop their PMS framework. Pages 71-83 of the IDP document itself are already covering the KPIs which is a good indication of the way in which the municipality will be monitoring its performance.
- The municipality is also commended the status quo in terms of the Auditor General's audit Outcomes and how the municipality is planning to address the disclaimer status as outlined in page 150 of the document. Intensive financial plans and coverage of how the municipality is Implementing such plans is also commended this also reflects the consideration by the
- Municipality to address comments made during the IDP Analysis process which required that the Municipality redo the entire budget structure.
- Project alignment for both District and the municipality is commended as reflected in page 64 however; the projects are not outlined project identity which can make it difficult for reference.
- The IDP provides a very good presentation of community and stakeholder inputs to indicate how the municipality consulted the community and other stakeholders in the formulation of the 2009/10 IDP.
- Municipality projects are not covered in the IDP except for MIG funded projects. It also noted that sector departments also submit single year allocations for inclusion in the IDPs. The Department, together with office off the Premier, will in future monitor that 3-year allocations of budgets are submitted by Departments. For alignment and integration purposes, the municipality must ensure that all Departments participate in its planning affairs and contribute their plans and projects in the IDP before the IDP is approved for implementation.





### 2.3 2010 / 2011 Action Review Programme

**Table 1: Major Activity: First Quarter**

	Activity	Responsibility	JULY				AUG				SEPT			
			1	2	3	4	1	2	3	4	1	2	3	4
Integrated Development Planning	PHASE 1 & 2: Implementation Monitoring, Review and confirmation of Development Priority Issues	MM												
	Assess 2010/2011 IDP Process/ Content	MM												
	Council Approval & Advertisement of the IDP & Budget Process	MM												
	Constitution of the IDP Structures: 1 <sup>st</sup> IDP RF	MM												
	Analysis, amendment and confirmation of Development issues from the 2009/10 IDP	MM												
Annual Budget	Review and Confirm objectives and Strategies	MM												
	Monthly Financial Reports for June 2009 including expenditure on staff benefits and results of cash flow for 2010/2011	CFO												
	Accounting Officer to prepare annual financial statements	CFO												
	Monthly Financial Report for July 2010	CFO												
	Monthly Financial Report for August 2010	CFO												
Performance Management Systems	Finalize the Fourth Quarter Performance Report	MM												
	Performance Audit Committee validates the reports prior to assessments by the Assessment Panel	MM												
	Prepare Performance Agreements for Section 57 Managers by 30 Sept 2010	MM												
	Review of the PMS by the Audit Committee	AC												
	Annual review of PMS	MM												
	AG audit of performance measures	AG/MM												

Table 1: Major Activity: Second Quarter

	Activity	Responsibility	OCT				NOV				DEC			
			1	2	3	4	1	2	3	4	1	2	3	4
Integrated Development Planning	<b>PHASE 3 &amp; 4 : Review, Amend/Confirm Objectives, Strategies and Projects</b>	MM												
	Prepare Draft IDP elements to include into the Draft Provincial 3 year MTEF's.	MM												
	Provide project / priority inputs into the Provincial MTEF process (workshops / meetings/bi-laterals, etc)	MM												
	2 <sup>ND</sup> IDP RF to Review IDP documentation: Municipal identified aspects (i.e. Objectives, Strategies and Projects)	MM												
Annual Budget	Monthly financial report for Sept 2010 including expenditure on staff benefits and results of cash flow for 1 <sup>st</sup> quarter	CFO												
	Report of the Executive Mayor on implementation of Budget and Financial state of the Municipality	CFO												
	Monthly Financial Report for October 2010	CFO												
	AG to complete audit within 3 months of reviving financial statements	CFO												
Performance Management Systems	Quarterly meeting of the Performance Audit Committee	MM												
	First Quarter Performance Reports finalized and ready for Assessments	MM												
	1 <sup>st</sup> Quarter PMS Audit Report to MM and Performance Audit Committee	MM												
	Prepare annual performance report	MM												
	Compile half yearly assessments of Municipality's performance against performance of objectives	MM												

**Table 1: Major Activity: Third Quarter**

	Activity	Responsibility	JANUARY				FEBRUARY				ARCH			
			1	2	3	4	1	2	3	4	1	2	3	4
Integrated Development Planning	<b>PHASE</b>													
	Input IDP Review Projects (alignment of IDP Review) to the Municipal budgeting process – ensure alignment.	MM												
	Adoption of the 2010/11 Draft IDP:	MM												
	Local Municipality	MM												
	3 <sup>rd</sup> IDP Representative Forum to Consider Draft IDP, and consolidated inputs from Provincial and National Departments	MM												
	Convening of the Municipal Planning Alignment Summit	MM												
	21 Days advertisement for public comments	MM												
	Public Participation	MM												
	Monthly financial report for Dec 2010 including expenditure on staff benefits and results of cash flow for 2 <sup>nd</sup> quarter	MM												
	Executive Mayor finalize and table the Draft Budget inclusive of the adjustment Budget and submit to Council for approval	CFO												
Annual Budget	Executive Mayor table Annual report, audited Financial Statements, Audit Report and comments thereon to Council.	CFO												
	Publicize the Annual Report in terms of section 127(5) of the MFMA.	CFO												
	Monthly Financial Report for Jan 2011	CFO												
	Monthly Financial Report for February 2011	CFO												
	Alignment with the Draft IDP	CFO												
Performance	2 <sup>nd</sup> Quarter Performance Reports finalized and ready for Assessments	MM												
	2 <sup>nd</sup> Quarter PMS Audit Report to MM and Performance Audit Committee	MM												

	Activity	Responsibility	JANUARY				FEBRUARY				ARCH			
			1	2	3	4	1	2	3	4	1	2	3	4
	Undertake Midyear Performance assessments against targets, indicators and Budget implementation plan	MM												
	Submit Annual Report to AG, Provincial Treasury and Department of Co-operative Governance and Traditional Affairs (DCG&TA)	MM												
	Council considers and adopts oversight report on 2009/2010 Annual Report (Minutes to AG, Provincial Treasury and DCG&TA)	MM												

Table 1: Major Activity: Forth Quarter

	Activity	Responsibility	APRIL				MAY				JUNE			
			1	2	3	4	1	2	3	4	1	2	3	4
Integrated Development Planning	<b>PHASE</b>													
	Ensure IDP, Budget and PMS alignment	MM												
	Submit 2010/11 Draft IDP to DCG & TA for credibility assessments	MM												
	Consider inputs from the 2010 IDP credibility assessments process	MM												
	4 <sup>th</sup> IDP RF to Final confirmation and amendment of Sector Plans, programmes and projects	MM												
	Executive Mayor table Final 2010/11 IDP before Council for approval	MM												
	Submit a copy of the Final 2010/11 IDP 10 days upon approval by Council to the MEC of DCG & TA	MM												
Annual Budget	Notify the Public of the approval of the Final 2010/11 IDP Budget by Council within 14 days upon approval	MM												
	Mayor to get inputs from community on budget (between 30 and 90 days after approval)	CFO												
	Monthly financial report for March 2010 including expenditure on staff benefits and results of cashflow for 3 <sup>rd</sup> quarter	CFO												
	Report of Executive Mayor on implementation of budget and financial state of affairs of Council	CFO												
	Executive Mayor table 2010/11 Budget for approval before Council	CFO												
	Send copies of Final Budget to NT and PT upon approval by Council	CFO												
	MM to present SDBIP to the Executive Mayor 7 days upon approval of the 2010/11 Budget by Council	CFO												
Performance Management	3 <sup>rd</sup> Quarter Performance Reports finalized and ready for Assessments	MM												
	3 <sup>rd</sup> Quarter PMS Audit Report to MM and Performance Audit Committee	MM												
	Annual Review of Organisational KPI's (Review of Organisational KPI's affected by the IDP Review Process)	MM												

## 2.4 Organizational Arrangements for Organized Public Participation

Table 2: below indicates the roles and responsibilities of the various internal stakeholders within the 2007 - 2008 IDP Review process. The tables specifically focus on the IDP Review activities of the various role players.

NO.	ROLE PLAYERS	ROLES AND RESPONSIBILITIES
1.	Municipal Council	<ul style="list-style-type: none"> <li>The Council will approve the reviewed IDP.</li> <li>Will consider the Framework/Process Plan which should set out the process for the new IDP cycle.</li> </ul>
2.	Executive Mayor and Mayoral Committee	<p>The Mayoral Committee must:</p> <ul style="list-style-type: none"> <li>Decide on the Process Plan for IDP Review</li> <li>Responsible for overall management, co-ordination and monitoring of the review process, and may assign responsibilities to the Municipal Manager</li> <li>Submit reviewed IDP framework and draft IDP to Council</li> <li>Develop terms and criteria for Representative Forum.</li> <li>Give political direction</li> </ul>
3.	Municipal Manager with delegated powers to the IDP Manager	<p>The Municipal Manager is responsible for the management and co-ordination of the preparation of the IDP process which include but not limited to the following:</p> <ul style="list-style-type: none"> <li>Responsible for the day to day management of the planning process plan and ensuring that timeframes are being adhere to and resources are managed effectively and efficiently;</li> <li>Co-ordinate the involvement of all different role players;</li> <li>Ensuring the horizontal and vertical alignment in the planning process, including Sectors;</li> <li>Ensure that the links between the processes of performance management, monitoring, evaluation and review are maintained;</li> <li>Ensuring compliance with National and Provincial requirements and legislations;</li> <li>Ensure appropriate participation of all the relevant Stakeholders;</li> <li>Ensure proper documentation of outcomes;</li> <li>Chairing the Steering Committee, Technical Committee; and</li> <li>Management of Service Providers</li> </ul>
4.	IDP Steering Committee	<ul style="list-style-type: none"> <li>Framework/Process Plan management structure;</li> <li>Allocation of duties and monitoring;</li> <li>Overall management including the appointment of technical consultants;</li> <li>Decision on roles and responsibilities;</li> <li>Commission research studies and recommend appointment of service providers;</li> <li>Decide on matters to be referred to Technical Committee for alignment and integration purposes.</li> </ul>
5.	IDP Representative Forum	<ul style="list-style-type: none"> <li>The Executive Mayor or Representative chairs the forum meetings.</li> <li>Constituted of the Executive Mayor/IDP manager//CBO's/NGO's/Business Forum/ Community Forum/Youth</li> </ul>

		<p>Woman/ Disabled Org./ Political parties /Traditional Leadership</p> <ul style="list-style-type: none"> <li>• This Forum consist of community participation structure/stakeholders in their respective organized formations, to represent the interests of all stakeholders and ensure proper communication to guarantee representative and collaborative participation during the review process;</li> <li>• Will provide an organizational mechanisms for discussion, negotiations and decision making between the stakeholders including municipalities and government departments during the Municipal process;</li> <li>• Monitor the performance of the planning and implementation process.</li> <li>• Make recommendations to the council on planning and development priorities.</li> </ul>
6.	IDP Technical Committee	<ul style="list-style-type: none"> <li>• Will be chaired by the Municipal Manager or a designated Official. Consists of the Municipal Manager and Heads of Departments as well as Divisional Managers.</li> <li>• Will deal with matters relevant and relating to District wide issues;</li> <li>• Consider District wide programs and integration to PGDS;</li> <li>• Consider and advise the IDP Representative Forum on the evaluation of sector plans;</li> <li>• Attend to the alignment of the IDP to that of the GSDM</li> <li>• Deliberate on inter-sectoral programmes and recommends to the Representative Forum;</li> <li>• Give advise and foster sectoral alignment; and</li> <li>• Will timeously report on progress which will then be forwarded to the Steering Committee</li> </ul>



### 2.4.1 Distribution of Roles and Responsibilities (Internally and Externally)

NO.	IGR FORUMS	ROLES AND RESPONSIBILITIES
1.	Gert Sibande District Municipality (Inter-municipal planning)	<ul style="list-style-type: none"> <li>Horizontal alignment of IDPs between local and district municipalities;</li> <li>Vertical alignment between district and local municipalities, National and Provincial Governments as well as the service providers;</li> <li>Facilitate vertical alignment of IDPs with other spheres of government and sector departments and the preparation of joint strategy workshops with local municipalities, provincial and national role players and other subject matter specialists;</li> <li>Formulate the District's Process Plan based on the Framework;</li> <li>Formulate, manage, and approve the District's IDP</li> <li>Monitor and evaluate the District IDP Process Plan;</li> <li>Ensure that draft process plans are compiled by local municipalities;</li> <li>Ensure that the process plans adhere to the Framework as agreed;</li> <li>Ensure that all municipalities under the district adhere to the timeframes in the Framework Plan as agreed;</li> <li>Co-ordinate the alignment of the district's budget process with the District IDP Process and local IDP Processes.</li> </ul>
2.	IDP Managers Forum	<ul style="list-style-type: none"> <li>Chairperson: District IDP Manager;</li> <li>Secretariat: PIMS Staff;</li> <li>Consist of the seven IDP Managers and representatives on the sector departments;</li> <li>The IDP Managers Forum will meet bi-monthly to attend to the following issues:               <ul style="list-style-type: none"> <li>To co-ordinate technical submission and the compilation of the respective IDP documentation;</li> <li>Ensure horizontal alignment between the district and local municipalities IDP's; and</li> <li>Ensure vertical alignment between municipalities, National and Provincial Government.</li> </ul> </li> <li>Ensure that all reports of the Extended Technical Committees are taken up in the IDP process.</li> </ul>
3.	Sector Departments	<ul style="list-style-type: none"> <li>Identify an IDP co-ordinator in the Sector Department (knowledgeable persons consistent in the revision process and responsible for all IDP related issues in the District);</li> <li>Contribute knowledge and ideas about planning issues in the province and sectors;</li> <li>Contribute relevant information on the provincial sector departments' plans, programmes, budgets, objectives, strategies and projects in a concise and accessible manner;</li> <li>Ensure that their objectives, strategies and projects take various IDP into consideration and adjust their budgets as informed by the various IDPs;</li> <li>Contribute sector expertise and technical knowledge to the formulation of municipal strategies and projects;</li> <li>Engage in a process of alignment with district municipalities; and participate in the provincial management system and co-ordination;</li> <li>Ensure active participation in various Technical Sub-Committees and IDP Extended Technical Committees.</li> </ul>
4.	Mayoral Outreach (Izimbizos)	Through road shows / Outreach programmes to get community inputs and to provide feedback

5.	Ward Committees	<ul style="list-style-type: none"> <li>• Consulted via the Executive Mayoral outreach.</li> <li>• Link the planning process to their wards</li> <li>• Assist in the organizing of public consultation and participation</li> <li>• Ensure that the annual municipal budget and business plans are linked to and based on the IDP</li> </ul>
6.	CBW's / NGO's / CDW's	To provide vital information and support during planning, evaluation, monitoring through the Representative Forum.
7.	Department of Corporate Governance and Traditional Affairs	<ul style="list-style-type: none"> <li>• A representative from the Department will serve as permanent member of the District IDP Extended Technical Committee.</li> <li>• The department will finance to attendance of meetings of the various technical committee meetings by the relevant sector departments;</li> <li>• Will guide provincial sector departments' participation in and their contribution to the municipal planning processes;</li> <li>• Will guide municipalities in assessing draft IDPs and in aligning their sector programmes and budget with the IDP;</li> <li>• Assist in accessing financial grants for IDP process;</li> <li>• Monitor progress of the IDP processes through the district and more specifically the IDP Managers Forum;</li> <li>• Facilitate resolution of disputes related to the IDP;</li> <li>• Organize IDP related-training when required;</li> <li>• Co-ordinate and manage the MEC's assessment / comments of IDPs.</li> </ul>

### 3 SECTION: 3 NATIONAL AND PROVINCIAL PLANNING FRAMEWORKS AFFECTING LEKWA LOCAL MUNICIPALITY.

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There are strategies and policies that hold the three spheres of local government together. These strategies and policies guide and provide a framework for integrated service delivery. The Local Municipality of Lekwa has made efforts to align to the key National and Provincial Strategies;

- **New Partnership for Africa's Development (NEPAD)**
- **National Spatial Development Perspective (NSDP)**
- **The Millennium Development Goals (MDG's)**
- **Provincial Growth and Development Strategy (PGDS)**
- **Accelerated Shared Growth Initiative of South Africa (ASGISA)**
- **Integrated Sustainable Development Rural Strategy (ISDRS)**
- **Land Redistribution for Agricultural Development (LRAD)**
- **Gert Sibande District Municipality Spatial Development Framework**

#### 3.1 New Partnership for Africa's Development (NEPAD)

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The New Partnership for Africa's Development (NEPAD) is a vision and strategic framework for Africa's Renewal. The NEPAD strategic framework document arises from a mandate given to the five initiating Heads of State (Algeria, Egypt, Nigeria, Senegal, and South Africa) by the Organization of African Unity (OAU) to develop an integrated socio-economic development framework for Africa. NEPAD is designed to address the current challenges facing the African continent. Issues such as the escalating poverty levels, underdevelopment and the continued marginalization of Africa needed a new radical intervention, spearheaded by African leaders, to develop a new vision that would guarantee Africa's Renewal.

The primary objectives of NEPAD are as follows:

- To eradicate poverty;
- To place African countries, both individually and collectively, on a path of sustainable growth and development;
- To halt the marginalization of Africa in the globalization process and enhance its full beneficial integration into the global economy; and
- To accelerated the empowerment of women.

The NEPAD priorities are to establish the Conditions for Sustainable Development by ensuring:

- Peace and security;
- Democracy and good political, economic and corporate governance;
- Regional co-operation and integration; and
- Capacity building.

Policy reforms and increased investment need to take place in the following priority sectors:

- Agriculture;
- Human development in health, education, science, technology and skills development;
- Building and improving infrastructure, such as ICT, energy, transport, water and sanitation;
- Promoting diversification of production and exports, particularly with respect to agro industries, manufacturing, mining, mineral beneficiation and tourism; and
- Accelerating intra-African trade and improving access to markets of developed countries.

#### **Key Implications for Lekwa Local Municipality**

Cross- border municipalities such as **Thabo Mofutsanyane District Municipality** and **Northern Free State District Municipality** to the South-South West and their LED Strategies should contain practical strategies for feasible twinning projects with the aforementioned Municipalities.

Municipality's LED Strategy should also take into consideration the lessons learnt from the successes and failures that have been applied in the neighboring municipalities in the face of socio-economic and economic challenges.

LED projects identified for the Municipality by the LED Strategy should embark on eradicating poverty, promoting sustainable growth and developing and facilitating the empowerment of women and the poor. The LED Strategy should also promote agriculture, human development, infrastructure development and the diversification of exports.

### 3.2 National Spatial Development Perspective (NSDP)

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In endeavoring to achieve the national development vision of a truly united, non-racial, non-sexist and democratic society and in giving effect to the national growth and development objectives, it is inevitable that, due to resource constraints, government will have to make hard choices regarding the allocation of resources between different localities, programmes, spheres and sectors. Policies and principles are some of the tools available to government to provide guidance and direction to those having to make these kinds of difficult decisions in such a way that they do not contradict each other.

A number of initiatives have been launched over the past couple of years, one of which, the National Spatial Development Perspective (NSDP), was launched by the Presidency in May 2003. The NSDP describes the national spatial development vision of government and the normative principles that underpin this vision. The vision and principles serve as a guide for meeting government's objectives of economic growth, employment creation, sustainable service delivery, poverty alleviation and the eradication of historic inequities including spatial distortions. In essence the principles are intended to improve the functioning of the state principally to assist government in dealing with the challenges arising from the need to grow the economy and halving unemployment and the social transition (increase in number of households, growth in economically active population, massive migration, social consequences of social changes & social exclusion). The NSDP principles should play an important role in the respective development plans of local and provincial government, namely; Integrated Development Plans (IDP) and Provincial Growth and Development Strategies (PGDS).

Government's national spatial development vision is as follows:

South Africa will become a nation in which investment in infrastructure and development programmes support government's growth and development objectives:

- By focusing economic growth and employment creation in areas where this is most effective and sustainable;
- Supporting restructuring where feasible 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

The basic principles of the NSDP underpinning this vision are:

- Economic growth is a prerequisite for the achievement of other policy objectives, key among which would be poverty alleviation.
- Government spending on fixed investment, beyond the constitutional obligation to provide basic services to all citizens (such as water, electricity as well as health and educational facilities), should therefore be focused on localities of economic growth and/or economic potential in order to attract Private-sector investment, stimulate sustainable economic activities and/or create long-term employment opportunities.
- Efforts to address past and current social inequalities should focus on people not places. In localities where there are both high levels of poverty and development potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities. In localities with low development potential, government spending, beyond basic services, should focus on providing social transfers, human resource development and labor market intelligence. This will enable people to become more mobile and migrate, if they choose to, to localities that are more likely to provide sustainable employment or other economic opportunities.
- In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channeled into activity corridors and nodes that are adjacent to or link the main growth centers.

The NSDP therefore uses the two crucial notions of need and potential to describe the space economy and thereby frame the parameters within which infrastructure investment and development spending are to be planned. In this sense the NSDP provides a concrete mechanism in terms of which integrated development planning in the local sphere, provincial planning and national spatial guidance can be formally linked in support of national priorities and objectives. The coordinated achievement of national objectives guided by the vision and principles of the NSDP as set out above, however is dependent on:

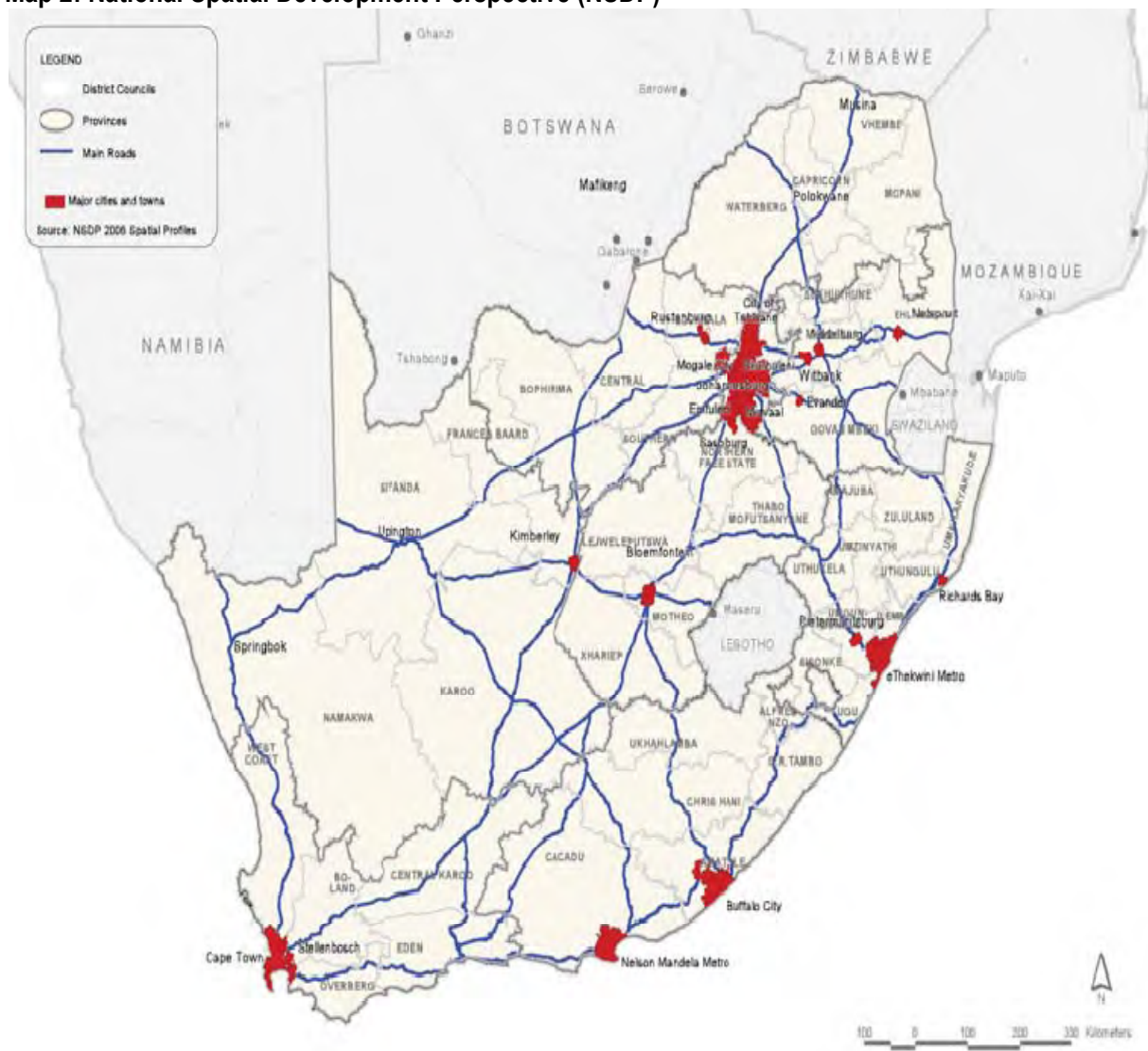
- Awareness of and buy-in to the NSDP vision and its principles by all organs of government;
- The linkage and alignment of the PGDS, IDPs, as well as sectoral, departmental and financial planning in all spheres of government;
- The extent to which the NSDP and its principles find practical manifestation in the PGDS, IDPs and sector department plans;
- Dialogue between spheres and between departments and institutions within spheres on development potential and poverty/need within particular localities;
- Annual comments and reports by organs of government on how their strategies are informed by the NSDP principles and their comments on the spatial narrative and maps in the NSDP.

The NSDP is not a plan but a perspective that acts as a policy co-ordination and indicative planning tool for all spheres of government. It is therefore characterized by an ongoing process of elaboration, refinement and revision that requires input from all three spheres of government. In this regard project teams are currently reviewing and updating the NSDP in three parallel projects:

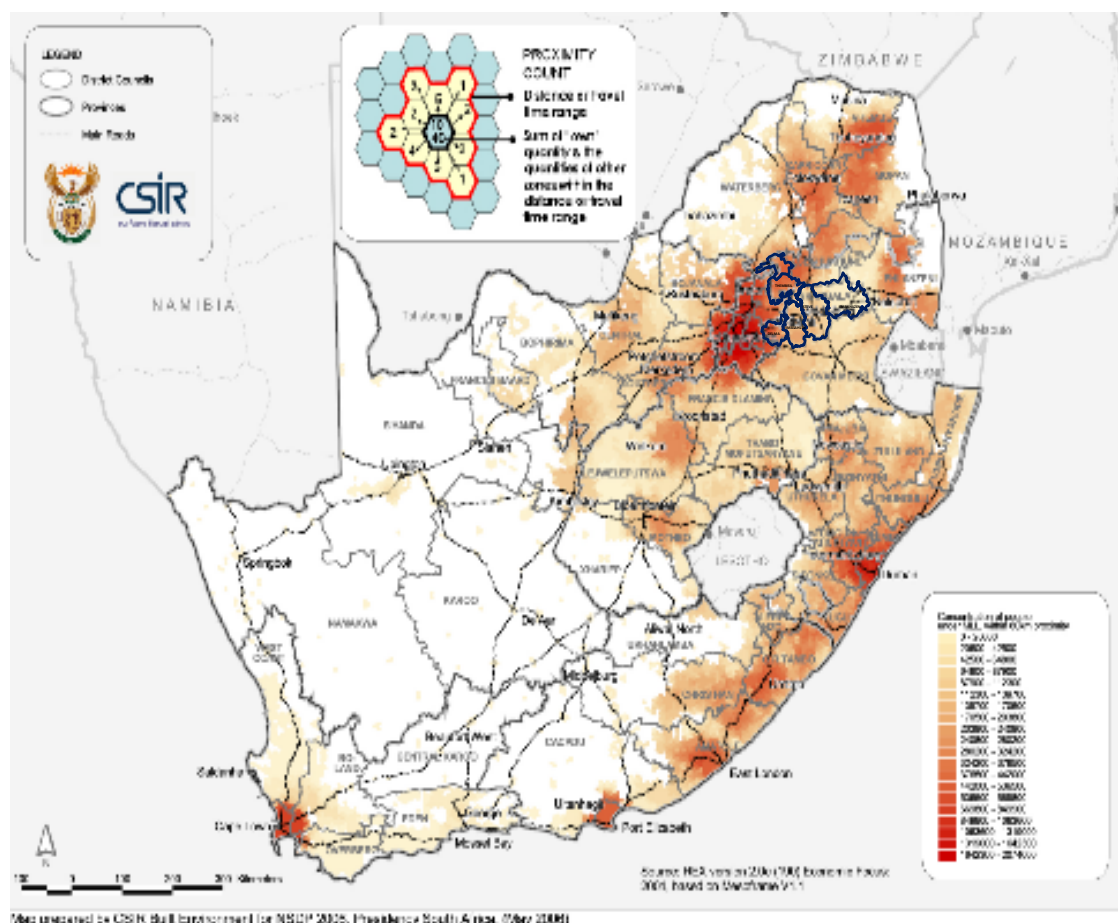
- Key interventions for the harmonization and alignment of IDPs, PGDSs and the NSDP
- Updating Development Potential and
- Monitoring the Space Economy

The following are the National spatial depiction of the National Spatial Development Perspective and Built environment for NSDP. Map: 2&3.

### Map 2: National Spatial Development Perspective (NSDP)



**Map 3: National Spatial Development Perspective (NSDP)**



### Key implications for Lekwa Local Municipality

Lekwa Local Municipality forms part of the areas that were spatially designated and distorted, NSDP will assist in bringing investment and growth in the area. The Municipality can be seen as an area of unlimited potential growth as NSDP purports, where providing basic service and grants, human resource development, labour market intelligence is not enough. Municipality's economic and infrastructural development needs to be aligned within the LED strategy. Growing sectors in the Municipality such as the Agriculture and Tourism sectors need to be strengthened to ensure progressive economic development. Investment in these areas needs to be coordinated and integrated with the IDP of the Municipality and form part of the LED programmes identified as part of the LED Strategy.

### 3.3 The Millennium Development Goals (MDG's)

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The Millennium Development Goals (MDG's) are eight goals to be achieved by 2015 that respond to the world's main development challenges. The MDG's are drawn from the actions and targets contained in the Millennium Declaration that was adopted by 189 Nations and signed by 147 heads of state and governments during the United Nations Millennium Summit in September 2000.

The MDG's are an agreed set of goals that can be achieved if all actors work together and do their part. Poor countries have pledged to govern better, and invest in their people through health care and education. Rich countries have pledged to support them, through Aid, debt relief, and fairer trade.

The 8 MDG's breakdown into 18 quantifiable targets that are measured by 48 indicators

**Objective 1: Develop a global partnership for development**

- Address the special needs of the least developed countries
- Develop further an open, rule-based, predictable, non-discriminatory trading and financial system( includes commitment to good governance, development and poverty reduction- both internationally and nationally)
- Address the special needs of landlocked countries and small island developing states
- Deal comprehensively with debt problems of developing countries through national and international measures in order to make debts sustainable in the long run

**Objective 2: Eradicate extreme poverty and hunger**

- Reduce poverty by half between 1990 and 2015, proportion of people whose income is less than US\$1 a day
- Halve, between 1990 and 2015, the proportion of people who suffer from hunger

**Objective 3: Achieve universal primary education**

- Ensure that, by 2015, children everywhere, boys and Girls alike, will be able to complete a full course of primary schooling

**Objective 4: Promote gender equality and empower women**

- Eliminate gender disparity in primary and secondary education preferably by 2005 and in all levels of education no later than 2015

**Objective 5: Reduce child mortality**

- Reduce by two-thirds, between 1990 and 2015 , the under-five mortality rate

**Objective 6: Improve maternal health**

- Reduce by three quarters, between 1990 and 2015, the maternal mortality rate

**Objective 7: Combat HIV/AIDS, Malaria and other diseases**

- Have halted by 2015, and begin to reverse the spread of HIV/AIDS
- Have halted by 2015, begin to reverse the incidence of malaria and other major diseases

**Objective 8: Ensure environmental sustainability**

- Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources
- Halve, by 2015, the proportion of people without sustainable access to safe drinking water
- Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020
- In cooperation with developing countries, develop and implement strategies for decent and productive work for youth
- In cooperation with pharmaceutical companies, provide access to affordable drugs in developing countries
- In cooperation with private sector, make available the benefits of new technology, especially information and communications

**Key Implications for Lekwa Local Municipality**

Lekwa is one of the Municipality that adopted the Millennium Declaration and committed to achieving the MDG's by 2015. The municipality has successfully achieved most of the Millennium targets especially those set to be achieved during 2008 as follows;

- Eradication of bucket system by December 2007
- Clean water by 2008
- Decent sanitation by 2010
- Decent housing by 2010
- Electricity by 2012
- Safe roads and storm water networks by 2013
- One stop Government Centre) by 2014
- Waste management and refuse Disposal by 2013
- Half unemployment and poverty by 2014
- Sustainable human settlements and viable communities by 2014



### 3.4 Provincial Growth and Development Strategy (PGDS)

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Another important government initiative implemented during the past few years is the Provincial Growth and Development Strategy programme. The Provincial Growth and Development Strategies were compiled within the parameters set by the National Spatial Development Perspective, as well as the Integrated Sustainable Rural Development Strategy as defined by national government.

A PGDS is a **“strategic and integrated provincial development plan that provides direction and scope for province-wide development programmes and projects, within the context of a long-term perspective and taking into consideration resources available and constraints.”** Furthermore, a PGDS provides **“a spatially referenced framework for both public and private sector investment, indicating areas of opportunity and development priorities and enabling intergovernmental alignment.”** In essence then, the Provincial Growth and Development Strategies are aimed at providing strategic directives to District and Local Municipalities in formulating their more detailed Integrated Development Plans (IDPs), and Spatial Development Frameworks (SDF). It is thus essential that the issues and directives emanating from PGDSs be compatible with the vision, priority areas, and guidelines of SDFs of local and District municipalities.

Flowing out of a thorough SWOT analysis and identified trends, the Province has identified six priority areas of intervention as part of the PGDS, namely:

- **Economic Development** (i.e. investment, job creation, business and tourism development and SMME development);
- **Infrastructure Development** (i.e. urban/rural infrastructure, housing and land reform);
- **Human Resource Development** (i.e. adequate education opportunities for all);
- **Social Infrastructure** (i.e. access to full social infrastructure);
- **Environmental Development** (i.e. protection of the environment and sustainable development); and
- **Good Governance** (i.e. effective and efficient public sector management and service delivery).

In line with strengthening the intergovernmental planning system and to ensure that there is sustainable growth and development in the province, the PGDS has adopted the following as guiding posts:

- Internationally, the United Nation’s Millennium Development Goals (MDGs); and
- Nationally, the Accelerated and Shared Growth Initiative for South Africa (ASGISA) and the National Spatial Development Perspective (NSDP) of South Africa

#### **Key Implications for Lekwa Local Municipality**

The Mpumalanga Provincial Growth and Development Strategy aims to address the key developmental and economic challenges in the province.

**Municipal’s Intervention:** In order to align the IDP to the PGDS, the Municipality has identified a number of interventions to support the implementation of the PGDS, evident in the Municipal’s Local Economic Development and Spatial Development Framework sector plans.

### 3.5 Accelerated Shared Growth Initiative of South Africa (ASGISA)

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The mandate by the South African government in 2004 to half poverty and unemployment by 2014 resurrected commitment in the public sector delivery trajectory.

Dismal malfunction of the previous highly contentious GEAR to address economic Backlogs resulted in the formation of a new economic strategy today known as AsgiSA.

The South African government’s AsgiSA aims to guide and improve on the country’s remarkable economic recovery, raising economic growth to 6% and halving poverty and unemployment by 2014. AsgiSA is a micro-economic strategy that strives to accelerate growth. It is a national shared growth initiative that was informed by extensive consultation from all sectors. The two main objectives of AsgiSA include:

- To align its efforts by halving poverty by 50% in 2014; and

- To realize annual growth rates that averages 4.5% or higher between 2005 and 2009 and average growth rate of at least 6% of gross domestic product (GDP) between 2010 and 2014.
- AsgiSA is also informed by the following binding constraints that have been identified as major stumbling blocks to growth and require commitments based on uprooting them:
- Continuous instability and level of currency;
- The cost, efficiency and capacity of the national logistics system;
- Lack of suitably skilled labor amplified by the impact of apartheid spatial patterns on the cost of labor;
- Obstacles to entry, limits to competition and limited new investment opportunities;
- Regulatory environment and the burden on small and medium businesses; and
- Deficiencies on state organization, capacity and leadership.

Interventions responding to the binding constraints include:

- **Infrastructure programmes:** aimed at improving the availability and reliability of infrastructure services in response to rapidly growing demand through the municipal and provincial infrastructure grant programmes;
- **Sector investment (or industrial) strategies:** To promote private-sector investment, sector investment programmes that are identified include tourism, agriculture, manufacturing, mining and business process outsourcing programmes;
- **Second economy interventions:** Government has already initiated interventions to address deep-seated inequalities and target the marginalized poor, to bridge the gap with the Second Economy, and ultimately to eliminate the Second Economy. One key mechanism is to use the leverage of the First Economy to address the Second Economy. This includes leveraging the increased levels of public expenditure through promotion of small businesses, broad-based empowerment and development of Sector strategies;
- **Macro-economic issues:** The development of a new capital expenditure management information system by the National Treasury was recently introduced to address the issue of poor expenditure and budgeting at macro level;
- **Public administration issues:** The focus of this intervention is to realize a people's contract on economic matters, the effective implementation of agreed BEE Charters and leveraging benefits from offsets. On local government and service delivery, focus is placed on addressing the skills problems through Project Consolidate; and
- **Skills and education initiatives:** Skill shortages have been an impediment on infrastructure programmes and private sector investment. The AsgiSA response ranges from medium-term educational interventions to raise the level of skill in areas needed by the economy, to immediate measures to acquire skills needed for the implementation of AsgiSA projects. Programmes identified by AsgiSA to address the skills and education backlog include the QUIDS-UP programme, the Maths and Science (Dinaledi) Programme and the Joint Initiative for Priority Skills Acquisition (JIPSA).

JIPSA is tasked to identify urgent skills needed and to provide feasible, sound and effective remedies. Major remedies include special training programmes, attracting South Africans currently working abroad, bringing back retirees, mentoring and overseas placement of South African trainees to fast track their development and encouraging highly skilled emigrants back into the mainstream employment.

#### **Key Implications for Lekwa Local Municipality**

The repercussions of AsgiSA for Lekwa Local Municipality is that the LED Strategy must strive to encourage existing larger and small businesses (micro-enterprises) to work collectively and share investments. Dormant and emerging businesses in the area should also be included in the major strategic interventions aimed at reviving the economy of the Municipality. Tourism businesses in the Municipality should seek consultation with domestic and international experts as they form a major economic sector in the area.

Scarcity of skilled labor is also problematic for the Municipality. Efforts should therefore be directed towards placement of committed trainees from the Municipal area into strong corporations, allowing them to acquire skills and subsequently work within the Municipality. Skills development efforts also need to form part of every economic, social and environmental initiative. This will permit industries and small businesses to acquire skilled labor, while local communities are groomed in the appropriate skills to take up employment in the area. Intensive training should therefore be the cornerstone for uplifting the communities in the area.

### 3.6 Integrated Sustainable Development Rural Strategy (ISDRS)

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Countless efforts by the South African government to undertake joint ventures with an assortment of stakeholders had assumed multiple instruments. One of the recent instruments is the ISRDS aimed at enhancing opportunities and well-being of rural people.

ISRDS is defined as a federal policy designed to realize a vision that will “attain socially cohesive and stable rural communities with viable institutions, sustainable economies and universal access to social amenities, able to attract and retain skilled and knowledgeable people, who are equipped to contribute to growth and development”. The ISRDP calls for the progressive coordination and integration of programmes by various government departments and stakeholders to maximize the development of rural communities. This vision is a radical one in that it envisages transformed rural economies, which move away from subsistence economic activities. Local government is the point of delivery and the implementation of the ISRDP. Specifically, the implementation process aims to strengthen the quality of Integrated Delivery Plans (IDPs) and the delivery of these IDPs.

The vision of ISRDP is informed by four elements, which include:

- **Rural development:** going beyond just the poverty alleviation connotation, but focusing on changing rural environments to create enabling platforms for people to earn more and to invest in themselves and their communities. This emphasizes that rural people must be the masters of their own destiny and to survive and improve their own economic packages within their environments;
- **Sustainability:** sustainability evolves from increased local growth, with people enjoying own gains and maintaining available resources for future development;
- **Integrated:** this calls for coherent coordination across traditional sectors in all spheres of government. It requires the Municipal five year plan (IDP) to establish coordination and maintain integration at the municipal sphere; and
- **Rural Safety net:** in responding to the continuous crisis facing rural people, social assistance has been extended to all rural people and the ISRDP is also consolidating that effort.

#### Key implications for the Lekwa Local Municipality

It is of critical importance that the LED strategy for the Municipality be tailored towards creating an enabling environment for its people. The LED strategy must comprise a “culture of collectives” with rural youth and young women coming together to work in developmental projects to increase their income and investments and subsequently gaining ownership of local businesses. This will require coherent coordination and interaction among organizations in Lekwa Municipality.

### 3.7 Land Redistribution for Agricultural Development (LRAD)

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Land reform encompasses three distinct components, namely the restitution, tenure reform and the redistribution programmes. The redistribution programme, in turn, has different components, or 'sub-programmes', which includes:

**Agricultural Development:** to make land available to people for agricultural purposes;

**Settlement:** to provide people land for settlement purposes; and

**Non-agricultural enterprises:** to provide people land for non-agricultural enterprises, for example eco-tourism projects.

LRAD has two distinct parts. Firstly, LRAD deals with the transfer of agricultural land to specific individuals or groups. Secondly, LRAD deals with commonage projects, which aim to improve people with access to municipal and tribal land, primarily for grazing purposes.

The strategic objectives of the sub-programmes include:

- Contributing to the redistribution of 30% of the country's agricultural land over 15 years;
- Improving nutrition and incomes of the rural poor who want to farm on any scale;
- De-congesting over-crowded former homeland areas; and
- Expanding opportunities for women and young people who stay in rural areas.

### **Key implications for Lekwa Local Municipality**

The Agricultural sector in Lekwa Municipality is dominated by private land comprising commercial horticultural and livestock farming and large scale crop farming. In order to expand farming enterprises, land is required. Therefore, the Municipality's IDP and LED needs to advocate the increased availability of land. The lengthy land claims process constrains development in Lekwa Municipality, as up to certain percentage of land is subject to land claims, with land not being able to be developed until the claims have been settled. Land reform elements, therefore, have to materialize in this regard.

## **3.8 Gert Sibande District Municipality Spatial Development Framework**

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This framework is founded on the 12 Development principles that will act as guidelines for the implementation of the Spatial Development Framework in the District and its implications.

**Development Principle 1:** To actively protect, enhance and manage the natural environmental resources of the District, in order to ensure a sustainable equilibrium between mining and manufacturing, agricultural and forestry, and tourism activities in the District.

**Development Principle 2:** To optimally capitalize on the strategic location of the District by way of strengthening of internal and external linkages within provincial and regional context, via the five key economic strips characterizing the District's economy.

**Development Principle 3:** To functionally link all towns and settlements to one another, through establishing and maintaining a strategic road network.

**Development Principle 4:** To utilize the natural environmental and cultural historic features in the District as anchors and nodes around which, and from which, to promote ecotourism and the conservation of both natural and cultural-historical capital.

**Development Principle 5:** To link the primary and secondary tourism anchors / areas of the District and the Province to one another by way of a tourism / conservation corridor.

**Development Principle 6:** To maximally utilize the mining and manufacturing potential in the District by way of the development of an industrial corridor, supported by the railway network of the District.

**Development Principle 7:** To promote commercial farming and food production within and along the identified commercial agricultural corridors and priority areas.

**Development Principle 8:** To promote forestry within and along the identified forestry corridor and priority areas.

**Development Principle 9:** To facilitate small scale and subsistence farming activities throughout the remainder part of the municipal area.

**Development Principle 10:** To unlock the development potential of existing towns through developing industry specific Special Economic Zones / Economic Clusters throughout the District, in line with the MPISF, the provincial LED Strategy and the identified development corridors:

**Agricultural Clusters** focused on live stock and food processing in Standerton, Bethal, Ermelo and Piet Retief. Secondary Clusters could include Amersfoort, Volksrust and Balfour.

**Forestry Cluster** in Piet Retief.

**Industrial Cluster** focused on mining and manufacturing (especially petro-chemical and textile production). In this respect the TEKS area should be established as the IDZ of the Province specialising in the production of Chemicals. Other "secondary" industrial clusters should be established in Standerton, Ermelo, Thuthukani, Piet Retief, and Bethal. Tertiary Industrial cluster could include Breyten / KwaZenele, Elukwathini / Tjakastad, Fernie, Amsterdam, and Thuthukani.

**Development Principle 11:** To establish a functional hierarchy of towns and settlements in the District, and to ensure equitable access to social infrastructure and the promotion of local economic development by way of Multi Purpose Community Centers (MPCCs).

**Sub-Principle** To help stimulate LED and SMMEs through the establishment of a network of incubators supporting emerging entrepreneurs, located within the proposed MPCCs and Functional Rural Service Centers.

**Development Principle 12:** To consolidate the urban structure of the district around the highest order centers by way of infill development and densification in Strategic Development Areas

To ensure that all communities have access to at least the minimum levels of service as enshrined in the Constitution.

### **Implications / Actions for GSDM:**

- The establishment of a strong, district driven, Environmental Management Unit / Office. The unit should co-ordinate all environmental matters within the District, and be responsible for the formulation and implementation of a District Environmental Management Plan (EMP). The EMP should specifically address mining related issues, as well as the possible symbiotic / complimentary relationship between ecotourism, biodiversity conservation areas, and forestry.
- Co-ordination between the District and Province to ensure that existing Provincial Nature Reserves and Conservancies are consolidated and extended via pro-active management of properties under their respective jurisdiction.
- The thorough maintenance and upgrading of the national and provincial road network constituting the five main transportation corridors in the Gert Sibande District.
- The efficient “branding” of the five corridors through appropriate signage in order to attract more tourist traffic through the area (Establishment of “Theme Routes”).
- Active promotion of rail as transport mode in the district – especially as an alternative to road-trucking of coal in the District.
- Formalisation of the provincial road link between Badplaas and Barberton as a short-cut route to the Lowveld Tourism Precinct.
- The establishment of a strong, district driven, Tourism Unit / Office. The unit should co-ordinate all tourism matters within the District, and be responsible for the development and implementation of a branding strategy, in consultation with the Mpumalanga Tourism Authority (MTA).
- Maintenance and upgrading of the proposed R33 Corridor, and the physical branding of the R33 Corridor as a tourism route, via the use of appropriate road signage, etc.
- As with Development Principle 1, Development Principle 4 will necessitate the establishment of a strong, district driven, Environmental Management Unit / Office.
- Focused approach by the provincial and national departments of Agriculture to promote and enhance subsistence farming in the focus area identified, and to ensure that the local communities within these areas are sufficiently capacitated by way of skills and equipment to maximise the benefits to be derived from this initiative.
- That all successful land claims in the District are supplemented with a support programme in order to ensure that the land is productively utilised in a financially sustainable manner.
- To ensure that valuable agricultural land (and specifically land located within the proposed Primary Tourism Corridor) are protected from other land uses via effective environmental management.
- As with Development Principle 1, Development Principle 5 will necessitate the establishment of a strong, district driven, Environmental Management Unit / Office.
- There should be an active drive towards promoting industrial and retail activity in all the major towns and settlements in the District. The overall objective should be to process from the District (wood, food, minerals etc) as far as possible (add value), before exporting it to the other parts of South Africa.
- In this way the local economy (community) can enjoy the maximum benefit from the resources available in the District.
- As with Development Principle 1, Development Principle 7 will necessitate the establishment of a strong, district driven, Environmental Management Unit / Office, and the formulation of an Environmental Management Plan for mining activities
- All provincial and national service providers should align their service delivery programmes and projects around the proposed MPCC areas as identified in the Gert Sibande District, and in line with the proposed hierarchy of service centres. This alignment should be achieved via the District IDP Technical Committee and the Representative Forum.
- In the IDP and Budgeting Processes a distinction can/should be made between the Service Upgrading Priority Areas in the rural parts of the municipality versus those located in the urban areas in order to ensure that funding is dedicated to both types of area.
- In and around the major nodes and corridors, a portion of funding allocated should also be towards promoting economic growth and job creation, and not only on meeting basic needs in order to ensure that the inherent/latent economic potential within the district is optimally utilised.
- Each Local Spatial Development Framework process in the Gert Sibande District should focus on two aspects:
- Incorporating the District Directives as contained in the District SDF into the Local Spatial Development Frameworks
- Compiling more detailed precinct plans for each town/settlement in the District which are aligned with the Development Principles as contained in the Development Facilitation Act

## 4 STATE OF DEVELOPMENT IN LEKWA AND ANALYTICAL OVERVIEW OF MUNICIPAL SERVICES

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Lekwa is largely a concentrated settlement landscape on the horizon of Standerton and Sakhile with a few other settlements like Thuthukani, Sivukhile and Morgezon. The area is primarily consisted of urban residential settlements, significant farmland communities and a few industrial communities in different locations across the municipalities

The estimated population in 2008 is 122,158 people within approximately 32 241 households. In the same period, Africans consist of 105,885 population followed by Whites 13,126, Colored's 1,952 and Asians 1,194. The average growth rate in the last 10 years is estimated at 2.6% per annum with a declining 3yr moving average from 5.2% in 1999 to 1.4% by 2008. It can be expected that the next three years could experience marginal population growth, slowing down to a range of 0.1% to 0.2% of the population.

The high representation of the young generation below 20 years is a strong urgency to create opportunities that will absorb the youth group early enough that there may be a significant reduction in dependency on grants and single household income earners.

Together with economic challenges like employment creation, skills etc, the Municipality still has a high indigent profile, dramatically influenced by high rates of unemployment, high dependency on social grants as well as prevailing health conditions from the likes of HIV and AIDS.

The service level profile of the Municipality shows a significant achievement in the eradication of backlogs for water and sanitation in the recent years.

Currently, up to 97% consumer households and 95% of the population have access to water while up to 92% households and up to 86% of the population has above basic sanitation. Where no boreholes exist in rural areas, the Municipality transports water by means of a water cart tank to such households.

### 4.1 Demographic Profile

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The dynamics and composition of consumer profile is impossible in achieving critical objectives in planning for the. Four categories of consumers (i.e. household, industrial, commercial and other) have been used to be consistent with the draft regulations dealing with Types of Water Services. In this section however, the data focuses on residential consumer units. Industrial and commercial consumer units are further discussed in section 2.3, 2.4 and 2.5 due challenges from poor data on businesses and industries. The current consumer profile needs to be reported for each of the different settlement types and then totalled for the WSA area as a whole.

The tables below set out the information as indicated above, per town/settlement area in which the WSA/WSP provide the consumer with services. The current consumer profile needs to be reported for each of the different settlement types and then totalled for the WSA area as a whole.

Demographic data in Lekwa varies from all the different planning reports and need to be cleaned up in order to integrate all the functional elements in the Municipality. Other information is retrieved from Statistic SA reports, DWA, Private GIS Information etc. In this WSDP, we have adopted hierarchy in terms of primarily the updated DWA information from the Macro Planning and Information System dated July 2008 for as this is advisably to be more correlated with both the district and the Local Municipality's GIS information.

The Lekwa Local Municipality (Lekwa) has a population of about 117 833, representing approximately 12% of the Gert Sibande District. It comprises of about 11 communities and approximately 32 241 households. The area is primarily consisted of urban residential settlements, significant farmland communities and quite significant industrial communities in different areas and town across the municipalities. The Municipality span over an area of 4 603km<sup>2</sup> which equates to 14% of the overall Gert Sibande District (+/-31 970km<sup>2</sup>). The average density of the region is 26 persons/km (the area estimates are calculated using Planet GIS data).

The main areas are concentrated around Standerton, Sakhile, Rooikoppen, Sivukile, Azalea Thu-Thukani and Meyerville. Other areas include Stanfield Hill, Morgenzon and the outlying areas of rural Lekwa.

Table1.1 (a): Lekwa Settlement Summary

SETTLEMENT NAME	POPULATION				HOUSEHOLDS				HH Size
	Urban - Formal Town	Industrial	Farming	Grand Total	Farming	Industrial	Urban - Formal Town	Grand Total	
Azalea	389	0	0	389	0	0	111	111	3.5
Azalea Ext 1	4840	0	0	4840	0	0	1381	1381	3.5
Early Bird Farm	0	0	287	287	82	0	0	82	3.5
Meyerville	4063	0	0	4063	0	0	1160	1160	3.5
Morgenzon	1765	0	0	1765	0	0	504	504	3.5
Rooikoppen	14876	0	0	14876	0	0	4246	4246	3.5
Rural Lekwa	0	0	16011	16011	3177	0	0	3177	5.0
Sakhile	26788	0	0	26788	0	0	7646	7646	3.5
Sakhile Ext 5	900	0	0	900	0	0	257	257	3.5
Sakhile Ext 6	834	0	0	834	0	0	238	238	3.5
Sivukile	882	0	0	882	0	0	252	252	3.5
Sivukile Ext 1	1549	0	0	1549	0	0	442	442	3.5
Sivukile Ext 2 & 3	3758	0	0	3758	0	0	1073	1073	3.5
Sivukile Ext 4	1302	0	0	1302	0	0	371	371	3.5
Standerton	8210	0	0	8210	0	0	2343	2343	3.5
Standerton Ext 1	0	644	0	644	0	184	0	184	3.5
Standerton Ext 3	2788	0	0	2788	0	0	796	796	3.5
Standerton Ext 4	5219	0	0	5219	0	0	1490	1490	3.5
Standerton Ext 6	12326	0	0	12326	0	0	3518	3518	3.5
Standerton Ext 7	3657	0	0	3657	0	0	1044	1044	3.5
Stanfield Hill	1257	0	0	1257	0	0	359	359	3.5
Thu-Thukani	5488	0	0	5488	0	0	1567	1567	3.5
<b>Grand Total</b>	<b>100891</b>	<b>644</b>	<b>16298</b>	<b>117833</b>	<b>3259</b>	<b>184</b>	<b>28798</b>	<b>32241</b>	<b>3.7</b>

[Source: DWA- Dir. WS Macro Planning & Information System Jul 2008 (R. Dreyer)] - Regional explorer 403 (2.2h)]

Table1.1 (b): Commercial and Industrial Consumers

Commercial and Industrial Consumers	Entities
Public Institutions & Dry Industries	1031
Wet Industries (Estimate only)	>8*
Raw Water Consumers (Estimate only)	>3*

Table1.1(c): Lekwa Population by Ward

DESCRIPTION	POPULATION Stats SA 1996	POPULATION Stats SA 2001	POPULATION DWA 2008	POPULATION Global Insight 2008
Ward 1	5930	6796	7822	7755
Ward 2	3971	4551	5238	5193
Ward 3	8420	9650	11106	11011
Ward 4	4042	4632	5332	5286
Ward 5	5277	6048	6961	6901
Ward 6	4013	4599	5293	5248
Ward 7	5898	6759	7780	7713
Ward 8	3602	4128	4751	4710
Ward 9	13271	15209	17505	17355
Ward 10	6573	7533	8670	8596
Ward 11	6816	7811	8991	8914
Ward 12	7561	8665	9973	9887
Ward 13	10789	12365	14231	14109
Ward 14	3942	4518	5200	5155
<b>Total</b>	<b>90105</b>	<b>103264</b>	<b>118853</b>	<b>117832</b>

[Source: Ward Composition Stats SA 1996, "Totals" as indicated in each column]

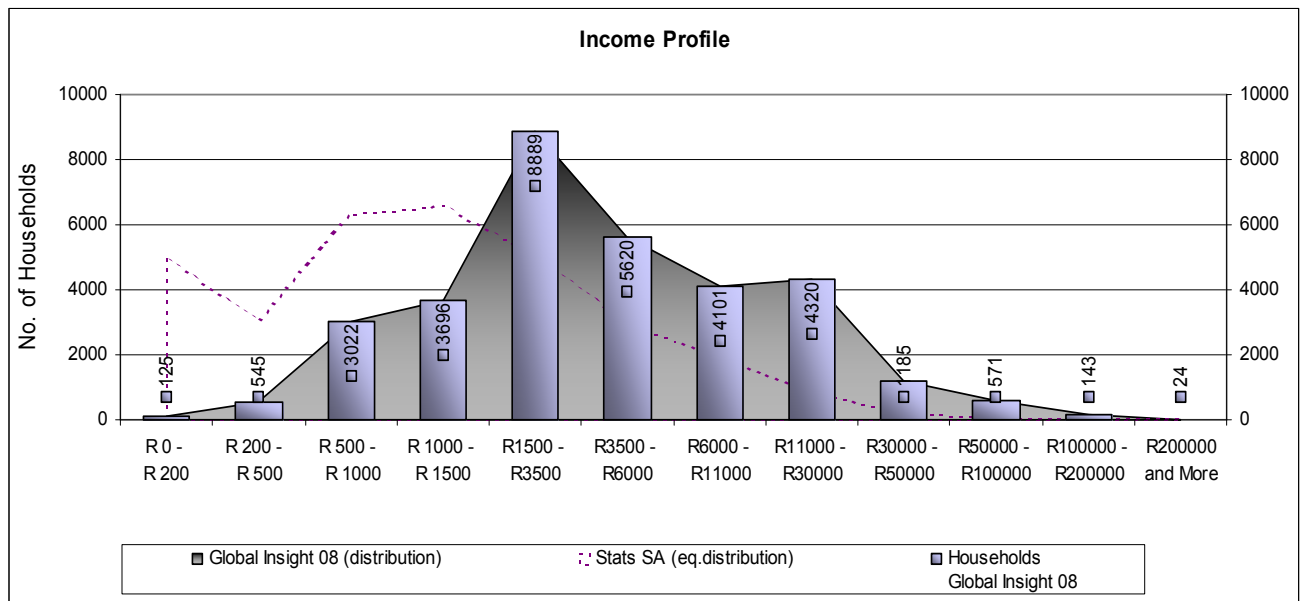
Table 1.2. (a): Lekwa – Social Grants

POPULATION GROUP	MALE	FEMALE	TOTAL
Old age pension	1662	3168	4830
Disability grant	1279	897	2176
Child support grant	6487	9244	15732
Care dependency grant	155	0	155
Foster care grant	0	0	0
Grant in aid	0	0	0
Social relief	0	0	0
Multiple social grants	0	78	78
Not Applicable	47269	47609	94878
Total Population	56852	60996	117833

[Source: Statistics SA Consumer Survey 2007 adapted to "totals" from Global Insight SA - Regional explorer 403 (2.2h)]



Figure 1.1.1.(c): Lekwa – Income Profile



[Source: Data - Statistics SA Consumer Survey 2007]

Table 1.2 (b): Lekwa – Expenditure Profile

	Total (R 1000)	Share on Expenditure (%)
Holiday	14 789	1%
Other expenditure	27 252	1%
Communication	42 202	1%
Miscellaneous Fees	44 764	2%
Domestic workers	48 392	2%
Personal care	78 178	3%
Education	89 684	3%
Finance	150 090	5%
Clothing	150 948	5%
Other Consumables	199 487	7%
Medical Costs	211 052	7%
Household Goods	228 833	8%
Taxes	309 352	11%
Accommodation	318 179	11%
Transportation	416 468	14%
Food	567 919	20%
	2 897 591	100%

[Source: Data from Statistics SA Consumer Survey 2007]

- Social Grants - In addition we observe that, a significant portion of approximately 22 970 of the population (19.5%) are already social grant recipient in the various categories as indicated. This alone bears significant weight when accounting for poor household definition.

Looking at the criteria above, we find that more than 15% (3 692) households would automatically qualify under this policy for those earning below R1 000 and a further 11% (3 696) households would also be considered for those earning between R1 000-R1 500. The total indigent households could be more than 7 000 households with coverage of more than 25 000 (21%) and 40 000 people as beneficiaries. This number is a more conservative number compared to the 46 287 people considered to be living in poverty.

Other reports from Water and Sanitation personnel indicate that most previously disadvantaged communities are automatically included on free basic services as part of addressing imbalances of the past and attaining basic level of services. This includes those that did not have access to basic water and sanitation services and other municipal services as endorsed by the Municipality under the policy at the time of implementation.

#### 4.1.1 Present population and projected population growth rates

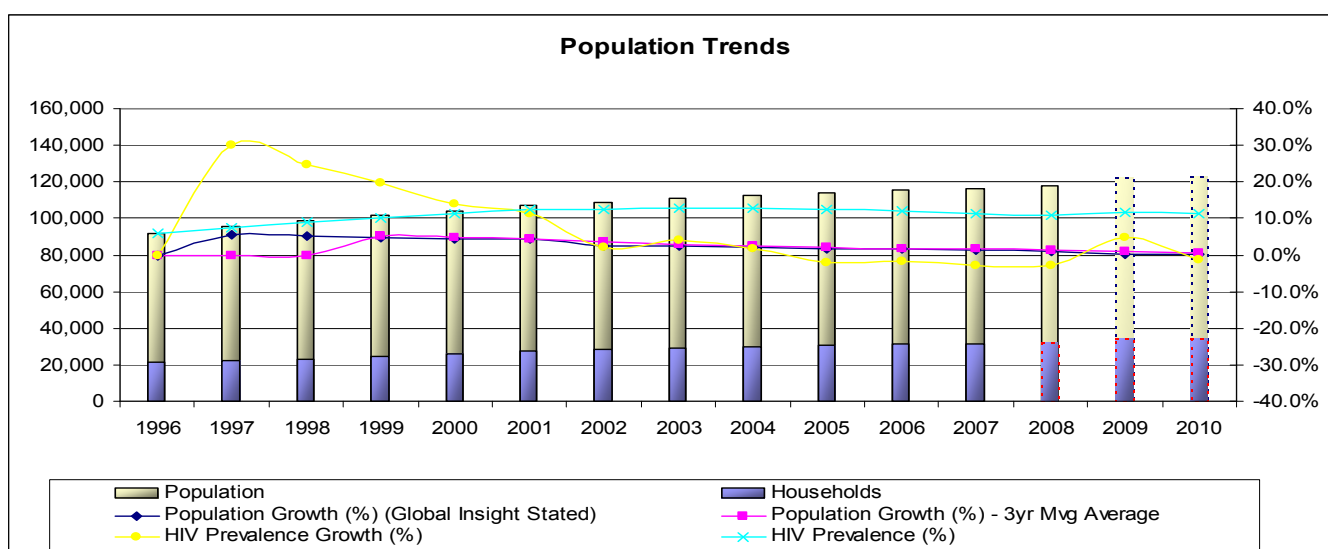
Table 1.3(a): Lekwa – Population Trends

	Population	Households	HIV Prevalence	AIDS Prevalence	Population Growth (%) (Global Insight Stated)	Population Growth (%) - 3yr Mvg Average	HIV Prevalence Growth (%)	HIV Prevalence (%)
1996	92,196	21,177	5,370	75	-	-	-	5.8%
1997	95,414	22,085	6,993	120	5.5%	-	30%	7.3%
1998	98,501	23,304	8,728	189	5.2%	-	25%	8.9%
1999	101,518	24,592	10,437	280	4.7%	5.2%	20%	10.3%
2000	104,354	25,909	11,913	387	4.4%	4.8%	14%	11.4%

2001	107,163	27,260	13,246	516	4.2%	4.5%	11%	12.4%
2002	109,077	28,371	13,509	650	2.5%	3.7%	2%	12.4%
2003	110,882	29,331	14,041	785	2.3%	3.0%	4%	12.7%
2004	112,544	30,083	14,267	909	2.1%	2.3%	2%	12.7%
2005	114,095	30,711	13,988	1,007	1.9%	2.1%	-2%	12.3%
2006	115,489	31,151	13,752	1,090	1.7%	1.9%	-2%	11.9%
2007	116,698	31,722	13,365	1,140	1.5%	1.7%	-3%	11.5%
2008	117,833	32,241	12,975	1,149	1.0%	1.4%	-3%	11.0%

[Source: Data from Statistics SA Consumer Survey 2007]

Figure 1.1.1.3a Lekwa – Population Trends



[Source: Data from Statistics SA Consumer Survey 2007]

- The average growth rate in the last 10 years is estimated at 2.6% per annum with a declining 3 year moving average from 5.2% in 1999 to 1.4% by 2008. We estimate that the next three years could experience marginal population growth, slowing down to a range of 0.1% to 0.2% of the population. The forecast extends to over 140 000 people by the year 2020 assuming ranges of up to 2% marginal growth.
- We also find that HIV started off with very high prevalence growth before 2002. Since then HIV prevalence have resided at an average 11.8% in the last 10 years. In the interim the effect of AIDS prevalence has been at nearly an average of 25% in the last 10 years.

Overall the region would not expect population growth trends to significantly change within a short period of time. Several initiatives need to be undertaken to thoroughly understand population growth patterns. The importance of establishing accurate population growth estimates directly influences future planning requirements for services and service level choice. See also section 9 of this WSDP for further financial implications in the selection of population growth forecasts and section 4 of this WSDP for expected demand for service.

### 4.1.2 Demographic trends and migration patterns

Table1. 4 (a): Lekwa Demographic Trends & Migration

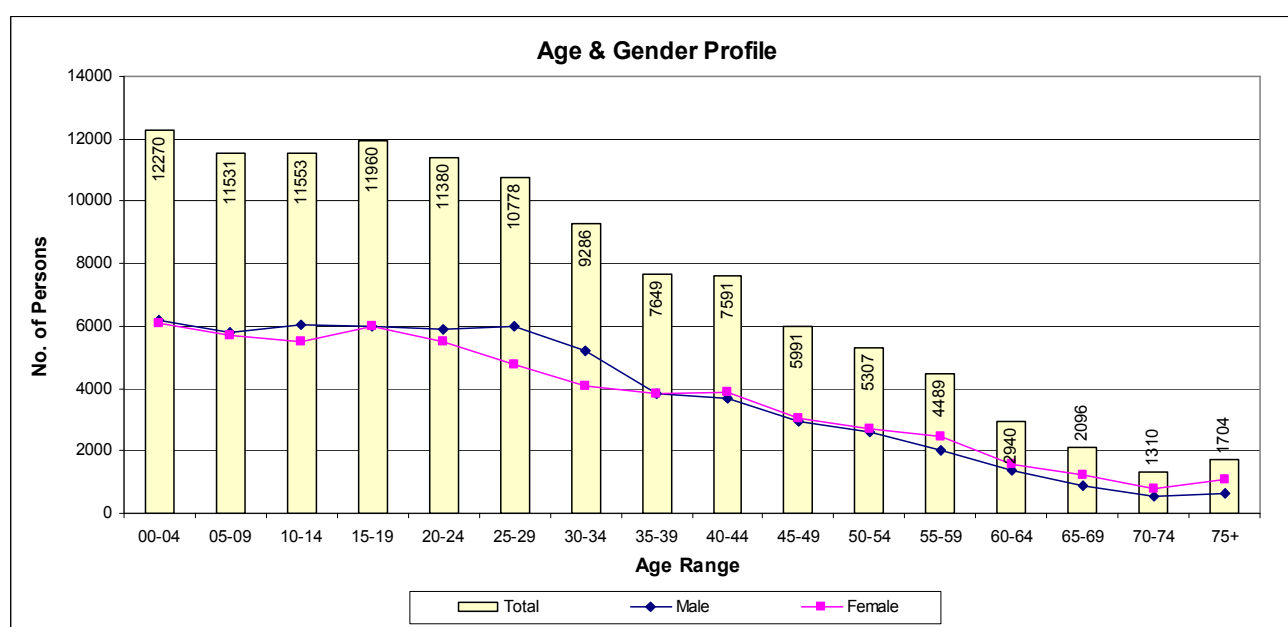
	Permanent resident population	Peak Daily Labour Migration		Peak Long-Term Labour Migration		Permanent population changes		Holiday Population
		Out (-)	In (+)	Out (-)	In (+)	Out (-)	In (+)	
Population growth	118854	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
Migration	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
Disease	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
Other social aspects	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown

- Migration trends are not observed by the Municipality. The unavailability of such migration observations would not make it feasible to determine peak and permanent population changes. The exercise of pin pointing several industries and expected migration patterns from their imported labour requires close understanding of the industries concerned and the peak and off-peak.
- The impact of diseases other than HIV and AIDS as demonstrated above in 1.1.1.3 was not readily available for analysis to the level of every Municipality at the time of concluding the preparation of this draft of the WSDP.

### 4.1.3 Age and gender Profile

The age and gender profile of the various communities combined indicates where the Municipality may direct focus in terms of development needs and socio-economic status.

Table 1.5(a): Lekwa – Age and Gender Profile



[Source: Data from Statistics SA Consumer Survey 2007]

The age and gender profile of the Municipality can be defined as generally young. This is denoted by a representation of approximately 40% of the population below the age of 20 years, yet overall 59% is below the age of 30 years. The balance of the population is made up of approximately 26% between 30 – 50 years and up to 11% above 50 years.

Age related analyses give us a better understanding on addressing development areas across generations. In the case of Lekwa initiatives addressing areas of education, socio-economic development, skills and entrepreneurship would have greater sustainable impact to communities than short-term quick wins.

#### Future Trends and Goals (Demographics)

The following sub-sections provide a summary of future trends and goals as observed from the situation assessment. It must be understood well that observations and forecast are made in order that we understand and properly plan for the future. The Municipality would consider recommendations and align its objectives and goals according to own sets of strategies to yield the desired level of output.

#### 4.1.4 Consumer Profile

- Approximately 85% of the population is settled in urban areas and less than 14% in rural areas of Lekwa LM.
- The largest settlements include Standerton and Sakhile representing a combined total of 49% of the total population.
- The average household density across Lekwa LM is between 3.5 to 3.7 persons per household. The urban settlements with approximately 3 – 4 persons per household and in the rural areas with almost 5 persons per household.
- A large number of people in Lekwa may be considered relatively poor with an estimated 42 687 people living in poverty. The estimated number of indigent households is expected to be more than 7 000 households with coverage of between 25 000 to 40 000 people as beneficiaries. This makes the Municipality economically vulnerable because only less than 35% of the population earn income that subsidise services to the larger population of the Municipality.
- There are significant differences in level of income inequality due several factors including that a large segment of the population is either economically inactive (45%) or unemployed (17% of the total). This is also denoted in the coefficient of (0.55) (measure levels of income inequality and where a low Gini coefficient indicates a more equal distribution, with 0 corresponding to perfect equality, while higher Gini coefficients indicate more unequal distribution, with 1 corresponding to perfect inequality).
- A significant number of the population (19.5%) are also social grants recipients and the largest contribution for all grants is “child support grants” (13% of total population).
- Approximately 85% of the population is settled in urban areas and less than 15% in rural areas.
- Other income related observations indicate that more 11% of the population earn below R1 000 and 23% of the total population earn below R1 500.

#### 4.1.5 Population and projected population growth rates

- The population had grown from just over 100 000 people by 1999 up to the estimated 117 883 people in 2008.
- The effective growth rate was determined to be approximately 2.6% per annum from 1999 to 2008. It was also observed that while HIV prevalence has continued to grow, its growth rate has been gradually decreasing from 30% in 1997 to -3% in 2008.

- Using trends from the data, the estimated population by year 2010 was forecasted at over 123 000 and over 141 000 by the year 2020.

#### 4.1.6 Demographic trends and migration patterns

- The absence of observation of migration trends by the Municipality does not mean that such data is not available anywhere else or that it can not be developed. The Municipality would need to start proactively engaging with various agencies and institutions that may assist in understanding demographic trends and migration in the region. Such information would be useful in establishing more accurate assessment of settlement needs versus rental stock, water demand cycles etc.
- Migration patterns may be expected to change significantly in the next 5 - 10 years due to the maturing of the large population of young people in pursuit of greater access to higher education, skills and jobs towards large metropolitan and industrial regions.

#### Age and gender Profile

- In terms of race, it was observed that approximately 86% (101 304) of the population is Black, 11% (13 419) White, 2% (1 961) and 1% (1 199) Asian.
- The Municipality has an almost equal distribution of male (50.6%) and female (49.4%) gender.
- 40.2% of the Age distribution is below the 20 years and together making up 59% of the age below 30 years. Only 10.6% of the population are above the age of 50 years.

#### Strategic Gap Analysis (Demographics)

##### Consumer Profile

The high concentration of the population in urban areas allows better cohesion and consolidation of planning efforts. Such densification on the other hand presents added pressures to address key social aspects and requirements for higher of service. The rural composition, though scattered and complex to deal with planning interventions now offers an opportunity to be able to narrow-in section by section of rural settlements.

This calls for innovative rural strategies that are cost effective and focussed in terms of implementation, operation and maintenance.

Seeing that the rural Lekwa constitutes a significant 13.9% of the total population, it may be worthwhile to further redefine the rural settlements in a more geographically specific way in order to focus on development interventions.

Development of urban zones may soon start to focus on interconnections between settlements and development corridors along several zones in order to share critical resources and infrastructure i.e. hospitals, roads, dams, rivers, bulk water services etc.

The high poverty levels in the Municipality warrants for the careful selection of service levels across its Municipality. This also requires close examination of affordability levels and how best to optimise cross subsidisation techniques. Where large settlements were offered free basic services for example, due to several prehistoric dimensions and assumption the Municipality would want to move towards formalisation and updating of its indigent registers. Firstly to be inclusive of all persons who qualify for indigent status, secondly to verify the general assumptions made on who can and can't afford to pay for municipal services.

There is a serious need to develop economic activities in the region that large proportions of the population who are inactive/unemployed may gain suitable employment or find suitable economic engagement. The high representation of the young generation below 20 years is a strong urgency to create opportunities that will absorb the youth group early enough that there may be a significant reduction in dependency on grants and single household income earners.

#### Population and projected population growth rates

The Municipality needs to continue to allow for growth in all its planning and forecasting activities, despite growing concerns over the declining growth rate in the Municipality.

The impact of life threatening diseases like HIV and AIDS needs further investigation and examination in order to thoroughly understand how it impacts on the population growth including health related needs in the Municipality.

Water services planning require a close assessment of future conditions in the expectation of providing sufficient capital, resources, human capacity and interventions.

### **Demographic trends and migration patterns**

There needs to be an interest in the Municipality to establish links and develop enough data for the understanding, benchmarking and provision of demographic trend and migration data. It is very common in settlements developed in more dense urban zones to have informal cropping of further settlements and population. Part of understanding migration is addressing the issues associated with where people come from, what causes people to move around, when municipalities should react towards gain or loss of groups of people and what impact does the migration of several population groups have to the future planning framework of the Municipality. This is particularly valid where commonly mining communities increase/decrease as needs fluctuate; similarly what choices young people are making soon after matriculation in search of better opportunities.

### **Age and gender Profile**

A gap that came out strongly is the differing age gap between the young generation (below 30 years) and the older generation (above 30 years). There will soon be pressing issues facing the Municipality that confront the large majority of young people.

At the top of the agenda will most definitely be issues of creation of employment, access to financial resources and capital, promotion of entrepreneurship and pressing economic sustainability, improving economic opportunities, education, skills development and among others.

### **Implementation Strategies (Demographics)**

- Careful selection of service level strategy across the Municipality for all future development including water and sanitation services.
- Development of a comprehensive indigent application, registry and database management and revisiting all service areas in terms of affordability to pay services, subsidisation of municipal services as well as the indigent household income thresholds.
- Urgency to develop sustainable economic activities to absorb large segments of the population that are currently inactive and unemployed. There is no doubt that the majority of this group will be of the younger generation.
- Development of social programs to address the impact of high social grant dependency especially the high prevalence of child support grants.
- Providing greater access to shared resources for both Urban and Rural environments
- Need to redefine Rural Lekwa communities in a geographically more relevant grouping focusing on specific development zones.

### **4.1.7 Health Profile**

The WSA is responsible for the provision of primary health services which include the sampling and testing of water.

*Environmental health practitioners working for the Gert Sibande District Municipality and the health department are also responsible for the monitoring of water quality. The district is currently constructing a fully functional water quality testing laboratory and is striving to achieve full SANAS 17025 accreditation. The purpose of the laboratory is to provide a service to the municipalities, industry and the public at large.*

Table 1.5 (a): Lekwa – Health Facilities

	Facilities				Water Quantity	Water Related diseases (probability)	Access to sanitation	Lack of adequate sanitation and prevalence of water-borne diseases
	No of Facilities	Types of Facilities	Location	Accessibility				
Lekwa	2	Hospital	Urban	Good	Adequate	Low	Adequate	N/A
	6	Clinics	Urban/Rural	Good	Adequate	Low	Adequate	N/A

[Source: Interviews with Technical Manager – Water and Sanitation (Mr. Seppie Claassen)]

Table 1.6 (b): Lekwa – Conditions Related to Water

Area	Time frame	Total consumers	Number of consumers affected by							
			Water related disease			Skin effects	Teeth effects	Taste effects	Pipe corrosion	Water colour
			Diarrhoea	Cholera	Bilharzia					
Urban	-	100891	-	-	-	-	-	-	-	-
Rural	-	16942	-	-	-	-	-	-	-	-
Total		117833								

NB: A detailed assessment of quality of drinking water and the state of water returned to rivers and dams may be found in sections 3.2 of this WSDP. Details of a number of consumers affected by water related diseases and other defects were not made available at the time of compilation of this WSDP. It is expected that the WSDP goes through several rounds of iteration in the planning phases of the Municipality, further data and information may be available in order to adequately evaluate the extent of health related problems resulting from water consumption.

### Future Trends and Goals (Health)

Municipalities around the country are establishing linkages with national, provincial departments on planning, development and management initiatives in every dimension affecting their population and levels of service.

Key health aspects like access to disease information specific to the Municipality and its settlement is vital to monitoring progress on water and sanitation programs and developments that the Municipality has put in place.

The health system also provides support in necessary controls for water service management as the first point of contact with consumers when things do go wrong. The Municipality could be well positioned to identify new and changing water and sanitation needs, while detection of dilapidated infrastructure at its early stages is possible from the quality of health reports the Municipality receives.

For water service management to be effective, water quality reports should go hand-in-hand with the assessment of health reports together with the relevant health officials in order to detect, monitor and control environmentally threatening health related conditions.

### Strategic Gap Analysis (Health)

There is no active interaction between water quality management reports and assessment of health conditions and reports. The Department of health and the District Environmental health division take their own water samples for testing for the



determination of reported health risks and providing remedial action. Lekwa Municipality would need to engage this process further and in detail in order to focus its health related interventions.

### Implementation Strategies (Health)

To ensure compliance with the requirements of this section, the Municipality needs to ensure that the following requirements are noted:-

- Detailed water quality tests records must be kept for all the events, locations, frequency, results, analysis and recommendations
- Strategies must be developed to address unsafe use of water and attention to sanitation needs. This is a function that requires engagement of Social service, Health and Water & Sanitation department for safe water and sanitation management and development
- Emergency plans and procedures must be put in place against dangerous consumption of water resources and possible disease outbreaks as a result of living conditions.
- The Municipality needs to address the frequency and the effectiveness of education campaigns on health, water and sanitation in the present circumstances where no services are provided. Similar programmes needs to be implemented on water conservation, water handling and pollution control measures. These programmes would needs to be tailored specifically to address the current challenges facing the Local Municipality. I.e. handling raw water, water consumption from rivers, water from boreholes, sanitation and grey water education, disease control and emergency procedures.
- Establish a reporting system to escalate issues arising, the extent or seriousness, i.e. diseases control, alerting levels of pollution, water quality deviations etc.

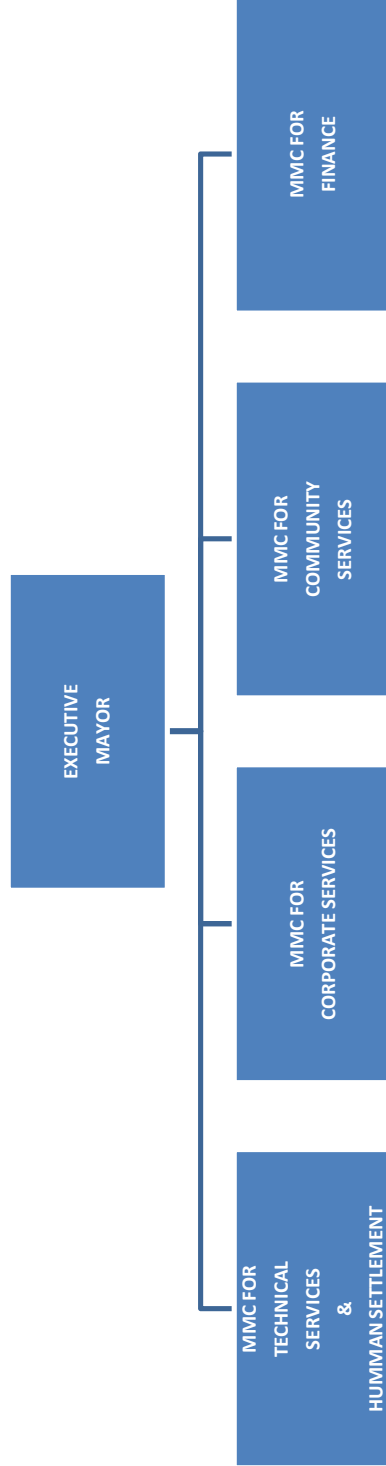
## 5 SECTION 4: MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

### 5.1 Municipal Council

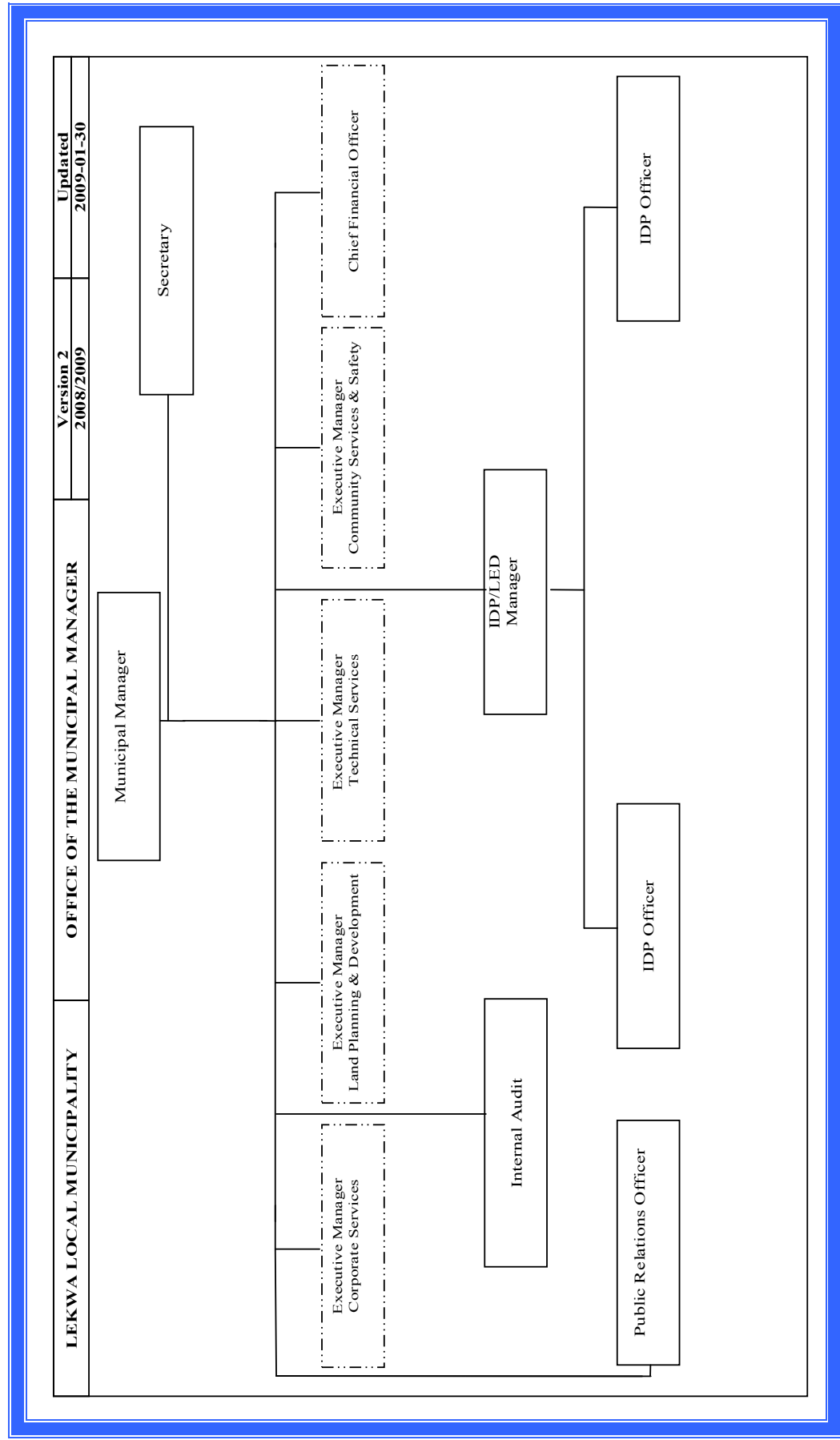
The Lekwa Council consists of 27 Councilors, made up of 14 ward councilors and 13 proportional representative councilors. The African National Congress has 21 councilors, the Democratic Alliance with 4 councilors, the UDM with 1 councilor and the VF with 1 councilor. There are 11 women councilors of the ANC and 10 male councilors of the ANC. There are 6 male councilors in other opposition parties.

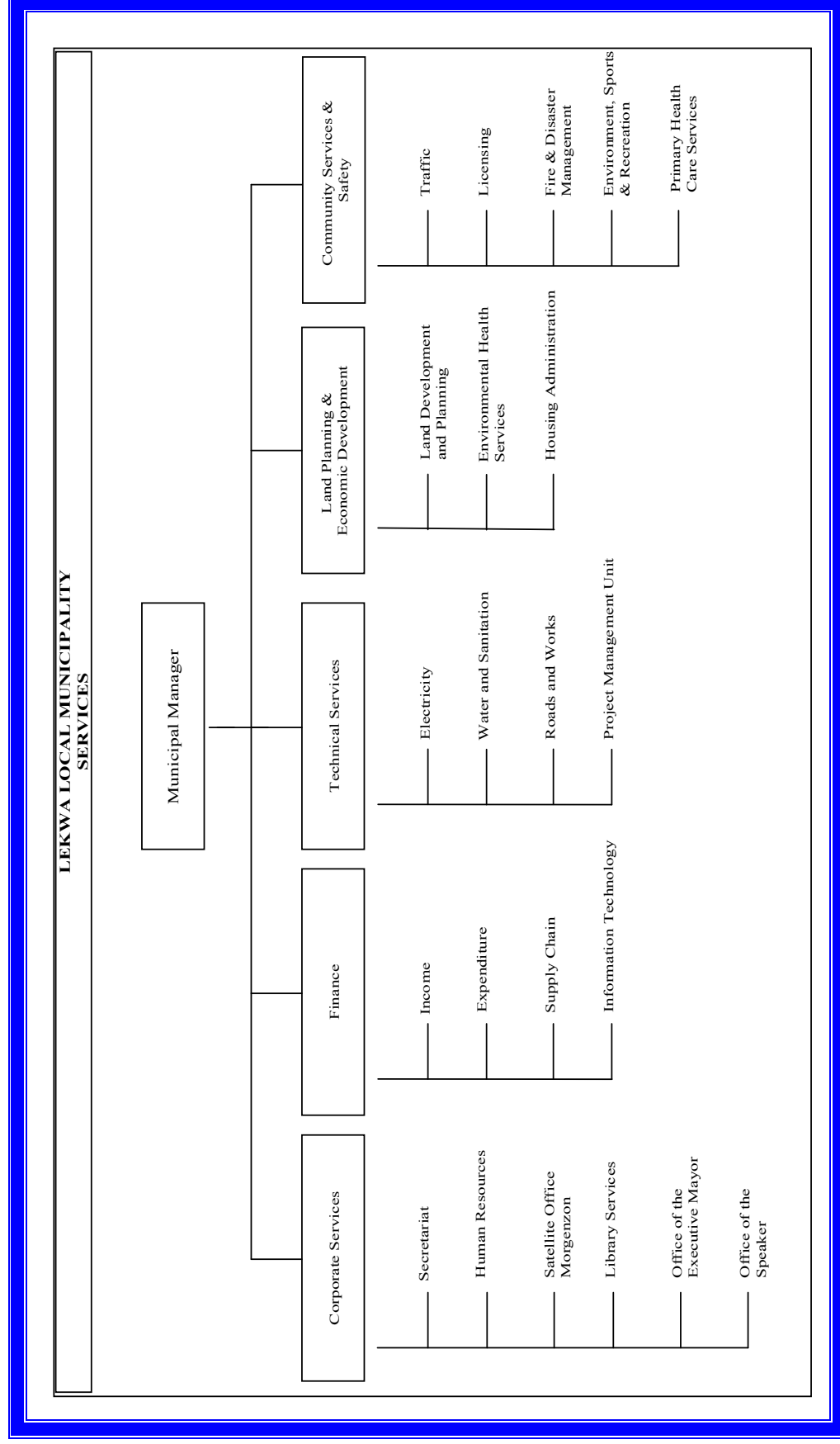
In addition to the Mayoral Committee the following committees have been appointed in terms of Section 80(1) of the Local Government Structures Act 117 of 1998:

**Fig 5: The Structure of the Mayoral Committee Members**



5.2 Fig 6: Organizational Design





### 5.3 Human Resource Development Strategy

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The municipality has human resource development strategy based on the latest skills audit. There are processes and pieces of policies that constitute Human resource Strategy. The HR strategy responds to the long-term development plans of the municipality as reflected in the previous IDP. The HR profile of the municipality is reflective of the local community and the country. It includes all activities relating to the rendering of a comprehensive human resource management function to Council by ensuring an efficient personnel administration system, recruitment and selection, sound labour relations, human resources development, employment equity, occupational health and safety of employees and compliance with all relevant labour legislation.

The staff of the municipality is informed and supportive of municipality vision and mission and strategic direction and has knowledge of vacancy rates in the municipality

The function of human resource management within the municipality is administered as follows and includes: Human Resource Development, Employment Relations, Employment Equity, Human Resources Administration, Occupational Health and Safety and Personnel Administration

<b>Number to employer of all municipal staff employed:</b>
- Professional (Managerial/Specialist) <b>19</b>
- Field (Supervisory/Foremen) <b>14</b>
- Office (Clerical/Administrative) <b>119</b>
- Non-professional (blue collar, outside workforce) <b>327</b>
- Temporary Staff
- Contract Staff <b>12</b>

### 5.4 Employment equity plan

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The municipality does have Employment Equity Plan for skills development in order;

- To continue to eliminate all forms of discrimination that exists due to historical practices.
- To correct the imbalances in the composition of the workforce with regard to race, gender and disability.
- To promote a culture that supports and encourages employees to respect diversity.
- To create opportunities for businesses owned by the designated groups, by awarding contracts for services, provided it is economic from the business point of view.
- To continue to ensure that all categories of employment, including management and non-management within the Municipality, make consistent progress towards reflecting the demographic profile of South Africa at national and provincial levels.
- To ensure that resources including money, time, mentors, coaches and training are committed to developing all employees to have equal access to all categories of employment.
- To focus on accelerating the development of existing staff, especially those from Designated Groups provided they meet the selection criteria.
- This Employment Equity Plan will be valid until 30 June 2009. This is in line with Municipality Employment Equity Plan set and agreed to by all stakeholders. The plan will be reviewed in June 2009, and if required, a new plan will be developed and the time frame set.

Numerical goals for the period of 2008-07-01 to 2009-06-30 as approved by The Mayoral Committee on 2009-01-24 per item B7(5),

Occupational Categories	5.							5.		TOTAL	
	Male			Female				White Male	Foreign Nationals		
	A	C	I	A	C	I	W	W	Male		Female
Legislators, senior officials and managers	5	0	0	2	0	0	0	4	0	0	11
Professionals	2	1	1	1	0	0	0	3	0	0	8
Technicians and associate professionals	5	0	0	7	0	0	0	2	0	0	14
Clerks	17	2	0	28	5	0	5	4	0	0	61
Service and sales workers	42	1	0	8	0	0	0	7	0	0	58
Skilled agricultural and fishery workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related trades workers	13	0	0	3	0	0	0	5	0	0	21
Plant and machine operators and assemblers	55	0	0	0	0	0	0	3	0	0	58
Elementary occupations	221	1	0	26	0	0	0	0	0	0	248
TOTAL PERMANENT	360	5	1	75	5	0	5	28	0	0	479
Non – permanent employees	8	0	0	4	0	0	0	0	0	0	12
GRAND TOTAL	368	5	1	79	5	0	5	28	0	0	491

Please report the total number of **employees with disabilities only** in each of the following Occupational categories: Note: A=Africans, C=Coloureds, I=Indians and W=Whites.

Occupational Categories												TOTAL
	Male				Female					Foreign Nationals		
	A	C	I	W	A	C	I	W		Male	Female	
Legislators, senior officials and managers	0	0	0	0	0	0	0	0	0	0	0	
Professionals	0	0	0	0	0	0	0	0	0	0	0	
Technicians and associate professionals	0	0	0	0	0	0	0	0	0	0	0	
Clerks	1	0	0	0	0	0	0	1	0	0	2	
Service and sales workers	1	0	0	0	0	0	0	0	0	0	1	
Skilled agricultural and fishery workers	0	0	0	0	0	0	0	0	0	0	0	
Craft and related trades workers	0	0	0	0	0	0	0	0	0	0	0	
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0	0	0	
Elementary occupations	2	0	0	0	0	0	0	0	0	0	2	
TOTAL PERMANENT	4	0	0	0	0	0	0	1	0	0	5	
Non – permanent employees	0	0	0	0	0	0	0	0	0	0	0	
GRAND TOTAL	4	0	0	0	0	0	0	1	0	0	5	

## 5.5 A work place skills plan (scarce skills strategy)

- The municipality do have a Workplace Skills Plan development strategy aligned to scarce skills within municipality.
- The plan reflect the total anticipated payroll for the year which is R 36,786,801.85,
- Total anticipated training spends for the year which is R 2,239,620.81 and
- The total anticipated levy payment for the year R 367,868.02.
- Moreover it also reflect on total number of employees in the Municipality,
- Total number of employees to receive training,
- Percentage of total employees to receive training and the IDP/municipal training objectives

## 5.6 Succession plan

Promotions occurring through the succession planning process will be used by the municipality to advance the achievement of employment equity goals. A position for which an Employment Equity candidate has been identified and developed need not be advertised. All other positions shall be advertised. Non-Employment Equity employees shall be promoted as a result of the succession planning process.

## 5.7 Recruitment and Retention

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Sufficient efforts shall be made to recruit employment equity candidates for all positions identified as such.

- All job advertisements, for which such an Employment Equity position is being filled, shall clearly display the following sentence:
- “Preference shall be given to Employment Equity applicants”, In line with the existing Municipality’s Policy on Staff Provisioning, jobs shall be advertised internally first.
- Should a suitable Employment Equity candidate not be available internally, efforts shall be made to recruit an Employment Equity candidate externally.
- Should an external Employment Equity candidate not be available to fill apposition, an appointment of a non-Employment Equity candidate shall be made.
- The appointment of a non-Employment Equity candidate as anticipated in can only be made with the resolution of Council.

## 5.8 Auditor - General Comments

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Lekwa was unfortunately unable to provide financial statements for the last five years due to various reasons, amongst others;

- The high turnaround of Chief Financial Officers
- The lack of capacity within the department of Finance
- The lack of resources.

With the assistance of the Mpumalanga Department of Finance, Gert Sibande District Municipality and external service providers, the municipality was able to submit the outstanding financial statements on 16 September of 2008 and not on 31 August 2008 as prescribed by legislation.

The municipality unfortunately received a disclaimer from the Auditor-General for the financial statements submitted for auditing.

The disclaimer was acknowledged and a recovery plan was drafted and adopted by Council when the financial statements were presented to Council.

The recovery plan included, inter alia, the following key principles;

1. That all the issues raised by the Auditor-General be addressed as a matter of urgency
2. That the closing balances for the 2007/2008 financial year be used as the opening balances for the 2008/2009 financial year.
3. That the vote numbers on the financial system be cleaned up where necessary and that the correct codes be captured on the system. There was a problem with the system reversing debits and credits and/or incorrectly assigning assets and liabilities.
4. That the finance committee monitor and report to Council on progress in terms of the recovery plan on a monthly basis.
5. The assistance of the Gert Sibande District Municipality was sought and they responded positively by seconding a senior official to act as Chief Financial Officer at Lekwa.
6. The Gert Sibande District Municipality also procured the services of a service provider (De Loitte and Touche) to assist in correcting issues raised in terms of the Auditor-Generals report. The service provider is also assisting in setting up protocols and policy formulation where necessary.
7. The service provider will also be assisting with year-end functions and in the compilation of financial statements.
8. Officials within the finance department are being capacitated to allow us to perform at an acceptable standard in terms of financial management and reporting. Training on GAMAP/GRAP is also being undertaken to allow us to comply with legislative prescripts and implementation deadlines.
9. We currently have an Acting Chief Financial Officer. The post has been advertised and processes are taking place to allow us to fill the position with a suitably qualified person as soon as possible.
10. We have also upgraded our financial software package to the latest version and training has been provided.



## **6 SECTION: 5 FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT**

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### **6.1 Goal:**

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To be accountable, responsible and transparent department in budgeting and financial management, whilst ensuring compliance with legislations and regulations.

### **6.2 Objectives:**

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To ensure that the following service delivery targets are achieved;

- To implement council's financial policies and resolutions
- To properly administer credit and debt management system
- To have an effective accounting management system
- To provide legislated reports timeously
- To assist the Accounting Officer to compile and administer the budget
- To ensure proper management of the municipal assets and liabilities.
- To advice the Accounting Officer and Heads of Departments on financial matters

### **6.3 Strategies**

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Financial Services will;

- Develop, workshop and review financial policies in line with relevant legislation/regulations
- Ensure proper communication of council's resolutions within the department.
- Ensure accurate and reliable consumer data in municipal system
- Monitor the accuracy of the monthly billing of consumers and monitor the debtors
- To administer the effective revenue collection and credit control management system
- To establish an effective customer care system for consumers
- Establish and promote effective and efficient implementation of Supply Chain Management system.
- Manage the integrity of financial data into the financial system
- Ensure adherence to the budget processes, implementation and monitoring thereof.
- Establish asset management unit that will implement and monitor the asset management system.

### **6.4 Basic financial guidelines and procedures:**

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#### **6.4.1 Tariff Policy**

Tariffs represent the charges levied by Council on consumers for the utilization of services provided by the Municipality and rates on properties. Tariffs may be calculated in various different ways, dependent upon the nature of the service being provided. Tariffs may be set in such a manner so as to recover the full cost of the service being provided or recover a portion of those costs, or to bring about a surplus that can be utilized to subsidize other non-economical services.

Section 74 of Local Government: Municipal Systems Act 2000 (Act 32 of 2000) as amended provides that:

- “(1) A municipal council must adopt and implement a tariff policy on the levying of fees for municipal services provided by the Municipality itself or by way of service delivery agreements, and which complies with the provisions of this Act, the Municipal Finance Management Act and any other applicable legislation”

#### **Objectives**

The objective of the tariff policy is to ensure the following:

- The tariffs of the Municipality conform to acceptable policy principles.
- Municipal services are financially sustainable.
- There is certainty in the Council, of how the tariffs will be determined.
- Tariffs of the Municipality comply with the applicable legislation; and

- Tariffs should take into consideration relief to the indigent.

### 6.4.2 Property Rates Policy

#### Policy Principle

1. Rates are levied in accordance with the Act as an amount in the rand based on the market value of all ratable property contained in the municipality's valuation roll and supplementary valuation roll.
2. As allowed for in the Act, the municipality has chosen to differentiate between various categories of property and categories of owners of property as contemplated in clause 7 and 8 of this policy. Some categories of
3. Property and categories of owners are granted relief from rates as contemplated in clause 11 to 13 of this policy. The municipality however does not grant relief in respect of payments for rates to any category of
4. Owners or properties, or to owners of properties on an individual basis.
5. There would be no phasing in of rates based on the new valuation roll, except as prescribed by legislation and in accordance with clause 16 of this policy.

The rates policy for the municipality is based on the following principles:

- **Equity**  
The municipality will treat all ratepayers with similar properties the same.
- **Affordability**  
The ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor/indigent ratepayers the municipality will provide relief measures through Exemptions, reductions or rebates.
- **Sustainability**  
Rating of property will be implemented in a way that:
  - it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality; and
  - Supports local social economic development
- **Cost efficiency**  
Rates will be based on the value of all ratable property and will be used to fund community and subsidized services after taking into account surpluses generated on trading (water, electricity) and economic (refuse removal, sewerage removal) services and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the municipality from time to time.

### 6.4.3 Fixed Asset Management Policy

A fixed asset is defined in GAMAP 17 as a tangible item of property, plant or equipment held by a municipality for use in the productions or supply of goods or services, for rental to others, or for administrative purposes, and which is expected to be used during more than one reporting period (financial year).

A fixed asset is thus an assessment, either movable or immovable, under the control of the municipality, and from which the municipality reasonably expects to derive economic benefits, or reasonably expects to use in service delivery, over a period extending beyond one financial year.

To be recognized as a fixed asset, an asset must also meet the criteria referred to in parts 13, 14 and 15 below.

An asset held under a finance lease, shall be recognized as a fixed asset, as the municipality has control over such an asset even though it does not own the asset.

- Role of Municipal Manager
- Role of Chief Financial Officer
- Format of fixed Asset register
- Classification of fixed Asset
- Investment property
- Fixed asset treated as inventory
- Recognition of heritage assets in the fixed asset register
- Revision of donated Asset
- Safe keeping of Assets
- Identification of fixed Assets
- Procedure in case of loss, theft, destructions or impairment of fixed assets
- Capitalization criteria- material value
- Capitalization criteria- intelligent item etc.

#### **6.4.4 Credit Control and Debt Collection Policy**

Debt collection/revenue management is inter alia a responsibility of all Municipalities as defined in the following sections of the Acts - 1. Local Government Municipal Systems Act, 32 Of 2000:

##### **Section 96**

A municipality – (a) Must collect all money that is due and payable to it, subject to this Act and any other applicable legislation; and for this purpose, must adopt, maintain and implement a credit control and debt collection policy which is consistent with its rates and tariff policies and complies with the provisions of this Act.

##### **Section 97.**

Contents of policy

A credit control and debt collection policy must provide for –

- a. Credit control procedures and mechanisms;
  - b. debt collection procedures and mechanisms;
  - c. provision for indigent debtors that is consistent with its rates and tariff policies and any national policy on indigents;
  - d. realistic targets consistent with – general recognized accounting practices and collection ratios; and the estimates of income set in the budget less an acceptable provision for bad debts;
  - e. interest on arrears, where appropriate;
  - f. extensions of time for payment of accounts;
  - g. termination of services or the restriction of the provision of services when payments are in arrears;
  - h. matters relating to unauthorized consumption of services, theft and damages; and any other matters that may be prescribed by regulation in terms of section 104.
- (2) A credit control and debt collection policy may differentiate between different Categories of ratepayers, users of services, debtors, taxes, services, service standards and other matters as long as the differentiation does not amount to unfair discrimination.

The cost (Summons revenue stamp, sheriff service fee and interest) to implement and execute the legal process per above mentioned schedule will be recovered in full from the defaulter, including a administrative fee, that will be determined from time to time as per Council resolution.

#### **6.4.5 Indigent Policy**

The purpose of the indigent policy is to ensure:

- The provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the Council; and
- To provide procedures and guidelines for the subsidization of basic charges to its indigent
- Households, using the Council's budgetary provisions received from central Government, according to prescribed policy guidelines.

The Council also recognizes that many residents can simply not afford the cost of full provision and for this reason the Council will Endeavour to ensure affordability through:

- Settings tariffs in terms of the Councils Tariff Policy, which will balance the economic viability of continued service delivery; and
- Determining appropriate service levels

##### **6.4.5.1 Criteria for qualification**

In order to qualify for indigent support the following criteria must be met:

- Households where verified total gross monthly income of all occupants over 18 years of age does not exceed the level, as determined in Council's tariff policy from time to time, qualify for a subsidy.
- Subsidized services may include housing debt, sewerage, refuse removal and assessment rates, and consumption service charges.
- Only households where the accountholder or property owner has applied as indigent, and whose application has been accepted shall qualify for the above concessions.
- For a household to qualify for subsidies or rebates on the major service charges, the registered indigent must be the full-time occupant of the property concerned, and if not also the owner of the property concerned, may not own any other property, whether in or out of the municipal area.
- The indigent household's consumption will be limited to a three month average of a maximum of 12 kilolitres of water and 250 units, excluding the free 50 units, of electricity per month, inclusive of the free basic service grant.
- Households must formally apply for relief on the prescribed documentation and satisfy the qualifying criteria/principles determined by the Council.
- The status of indigent is conferred for a period of not more than twelve months after which re-application must be made.

##### **6.4.5.2 Extent of Indigent support**

- 4.1 The subsidies on rates and the specified service charges will be determined as part of each annual budget and in terms of the municipality's policies on property rates and tariffs.
- 4.2 The source of funding of the indigence subsidy is that portion of the equitable share contribution to the municipality made from the national government's fiscus and as provided for in the budget. As such, the subsidy can only be credited to the qualifying customer's accounts until the amount received by the Municipality from National Government for this purpose has been exhausted, whereupon no further credits will be made, or the level of the credits reduced, until further national funds are received.
- 4.3 In respect of water, a 100% subsidy up to 6 kℓ per household per month will apply. In respect of electricity, a 100% subsidy up to 50kWh per month will apply. If consumption exceeds any of the above per metering

- period (month), the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding the above mentioned limits.
- 4.4 If a customer's consumption or use of municipal services is less than the subsidized service, the unused portion may not be accrued by the customer and will not entitle the customer to cash or a rebate in respect of the unused portion.
- 4.5 The annual rates and service charges on the indigent's account will automatically be converted to monthly installments.
- 4.6 If the situation, where it occur that it is reported that the consumers are minors due to circumstances, the support will be determined as per Council decision from time to time.

#### **6.4.6 Budget Policy**

This policy consists of four Parts:

- Objectives
- Legal requirements
- Budgeting and principles to be followed
- Responsibilities of a Chief Financial Officer

##### **6.4.6.1 Objectives**

To set out the budgeting principles which the municipality will follow in preparing each annual budget, as well as the responsibilities of the chief financial officer in compiling such budget.

##### **6.4.6.2 Legal requirements**

This legal framework consist of sections in accordance with the appropriation of funds

Section 15 Appropriation of funds for expenditure

Section 16 Annual budgets

Section 1 Contents of Annual budget and supporting documents

Section 18 Funding of expenditures

Section 19 Capital projects

Section 20 matters to be prescribed

Section 21 Budget preparation process

Section 22 Publication of Annual budget

Section 23 Consultation on tabled budget

Section 24 Approval of Annual budget

Section 25 Failure to approve budget before the start of financial year

Section 26 Consequences of failure to approve budget before the start of financial year

Section 27 Non compliance with provisions of this chapter

Section 28 Municipal adjustment budgets

Section 29 Unforeseen and unavoidable expenditure

Section 30 Unspent funds

Section 31 Shifting of funds between multi-year appropriations

Section 32 Unauthorized, irregular and fruitless expenditure etc.

##### **6.4.6.3 Budgeting and principles to be followed**

- Except in so far as capital projects represent a contractual commitment to the Municipality extending over more than one financial year, the annual capital budget shall be prepared from a zero base.
- The capital budget component of the annual or adjustments budget shall only be approved by the Council if it has been properly balanced, that is, if the sources of finance which are realistically envisaged to fund the budget equal the proposed capital expenses.
- Before approving the capital budget component of the annual or adjustments budget, the Council shall consider the impact on the present and future operating budgets of the Municipality in relation to finance charges to be incurred on external loans, depreciation of fixed assets, maintenance of fixed assets, and any other ordinary operational expenses associated with any item on such capital budget. In addition, the Council shall consider the likely impact of such operation expenses – net of any revenues expected to be generated by such item – on future property rates and service tariffs.

#### **6.4.6.4 Responsibilities of a Chief Financial Officer**

- Chief Financial Officer shall be responsible for preparing the draft annual capital and operating budgets
- The Chief Financial Officer shall draft the budget timetable for the ensuing financial year for the Mayor's approval, and shall indicate in such timetable the target dates for the draft revision of the annual budget and the preparation of the annual budget for the ensuing financial year
- In preparing the operating budget, the Chief Financial Officer shall determine the number and type of votes to be used and the line-items to be shown under each vote
- The Chief Financial Officer shall determine the depreciation expenses to be charged to each vote, the apportionment of interest payable to the appropriate votes, the estimates of withdrawals from (claims) and contributions to (premiums) the self-insurance reserve, and the contributions to the provisions for bad debts, accrued leave entitlements and obsolescence of stocks.
- The Chief Financial Officer shall further, with the approval of the Mayor and the Municipal Manager, determine the recommended contribution to the asset financing reserve and any special contributions to the self-insurance reserve.
- The Chief Financial Officer shall also, again with the approval of the Mayor and the Municipal Manager, and having regard to the Municipality's current financial performance, determine the recommended aggregate growth factor(s) according to which the budgets for the various votes shall be drafted.
- The Chief Financial Officer shall compile monthly budget reports, with recommendations, comparing actual results with budgeted projections, and the Heads of Departments shall timeously and adequately furnish the Chief Financial Officer with all explanations required for deviations from the budget. The Chief Financial Officer shall submit these monthly reports to the Mayor, Finance Committee and Executive Committee, and all other prescribed parties, in accordance with the prescriptions of the Municipal Finance Management Act.
- The Chief Financial Officer shall provide technical and administrative support to the Mayor in the preparation and approval of the annual and adjustment budgets, as well as in the consultative processes, which must precede the approval of such budgets.
- The Chief Financial Officer shall ensure that the annual and adjustments budgets comply with the requirements of the National Treasury reflect the budget priorities determined by the Mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the Mayor on the revision of the IDP and the budget-related policies where these are indicated.
- The Chief Financial Officer shall make recommendations on the financing of the draft capital budget for the ensuing and future financial years, indicating the impact of viable alternative financing scenarios on future expenses, and specifically commenting on the relative financial merits of internal and external financing options.

#### **6.4.7 Municipal Finance Management Act, Act 56 of 2003**

The objective of the Act is to secure sound and sustainable management of the fiscal and financial affairs of municipalities by establishing norms and standards for ensuring transparency, accountability and appropriate lines of responsibilities.

#### **6.4.8 Financial Viability and sustainability**

The financial planning of the municipality is extremely difficult and ever changing. The dynamic setting of local authorities brings about constant changes and presents various variables which are often not predictable. It is a well accepted fact that in any given budget or financial plan there will always be needs which cannot be accommodated. The financial planning and project prioritization as contained in the IDP has the draft budget as outcome. This draft budget represents the municipality's plan of action as planned in the Service Delivery and Budget Implementation Plan (SDBIP) which is in accordance with the priorities of the Integrated Development Plan (IDP).

#### **6.4.9 Financial Management Arrangement**

The staff complements of the Finance Department totals 34 Staff members.

The Finance Department is managed by the Chief Financial Officer with the assistance of Two Divisional Managers: Expenditure, Supply Chain Management and Income

#### **6.4.10 Capital and Operational Financial Strategies**

Develop, workshop and review financial policies in line with relevant policies

Ensure proper communication of council's resolutions

Ensure accurate and reliable consumer data in municipal system

Monitor the accuracy of the monthly billing of consumers

To administer the effective revenue collection management system

To establish an effective customer care system

Regularly monitor the debtors

To regular monitor the effective credit control management system

Promote effective and efficient implementation of Supply Chain Management system.

Manage the integrity of financial data into the financial system

Ensure adherence to the budget processes, implementation and monitoring thereof.

Establish asset management unit that will implement and monitor the asset management system.

The overall financial strategy of the municipality is to define sound financial management and expenditure control as well as ways and means of increasing revenue and external funding for the municipality and its development priorities and objectives of stimulating economic development and poverty alleviation through the designing and exercising of the following:

#### **6.4.11 Revenue Raising Strategy**

The aim of the Revenue Raising Strategy is:

To seek for alternative sources of funding by:

Compilation and implementation of a valuation roll and raised assessment rates for the entire municipal area.

Extension of consumer services to areas where it can be developed on an economic basis.

Application for more government grants funding.

Explore and utilize external funding of finance to its maximum.

Increase the cost effectiveness of services through improved cost control measures and standardization.

Tightening credit control measures to reduce the debt of the municipality by: strictly implementing approved credit control measures.

Develop further proactive credit control measures.

Maintain revenue systems to ensure timeous, regular and accurate billing of accounts.

Effective revenue collection systems.

Improve customer relations through ongoing customer

Communications to promote awareness and foster financial responsibilities and promote a culture of payment.

#### **6.4.12 Operational Financing Strategy**

The objectives are:

To maintain an effective system of expenditure control, including procedures for the approval, and authorization, withdrawal and payment of funds.

To maintain a management accounting system which recognizes expenditure when it incurs, accounts for creditors and payments made by the municipality.

To implement the Supply Chain Management Policy in a way that it is fair, equitable, transparent, competitive and cost effective.

To ensure that the spending of funds is in accordance with the approved budget and that revenue and expenditure are properly maintained.

### 6.4.13 Cost Effectiveness Strategy

The objectives are:

- (i) To invest all surplus cash not immediately required.
- (ii) To as far as possible adhere to the following budget norms:

Salaries, wages and allowances	35 %
Repairs and Maintenance	5 %
Capital Costs	18 %
Capital from Revenue	2 %
Bulk Purchases	20 %
General Expenditure	20 %

- (iii) To restrict capital and operating expenditure increases to the macro economic growth limited guideline.
- (iv) To monitor the investment in projects through a well designed cost control system.

### 6.4.14 Financial Supervisory Authority

As part of its responsibility in monitoring macroeconomic and physical stability, the National Treasury prescribes the format of the municipality's annual budget and determines growth limits guidelines for self generated revenue services.

This ensures:

Compliance with legal requirements for an approved budget;  
 Strengthened oversight by Council and improved performance by officials;  
 Readability of and linkages within the budget documentation;  
 Satisfaction of stakeholders information needs (councillors, community, etc); and Facilitation of comparability between municipalities.

Two key concepts to consider when preparing the budget are:

1. The Annual Budget may only be funded from:

Realistic anticipated revenues to be collected.

Cash backed accumulated funds from previous year's surpluses not committed for other purposes.

Borrowed funds, but only for the Capital Budget.

2. The Annual Budget must be credible. A credible budget is a budget that:

Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality.

Is achievable in terms of agreed service delivery and performance agreements.

Contains revenue and expenditure projections that are consistent with current and past performance.

Does not jeopardize the financial viability of the municipality which ensures that the financial position is maintained with generally accepted prudential

Limits and the obligations can be met in short, medium and long term.

And provides managers with appropriate levels of delegation, sufficient to meet their financial management responsibilities.

This IDP and Budget with their expected outcomes ensure that the Council is in the right direction to become the best local municipality in rendering affordable, accessible, efficient and available services whilst at the same time maximizing infrastructural development through the utilization of all available resources.



## ANNEXURE 1: BUDGET AND OTHER FINANCIAL RELATED MATTERS

### 1. FINANCIAL PERFORMANCE 2010/2011

The budgeted expenditure and the estimated expenditure for the 2009/2010 financial year can be summarized as follows:

	<b>BUDGET 2009/2010</b>	<b>ADJUSTMENT BUDGET 2009/2010</b>	<b>ESTIMATED 2009/2010</b>	<b>DEVIATION</b>
Expenditure	259,512,819	262,569,683	257,768,493	4,801,189
Income	259,512,819	262,569,683	268,911,098	(6,341,415)

#### 1.1 Income

Levies for electricity did not reach budgeted expectations. This can be contributed to major factories closing and the general economic crisis. However, the municipality is currently conducting a meter audit and tracing of illegal connections which will have an impact on electricity payment.

#### 1.2 Expenditure

The main reason for the positive deviation is mainly vacancies that have not been filled as well as strict cash flow management.

The deviation between budgeted and estimated expenditure can be summarized as follows:

#### **EXPENDITURE**

	<b>BUDGET 2009/2010</b>	<b>ADJUSTMENT BUDGET 2009/2010</b>	<b>ESTIMATED 2009/2010</b>	<b>DEVIATION</b>
Salaries	85,567,384	78,666,565	76,123,714	2,542,851
General Expenses	117,265,686	136,970,325	135,776,651	1,193,674
Repair & Maintenance	18,310,776	13,166,945	12,190,485	976,460
Capital Costs	5,356,280	3,312,186	3,312,186	-
Contribution to Funds	33,012,693	30,453,667	30,365,457	88,210
	<b>259,512,819</b>	<b>262,569,688</b>	<b>257,768,493</b>	<b>4,801,195</b>

### 1.3 Summary of financial results

The financial results for the 2009/2010 financial year may be summarized as follows:

#### **FINANCIAL RESULTS**

	<b>BUDGET 2009/2010</b>	<b>ADJUSTMENT BUDGET 2009/2010</b>	<b>ESTIMATED 2009/2010</b>	<b>DEVIATION</b>
<b>INCOME</b>				
Grants	49,919,000	51,788,000	51,788,000	-
Electricity	103,682,565	103,682,565	102,548,875	1,133,689
Water	28,088,139	28,088,139	26,999,508	1,088,631
Cleansing Service	9,243,835	9,243,835	9,919,282	(675,447)
Sanitation	15,362,569	15,362,569	16,710,292	(1,347,723)
Assessment Rates	30,524,400	30,524,400	35,663,622	(5,139,222)
Sundry Income	22,692,311	23,880,180	25,281,519	(1,401,339)
<b>TOTAL</b>	<b>259,512,819</b>	<b>262,569,687</b>	<b>268,911,098</b>	<b>(6,341,411)</b>
<b>EXPENDITURE</b>				
Salaries	85,567,384	78,666,565	76,123,714	2,542,851
General Expenses	117,265,686	136,970,325	135,776,651	1,193,674
Repair & Maintenance	18,310,776	13,166,945	12,190,485	976,460
Capital Costs	5,356,280	3,312,186	3,312,186	-
Contribution to Funds	33,012,693	30,453,667	30,365,457	88,210
<b>TOTAL</b>	<b>259,512,819</b>	<b>262,569,688</b>	<b>257,768,493</b>	<b>4,801,195</b>

## 2. BUDGET FOR FINANCIAL YEARS ENDING 2009/2010, 2010/2011 AND 2011/2012

### 2.1 Factors influencing the budget

The major income source for the Council is the Revenue Replacement Grant in terms of the Division of Revenue Act and it must be noted that the year on year allocations are determined by National Treasury.

For the next three years the growth rate adopted by Council was extrapolated on the current consumer price index of 9%. Hence inflation forecasts were based on local economic conditions and the following indices are deemed to be reasonable projections.

2009/2010 – 10, 5%  
 2010/2011 – 10.3%  
 2011/2012 – 10.1%

The budget allocations have been aligned to take into consideration the Governments' policy priorities. In this regard the five key objectives to address the economic crisis over the medium term are as follows:

- Education
- Health
- Rural development and food security
- Creation of decent work and sustainable life hood

- The fight against crime and corruption

It is understood that the focus for this financial year would be on rural roads and storm water.

### 3. FINANCING

The financing of the budget may be summarized as follows:

<b>FINANCING</b>			
	<b>BUDGET 2010/2011</b>	<b>BUDGET 2011/2012</b>	<b>BUDGET 2012/2013</b>
<b>INCOME</b>			
Grants	106,452,000	115,863,000	123,745,000
Electricity	147,378,160	185,296,850	233,176,630
Water	29,124,305	30,930,020	32,847,690
Cleansing Service	11,118,530	11,807,890	12,504,560
Sanitation	17,843,193	18,949,480	20,067,500
Assessment Rates	40,209,352	42,702,340	45,221,790
Sundry Income	26,361,573	27,996,190	29,648,270
<b>TOTAL</b>	<b>378,487,112</b>	<b>433,545,770</b>	<b>497,211,440</b>
<b>EXPENDITURE</b>			
Salaries	93,954,855	108,988,580	126,427,760
General Expenses	241,139,120	278,140,504	319,933,539
Repair & Maintenance	18,772,940	20,650,240	23,128,270
Capital Costs	5,634,250	5,983,650	6,336,780
Contribution to Funds	18,985,947	19,782,796	21,385,092
<b>TOTAL</b>	<b>378,487,112</b>	<b>433,545,770</b>	<b>497,211,440</b>

### 4. CAPITAL BUDGET

The Capital budget is divided into Own Funds, National Grants and GSDM.

	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
<b>Description</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
Equitable Share	49,169,000	62,872,000	70,947,000	78,073,000
MIG		29,830,000	35,876,000	43,622,000
MSIG	750,000	750,000	790,000	800,000
Neighbourhood Grant		12,000,000	7,000,000	0
INEP		0	0	0
	<b>49,919,000</b>	<b>105,452,000</b>	<b>114,613,000</b>	<b>122,495,000</b>

**HIGH LEVEL BUDGET SUMMARY FOR COUNCIL ADOPTION MULTI YEAR BUDGET 2010-11**

Function	Budget 2010/11						(Surplus) / Deficit
	Appropriations			Funding			
	Capital	Operating	Total	Own Source	External	Total	
Councillors, MM and Corporate Services	130,000	117,312,866	117,442,866	106,143,340	0	106,143,340	11,299,526
Community Services	160,000	40,105,099	40,265,099	-17,236,963	0	-17,236,963	23,028,136
Finance	1,880,000	30,908,625	32,788,625	-58,624,092	-1,750,000	-60,374,092	27,585,467
Technical Services & Human Settlement	47,398,090	140,592,432	187,990,522	152,902,718	41,830,000	194,732,718	-6,742,196
TOTAL	49,568,090	328,919,022	378,487,112	334,907,112	43,580,000	378,487,112	-0

Function	Budget 2011/12						(Surplus) / Deficit
	Appropriations			Funding			
	Capital	Operating	Total	Own Source	External	Total	
Councillors, MM and Corporate Services	140,000	127,600,460	127,740,460	115,347,260	0	115,347,260	12,393,200
Community Services	180,000	45,441,839	45,621,839	-18,305,730	0	-18,305,730	27,316,109
Finance	2,180,000	34,271,760	36,451,760	-62,265,320	-2,040,000	-64,305,320	27,853,560
Technical Services & Human Settlement	48,775,380	174,956,332	223,731,712	192,711,460	42,876,000	235,587,460	11,855,748
TOTAL	51,275,380	382,270,390	433,545,770	388,629,770	44,916,000	433,545,770	0

Function	Budget 2012/13						
	Appropriations			Funding			(Surplus) / Deficit
	Capital	Operating	Total	Own Source	External	Total	
				-		-	
Councillors, MM and Corporate Services	150,000	139,818,880	139,968,880	123,272,680	0	123,272,680	16,696,200
Community Services	190,000	51,841,017	52,031,017	-19,385,880	0	-19,385,880	32,645,137
Finance	2,200,000	38,548,432	40,748,432	-65,975,650	-2,050,000	-68,025,650	-
Technical Services & Human Settlement	49,866,620	214,596,490	264,463,110	242,905,230	43,622,000	286,527,230	22,064,120
				-		-	
<b>TOTAL</b>	<b>52,406,620</b>	<b>444,804,820</b>	<b>497,211,440</b>	<b>451,539,440</b>	<b>45,672,000</b>	<b>497,211,440</b>	<b>0</b>

## **7 SECTION 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

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### **7.1 Intergovernmental Relations**

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- The municipality has an IGR unit which is focusing on Overseeing all the IGR matters, Promoting, Fostering Intergovernmental Relations and sector collaborations, Facilitating and Supporting Sports, Arts and Culture and Facilitate and coordinate Gender, Disability and HIV/AIDS function.
- The Municipality is still having a challenge when it comes to integrated planning especially integration of programs and projects from some sector departments from Mpumalanga Provincial Government. The manner in which the private sector is participating in the local municipality planning process also needs to be improved through engagement as prescribed in the Municipal Systems Act.

The objectives of the IGR Unit in Lekwa are to;

- Contribute knowledge and ideas about planning issues in the province and sectors;
- Contribute relevant information on the provincial sector departments plans, programmes, budgets, objectives, strategies and projects in a concise and accessible manner;
- Ensure that their objectives and strategies and projects take the local IDP into consideration and adjust their budgets as informed by the local IDP into consideration;
- Engage in a process of alignment with the GSDM and other local municipalities, and participate in the provincial management system and co-ordination;

### **7.2 Community Participation Strategy**

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One of the main features about integrated development planning process is the involvement of community and stakeholder organizations in the process. Participation of affected and interested parties ensures that the IDP addresses the real issues that are experienced by the citizen of Lekwa Municipality. As part of its public participation process, the municipality has established the following structures to promote community participation;

- IDP Steering Committee
- IDP Technical Committee
- IDP Representative Forum
- Traditional Leaders
- Intergovernmental Relations (IGR)
- HIV & AIDS Council
- Transport forum

It should however be mentioned that due to the vastness of the Lekwa Municipal area additional efforts should be made to ensure that public participation is meaningful.

#### **Principles**

The democratically elected stakeholders will be involved in the public participation process. However, to improve the effectiveness of the process, it is intended to split the participation in two ways.

- a) Identifying of stakeholders, experts or professional bodies in communities.
- b) Identifying of local representatives on grass-roots level through ward councilors.

The process could follow the following route:

- To identify all relevant participants per sector and per ward to inform them of the IDP processes.
- To nominate councilors responsible for the IDP as well as responsible committees.
- To advertise broadly through the local press for any stakeholders to identify themselves.
- To initiate general consultative meetings of each critical step for the process of the IDP in order to gain fair consensus on the finding.

- To workshop sectoral plans at each critical step, with all relevant local stakeholders per ward through the ward councilors.

The participation strategy will address the following issues:

- Available resources for participation
- Roles of different role-players during the participation process (e.g. councilors, the IDP Steering Committee, the IDP Representative Forum, other officials, consultants, etc)
- Appropriate participation tools
- Means of information dissemination
- Means of eliciting and collecting community needs (including documentation of participation inputs)
- Time frames to allow responses, comments, inputs
- Means of encouraging representation of unorganized groups
- Frequency of meetings / workshops
- Appropriate venue for the meetings / workshops
- All efforts will be made to comply with the legal requirements of Public Participation.

### **User friendly Participation efforts**

It is important to encourage user-friendly public participation as far as possible. The following will be implemented:

- Suggestion boxes at strategic location;
- Meetings with communities and stakeholders;
- Local press and/or Hailing
- Notices on Municipal Notice Boards
- Notices on Libraries Notice Boards
- Regional Radio Services (Ukhozi FM)
- Notices at Post Offices and Police Stations
- IDP Izimbizo/Summit
- IDP Representative Forum

### **Stakeholders**

The process that the Lekwa Local Municipality will use in identifying stakeholders that need to be involved in this IDP processes will include the following:

- Public meetings and forums
- Nomination of representatives
- Media - Local Press, Notice boards and Regional Radio Station
- Notices on Notice Boards
- Notices at Police Stations and Post Offices
- Notices at Taxi Ranks and Shopping Complexes

The following list might be used as guideline for identifying of stakeholders and will be altered according to their involvement in the Lekwa area of jurisdiction:

- Various interest groups (all churches, all youth organizations, police forum, etc.);
- Civil society structures (SANCO, LRDC, Burial Society, civics, ratepayers, etc.)
- Tourism sector (Publicity and Tourism Associations)
- Service providers (Eskom, SASOL, Telkom, etc.)
- Labour (Local Labour Associations)
- Private Sector (Farmers Association, Women's Agricultural Union, etc)
- Government: National and Provincial Sector Departments
- Gert Sibande District Municipality
- Provincial IDP Task Team.
- Community Development Workers (CDW's)
- Business Chamber

### **Deadlock Breaking Mechanism**

- The purpose of deadlock breaking mechanisms is to ensure that decisions are based, as far as possible on consensus between civil society, stakeholders and the local authority. In the event of a deadlock, council should make the final decision, but shall submit its reasons for its recommendations to the MEC for local Government with the objections and/or concerns.
- It is important to provide different mechanisms for possible conflicts which may take place between different participants in the preparations of the IDP. Council should however be prepared for every eventuality.

### **Financial Resources and Logistics**

- Funds will have to be allocated to allow for transport of Councilors, IDP Sectoral committee members, unorganized groups and officials to workshop and meetings, which will be held on venues and dates to accommodate the majority.
- The Lekwa Municipality will, as far as possible, make transport available. The Municipal Manager of the Lekwa Local Municipality will assume a leadership role with executive and co-coordinating responsibilities. The Technical and Engineering Department of the Municipality will be responsible for co-coordinating technical work and executing project management responsibilities.

## **7.3 Ward Committees**

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- Ward Committees are fully functional. There are 10 Ward Committees in Lekwa with 140 Ward Committee members.
- They consult via the Executive Mayoral outreach programme.
- They link the Integrated planning process to their wards
- Assist in the organizing of public consultation and participation
- Ensure that the annual municipal budget and business plans are linked to and based on the IDP

## **7.4 Traditional leaders**

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The objectives of the Traditional Leaders are;

- Work closely with Councilors and other grassroots structures to identify all the important priority issues.
- Facilitate community consultation in their communities in collaboration with ward councilors.

## **7.5 Internal Audit Committee**

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The Municipality is sharing audit services concept with at least three local municipalities and the GSDM. The Audit Committee is functioning effectively as envisaged. 3-year Audit Risk Plans in terms of MFMA will be produced by Internal Auditors and these would be reviewed annually. The risk plans should be in terms of the MFMA legislation. Further risk plans also allows the municipality to prioritize its risks into high, medium and low. The high risks are attended to immediately and subsequently the internal controls are strengthened.

Pertaining to Performance Management Audit function, the current Audit Committee will be utilised instead of establishing an additional Committee to focus specifically on overall Organizational Performance Audit.

## **7.6 Special Groups**

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### **7.6.1 Mainstreaming of HIV & AIDS**

Mainstreaming as action is an essential approach for expanding, scaling up and implementing multisectoral responses to HIV and AIDS. The health sector remains key, but non-health sectors are also to take action on HIV and AIDS based on one National Action Framework. This is more obvious in municipalities affected by a severe epidemic, but it is equally paramount in municipalities that have a relatively low, yet growing, HIV prevalence. Even for municipalities with low HIV prevalence, mainstreaming is crucial for addressing vulnerabilities to HIV infections in order to avert potential negative impacts. Early mainstreaming actions may help stem the surge of HIV epidemics and reduce the



likelihood that concentrated epidemics will become generalized. Moreover, because HIV and AIDS is closely linked with other development concerns such as poverty, gender inequality and institutional exclusion, mainstreaming HIV and AIDS in low prevalence settings provides additional support to the regional development process. It also provides experience on how to integrate other pressing, cross-cutting and multisectoral issues which affect development in many municipalities.

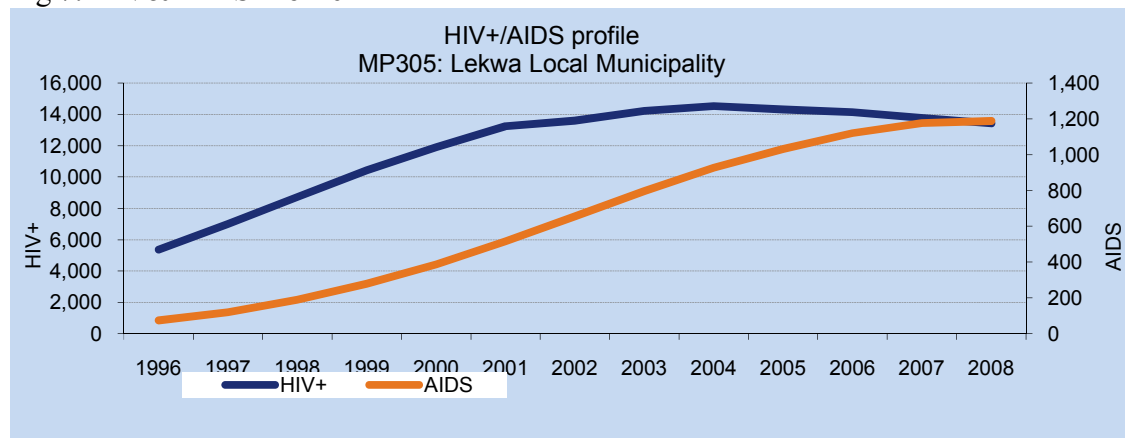
The mainstreaming process facilitates multisectoral actions. It is a good starting point to engage sectors that ought to but have as yet not participated in the overall national HIV and AIDS responses.

Multisectoral action requires harmonization and coordination, which can be a challenge to the existing governmental and Non-Governmental organizations. Mainstreaming, however, enhances the articulation of sector goals, accountabilities and resources. This articulation builds stronger alignment around one Regional AIDS Action Framework and one monitoring and evaluation system, coordinated by one National AIDS Authority, as expressed under the 'Three Ones' principle.

The need to maintain multisectoral action for HIV and AIDS cannot be overstated. For example, great strides have been made with regard to access to antiretroviral drug treatment. Unfortunately, as of 2005, only 12% of those who need treatment received it. This fact underscores the reality that actions and efforts are required from multiple sectors and communities to scale up the treatment coverage.

The following figure shows the baseline information on the occurrence of HIV/AIDS in the Lekwa. However, various programmes and activities are currently being conducted in the region through the health and community development structures.

Fig 7: HIV & AIDS Profile



Statistics SA Consumer Survey 2007

The above figure shows a relatively high, yet growing prevalence of HIV & AIDS since 1996 till 2008. AIDS alone was relatively zero during 1996, yet today cases of full blown AIDS are reported at 1900 cases. The HIV epidemic was reported to be 5900 cases during 1996, yet today there is dramatic increase in number of HIV related meningities reported in Lekwa (1900).

During the year 2001 there was a dramatic upslide increase in number of HIV related cases reported as well as AIDS.

### 7.6.2 Implications HIV & AIDS.

The graph implies that there is a dire need for Lekwa AIDS Council to mainstream this silent epidemic.

Lekwa Municipality is finding it increasingly challenging to conduct its core business of service delivery in what is in many municipalities a crisis environment as a result of HIV and AIDS (among other factors). Increasing demands for services (health, welfare, cemetery lands, etc.) are being coupled with declining economic growth (through loss of productivity, declining investment) and increasing poverty and vulnerability among those losing income-earning household members and/or gaining additional dependents. The functioning of the municipality, as workplaces, is also being challenged by loss of staff due to AIDS.

While it is not appropriate to expect all municipalities to roll out extensive HIV and AIDS programmes, in general they can play an important role in identifying local needs, mainstreaming HIV and AIDS activities within LGA departments,

and coordinating local responses (i.e., facilitating partnerships). The fight against HIV and AIDS requires good governance in its most basic form: inclusive and accountable priority setting and managing partnerships for effective service delivery at the local level.

### **7.6.3 Internal and external dimensions of mainstreaming**

There are two interlinked dimensions of mainstreaming: internal and external. For these two dimensions, the process involves engaging with two sets of issues concurrently:

**Internal** • Identifying and responding to factors – individual, organizational and societal – that are likely to increase vulnerability to HIV infection for sector staff, immediate family members and community

- Recognizing and pre-empting, reversing or mitigating likely impacts of HIV and AIDS on staff and on the organization as a whole

**External** • Identifying and responding to factors that are likely to increase vulnerability to HIV infection for communities or those considered clients of the sector

- Recognizing and pre-empting, reversing or mitigating likely impacts of HIV and AIDS on those considered clients of the sector – and the communities it works with – and on broader sector mandates
- Understanding what the national HIV and AIDS priorities are

**Internal** mainstreaming is related to HIV and AIDS policies, guidelines and activities for sector employees. A sector often starts with the internal domain especially when the workplace is vulnerable to infection due to work-related situations such as frequent travel or working in remote areas away from family and home.

**The following are examples of activities within the municipality and the external mainstreaming**

#### **Examples of activities within the municipality**

##### **Prevention of HIV infection through IEC/BCC:**

- Weekly facilitated discussions or meetings on HIV and AIDS-related topics among staff in departments
- Peer education at the various levels within the organization
- HIV and AIDS/STI material distribution
- Promotion of voluntary counselling and testing (VCT) through one-on-one staff counselling and referrals
- Referral linkage with health facilities for STI management among staff

##### **Prevention of HIV infection through the promotion of ABC (Abstinence, Be faithful and proper use of Condoms)**

- Education on abstinence and faithfulness
- Demonstrations of proper female and male condom use for various levels of staff
- Make condom widely available in the workplace and the community

##### **Provision of treatment, care and support to staff and families:**

- Provide HIV and AIDS counselling services to employees & their families
- Revise health and workplace insurance to provide for ART
- Establish support groups for HIV-positive employees and their families
- Establish a support fund for affected families and orphans of employees
- Initiate annual/bi-annual/quarterly food and clothing drives to support affected families and orphans of employees

#### **Examples of External mainstreaming**

- Initiation of sustainable livelihood schemes by poverty reduction sector
- Introduction of early maturing/high protein crops for communities in the agricultural sector
- Provision of scholarships for orphans and vulnerable children in the education sector
- Review and enforcement of the legal framework for prevention and protection against rape and sexual violence by the social and legal sectors
- Revision of land acquisition laws that prevent access by women
- Factoring HIV and AIDS into the national budget and medium-term expenditure by the finance and planning sector

## **EXAMPLES OF KEY RESULTS OF MAINSTREAMING HIV AND AIDS**