

CHAPTER ONE: CONCEPTUAL BACKGROUND

1.1. Introduction

The Local Government Municipal Systems Act (MSA), No.32 of 2000 as amended and other relevant supplementary legislative and policy frameworks require that local government structures prepare Integrated Development Plans (IDPs). In accordance with Sect. 25 of MSA, 2000, “each municipal council must within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality. Furthermore, section 25(3)(a) requires that: “ a newly elected municipal council may within prescribed period after its elected term refer to in subsection (1), adopt the IDP of its predecessor, provided that provisions of MSA Sect. 29 (1) (b) (i), (c) and (d) are complied with.”

Accordingly, a newly elected municipal council that adopts the IDP of its predecessor with amendments must effect the amendments in accordance with the process in section 34(b) of the Act. The current council acted in accordance with above-mentioned sections of MSA, The current IDP will henceforth, be reviewed annually to re-assess and re-evaluate Municipal’s development priorities and challenges and to accommodate new developments in local governance processes. Therefore, this captures the completed processes so far as part of the review of the IDP 2012 to 2017 for Victor Khanye Local Municipality.

1.2. What is Integrated Development Plan and its Status

The IDP is a plan that applies to the entire municipality based on the development plans of Provincial and National spheres of Government. The IDP is the basis for municipalities to:

- i. Identify its key development priorities;
- ii. Formulate a clear vision, mission and values;
- iii. Formulate appropriate strategies;
- iv. Develop appropriate organisational structure and systems to realise the vision and the mission; and
- v. Align resources with the development priorities.

The IDP is a plan aimed at integrating development and management of the area of jurisdiction of the municipality concerned in terms of its powers and duties, and which is compiled having regard to the relevant legislation. It is a process by which the planning efforts of different spheres and sectors of government and other institutions are coordinated at local government level. The IDP is a legislative requirement and as such has a legal status. It supersedes all other plans that guide development at local government level.

1.3. Legislative Framework

Municipalities are guided by various legislations and policies, which have been carefully considered whilst compiling this document. Amongst these legislations is the Constitution of the Republic of South Africa, (Act no 108 of 1996), hereinafter referred to as the Constitution, Local

Government: Municipal Systems Act (32 of 2000), MSA, the Local Government: Municipal Finance Management Act, (56 of 2003), hereinafter referred to as MFMA.

Chapter 5 of the MSA specifies that: “each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive, and strategic plan for the development of the municipality, which:

- ✓ Links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;
- ✓ Aligns the resources and capacity of the municipality with the implementation of the IDP;
- ✓ Forms the policy framework and general basis on which annual budgets must be based; and
- ✓ Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of the legislation.”

Section 21 of the MFMA stipulates that: “the Mayor of a municipality must coordinate the processes for preparing the annual review of the municipality’s integrated development plan and budget ,at least 10 months before the start of the new budget year, table in the municipal council a time schedule outlining key deadlines for -

- i. The preparation, tabling and approval of the annual budget;
- ii. The annual review of –
 - a) the integrated development plan in terms of section 34 of the Municipal Systems Act; and;
 - b) the budget related policies;
 - c) the tabling and adoption of any amendments to the integrated development plan and budget related policies; and
 - d) any consultative processes forming part of the processes referred to in subparagraph (i) and (ii).”

1.4. Why is it Necessary to Have an IDP?

The IDP is first and foremost a constitutional obligation. The Constitution provides the legal basis to the existence and functioning of the local sphere of government. In section 152 (1) the constitution directs local government to:

- (a) provide democratic and accountable government for local communities;
- (b) ensure the provision of services to communities in a sustainable manner;
- (c) promote social and economic development;
- (d) promote a safe and healthy environment; and
- (e) encourage the involvement of communities and community organizations in the matters of local government

Section 153 of the Constitution provides further that municipalities, in execution of its developmental duties, must:

- (a) *Structure and manage its administration and budgeting and planning process to give priority to the basic needs of the community and to promote the social and economic development of the community; and*
- (b) *Participate in national and provincial development programmes*

To give concrete expression to the Constitutional provisions section 34 of the MSA provides that:

“a municipal council:

- (a) *must review its IDP—*
 - i. *annually in accordance with an assessment of its performance measurements in terms of section; and to the extent that changing circumstances so demand; and*
 - ii. *may amend its integrated development plan in accordance with a prescribed process.”*

The IDP also has a number of developmental benefits, which include, but are not limited to:

- i. *Allocation of scarce resources to maximize effect and to ensure priorities are met;*
- ii. *Effective use of available capacity;*
- iii. *To ensure sustainable development and growth;*
- iv. *To facilitate credible accessibility to local government by citizens;*
- v. *To enable active citizen participation in local government;*
- vi. *Providing access to development funding;*
- vii. *Encouraging both local and outside investment; and*
- viii. *Building capacity among councillors and officials.*

1.5. Who are the IDP Stakeholders?

The purpose of integrated planning is to bring together all fragmented, but related, parts, so it follows that everyone who has an interest in those parts should be involved. By virtue of its jurisdictional responsibility, the municipality is the custodian of the IDP. In this role, the municipality must take responsibility for the leadership of and participation in the process. The participation of all stakeholders is both a development means as well as its end while community participation is both a fundamental feature and a legislative requirement of the IDP process. The municipality is therefore not only required to drive the process but also to ensure participation of:

- i. *councillors, staff and all departments;*
- ii. *Business and labour organisations;*
- iii. *NGOs, CBOs and civic organisations;*

- iv. Traditional leaders; and
- v. National and provincial departments;
- vi. State agencies and institutions

1.6. Inter-Governmental Planning

Integrated development planning promotes intergovernmental co-ordination by facilitating a system of communication and co-ordination between local, provincial, and national spheres of government. Local development priorities, identified in the IDP process, constitute the backbone of the local governments' budgets, plans, strategies, and implementation activities. Hence, this IDP forms the policy framework on which service delivery, infrastructure development, economic growth, social development, environmental sustainability and poverty alleviation rests. This IDP therefore becomes a local expression of the government's plan of action as it informs and is informed by the strategic development plans at national and provincial spheres of government.

1.6.1 Inter-Governmental Relations Structures

Victor Khanye Local Municipality has prepared this IDP review, which will guide its development programmes first during 2013-2014 period and subsequent outer years until the end of Council office term. The municipality is taking advantage of the established platforms created to foster relationship between all three spheres of government. To mention but few is the following:

- i. Premier's Coordinating Forum;
- ii. Provincial Management Committee
- iii. Nkangala District Municipality Fora for Speakers, Mayoral Forum, Chief Whips, Municipal Managers, CFO's, IDP/LED, and many more according to different functionaries of the municipalities,

In addition to the above, the Municipality has established its own structures to enhance relationship between all three spheres of government:

- i. Intergovernmental Forum; (between the Municipality and local sector departments)
- ii. LED Forum;
- iii. IDP Representative Forum;
- iv. IDP Technical Committee; and
- v. IDP Working Groups.

1.6.2 MEC's assessment reports

Section 32 (1) (a) MSA mandates the municipal manager of a municipality to: *"submit a copy of the integrated development plan as adopted by council of the municipality, and any subsequent amendment to the plan, to the MEC for local government in the Province within 10 days of the adoption or amendment of the plan"*. Victor Khanye Local Municipality adopted its 2012/13 reviewed IDP on 26 March 2012 and was received by the Mpumalanga Department of Co-operative Governance and Traditional Affairs on the 12 April 2012. The table below contains the

comments/recommendations from the MEC for the 2012/13 IDP review document. Victor Khanye Local Municipality has also provided corrective actions to resolve findings emanating from the assessment.

Table 1: Comments/recommendations from the MEC for the 2012/13 IDP review

Focus	Findings	Corrective Action/Recommendation
Quality and presentation of the information	The IDP document has chapters in the table of content that are not in the actual IDP document.	Reviewed the table of content and ensured that all information in IDP is correlates to the table of content.
SWOT Analysis	No finding.	SWOT Analysis has been updated as per the Strategic Planning Lekgotla held on 21-23 May 2012.
Public Participation Mechanisms	No finding	The municipality to develop communication strategy to enhance their communication with the community.
IDP Planning Process	No finding	Maintain the current IDP Planning Process.
Municipal Priorities	There is no clear linkages between how priorities will be incorporated and how they are addressing the MDG's and MTSF and the New Growth Path.	Develop Goals and Objectives Map for the Municipality. Linked the Government Outcomes to the Goals and Objectives Map and Projects.
Municipal Projects	Projects addressing identified key service delivery challenges as indicated per each priority issue in the IDP.	Developed Organisational Performance Scorecard that links Goals, Objectives and Projects.
Sector Plans	Status quo of applicable sector plans	Status report of the Sector Plans to be updated and incorporated into the revised IDP. The revised IDP
	Alignment of IDP with	

Focus	Findings	Corrective Action/Recommendation
	Provincial Sector Plans from Departments	to clarify and outline the role of VKLM and Provincial Sector Department in delivering on the priorities. Develop a PoA to develop the sector plans and incorporate it into the revised IDP.
	Crucial sector plans are not incorporated into the IDP	
Key Performance Indicators	The indicators are not specific, not measurable and not verifiable	Outcomes Based Planning Methodology utilised in the development of the KPIs for the revised IDP.
Performance Management System	There is no evidence of Performance Management System	Review the Performance Management System Policy and institutionalise PMS in the municipality. Incorporate the PMS Policy into the revised IDP
Terminology	Use of Terminology on some of the IDP chapters is not consistent to applicable legislation	VKLM to develop glossary of terms to be utilised by the municipality.
Five Year Financial Plan	No five year financial plan in place	VKLM to develop the five-year financial plan and incorporate into the IDP.

1.7. IDP Institutional Arrangements

It is critical that the various IDP stakeholders are not only consulted but also fully involved in the IDP process. To achieve this, the VKLM has approved the specific institutional arrangements as illustrated in the table below.

Table 2: IDP Institutional Arrangements

IDP Structure	Function, Structure, Roles and Responsibilities
<p>Mayoral and Management Committee</p>	<p>The purpose of Management and Mayoral Committee is to formulate service delivery related projects and programme proposals in terms of the following:-</p> <ul style="list-style-type: none"> • Objectives • KPA's • Measures • Targets • Ward location • Target dates • Responsibility • Cost/ budget implications • Identification of source of finance
<p>Municipal Manager</p>	<p>The Municipal Manager is responsible for managing, monitoring, and implementing the overall IDP process, assisted by the Strategic Support Manager, IDP Assistant Manager, the IDP Steering committee, and officials. The terms of reference include:</p> <ul style="list-style-type: none"> • Preparing the process plan. • Undertaking the overall management and co-ordination of the planning process by: • Nominating persons in charge of participation and involvement of all different role-players. • Ensuring that the time frames are being adhered to. • Ensuring that the planning process is horizontally and vertically aligned and complies with national and provincial requirements. • Ensuring that conditions for participation are provided. • Proper documentation of the results of the planning of the IDP document.
<p>Heads of Departments/ Executive Directors</p>	<ul style="list-style-type: none"> • Providing relevant technical, sector and financial information for analysis for determining priority issues. • Contributing technical expertise in the consideration and finalization of strategies and identification of projects. • Providing operational and capital budgetary information. • Being responsible for the preparation of project proposals, the integration of projects and sector programmes.

	<ul style="list-style-type: none"> • Being responsible for preparing amendments to the draft IDP for submission to the municipal council for approval and the MEC for local government for alignment.
<p>IDP Steering Committee</p>	<p>The IDP Steering Committee of VKLM assisted the Municipal Manager in guiding the IDP process. It comprised the following members:</p> <ul style="list-style-type: none"> • Municipal manager and Executive Directors • Unit/ Programme Managers <p>The terms of reference of the IDP Steering Committee included the following:</p> <ul style="list-style-type: none"> • Providing terms of reference for the various planning activities. • Establishing working groups • Commission research studies. • Consider and comment on: <ul style="list-style-type: none"> <i>Inputs from working groups, study teams and consultants.</i> <i>– Inputs from provincial sector departments and support providers.</i> <i>– Process, and summarize documents and outputs.</i> <i>– Make content recommendations.</i> • Define the terms of reference for the IDP Representative Forum. • Inform the public about the establishment of the IDP Representative Forum. • Identify stakeholders to be part of the Forum in such a way that the public is well represented.
<p>IDP Representative Forum</p>	<p>The IDP Representative Forum is chaired by the Executive Mayor or a councillor nominated by her and serves as the organizational mechanism/platform for discussion, negotiation, and decision-making between stakeholders within the municipal area.</p> <p>The terms of reference for this structure included:</p> <ul style="list-style-type: none"> • Represent the interests of constituents in the IDP process. • Provide an organizational mechanism for discussion, negotiation and decision-making between the stakeholders and municipality.

	<ul style="list-style-type: none"> • Ensure communication between all the stakeholders' representatives. • Monitor the performance of the planning and implementation process.
<p>Working groups</p>	<p>The working groups to be established in terms of the municipal Key Focus Areas so as to harness the strategic and implementation oriented nature of the IDP. Comprises of: Municipal officials/level 1-3 Managers (Mandatory) Sector departments HOD's, planners, business, Civil society. The major functions to be discussed are as follows:</p> <ul style="list-style-type: none"> ▪ Interest groups Facilitate discussion and resolutions of issues pertinent to specific municipal key focus areas. ▪ Consider and make recommendations on items submitted ▪ Facilitate discussion of pertinent issues affecting governments and stakeholders ▪ Determine methodology to be followed in order to meet the deadlines of the process plan. ▪ Commissioning of research studies where applicable. ▪ Consider and commenting on inputs from sub-committees, study teams and consultants ▪ Consider inputs and commenting from Provincial sector departments and support provides <p>Process, summaries and document outputs</p>

1.8. What is an IDP Process Plan?

The MSA requires that municipalities draw up an IDP Review Process Plan, which details the institutional arrangements, work plan, and public participation. On 31st July 2012, the VKLM IDP Review Process Plan for 2013/2014 was approved and adopted by Council.

The IDP review process has involved a number of interactive consultative sessions, which have enabled the municipality to formulate a perspective of the existing situation, identify priority issues, select and prioritise projects and finalise its annual budget. The review process also involved the updating of the municipal state of development as well as the review of its long-term goals, the vision, and objectives through the Vision 2030 developed in May 2012. The synchronization of planning activities between district and local municipalities is essential to ensure that the planning activities occur and outputs are available more or less simultaneously so that the joint and complimentary responsibilities of the municipalities can be undertaken for all and by all responsible, at the same time. This approach will avoid duplication of the required joint

processes and maximize the use of limited human resource capacities. The review and implementation of the 2013/14 IDP will comprise of five (5) phases as follows:

a) Preparatory Phase

Before starting with the planning process, an IDP Process Plan must be set out in writing in terms of the legislation in order to ensure proper management of the planning process. Secondly, it must comply with the provisions of the district framework plan in terms of the binding national and provincial planning frameworks, mechanisms, and processes stipulated in the framework plan of the district.

b) Analysis Phase

During this phase, information was collected on the existing conditions within the municipality. When assessing the existing level of development in the municipality, the level of access to basic services and those communities that do not have access to these services were identified. Focus was on the type of problems faced by community in the area and the causes of these problems. Identified problems were assessed and prioritised in terms of what is urgent and what needed to be done first. Priority issues highlighted were revised and confirmed during this phase. Community meetings, stakeholder meetings, surveys, opinion polls and researched information formed the basis of this phase.

c) Strategies Phase

The Municipality began to contemplate on the best possible strategies to tackle the identified challenges. Critical in this process was to ensure a focused analysis. Municipal vision was confirmed and development objectives containing clear statements of what the municipality would like to achieve in the medium term to deal with the problems outlined in the first phase. Internal transformation needs and council's development priorities were taken into account when formulating objectives. This process involved strategy workshops, stakeholder engagements, public hearings, engagements with sector Provincial and National Departments, social partners, interest groups and organized civil society.

d) Projects Phase

During this phase, the municipality worked on the designs and content/specifications of projects identified during the prior phases. Clear targets were set and indicators worked out to measure performance as well as the impact of individual programmes and projects. The identified projects were directly linked to the priority issues and objectives identified. The views of the affected communities were taken as a priority. The project technical committees and their subcommittees were able to distinguish between the strategic municipal-wide development programmes and the localized community-level projects.

e) Integration Phase

After all projects had been identified, they were aligned with the objectives and strategies, in order to comply with legislation. The identified programmes/projects, together with those of Nkangala District Municipality, sector departments and private social partners were all refined and confirmed.

f) Adoption Phase

The Draft IDP was tabled on the 24 January 2013 In terms of Section 36 of the MSA: “a municipality must give effect to its IDP and must conduct its affairs in a manner, which is consistent with its Integrated Development Plan”. The adopted IDP must inform the budget of the municipality. It is critical to note that after adoption of the IDP, a summary of thereof must be publicized in terms of Section 25(4) (b) of the MSA.

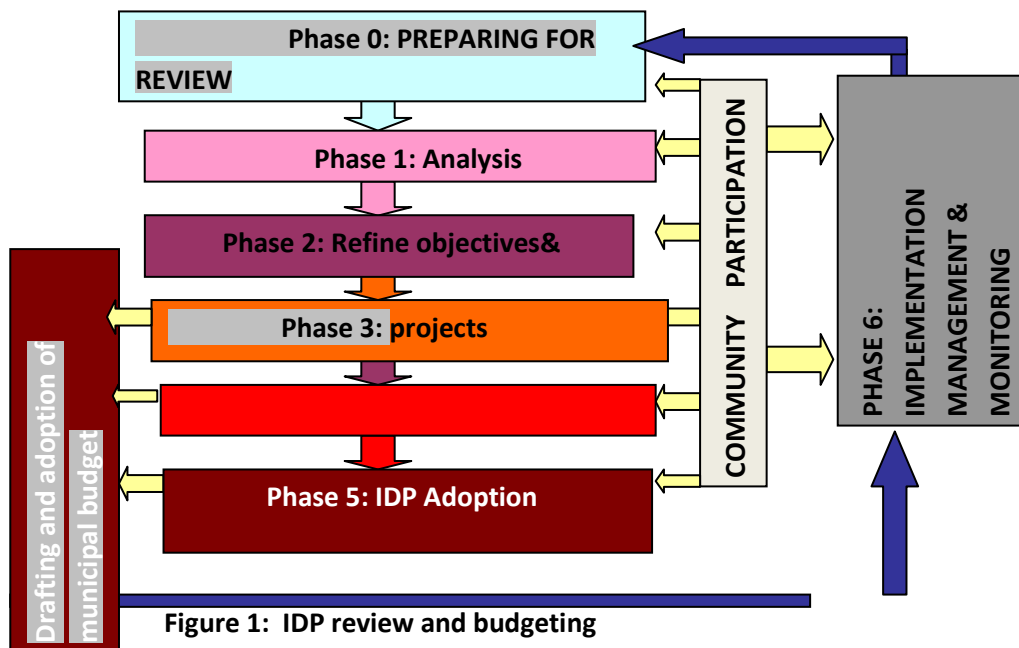


Table 3: IDP Activity Plan

Activity	Dates as per MFMA calendar	Timeframe	Responsible person
Table in Council Budget & IDP time schedule (process plan) of key deadlines which includes timing for development of policies and process of consultation	31 July 2012	31 July 2012	CFO & Strategic Support
Establish appropriate committees and consultation forums and plan programme of internal & public meetings, to update community needs analysis and obtain feedback on past year's performance	25 May	02 August 2012	IDP Manager
Advertise budget and IDP time schedule in terms of budget consultation policy	02 August 2012	02 August 2012	
Commence process of review of IDP and service delivery mechanisms to gauge impact of new or existing service delivery agreements and long-term contracts on budget where appropriate	1 July 2012	1 July 2012	
Determine strategic objectives for service delivery and development including backlogs for next three year budget including reviews of other municipal, provincial and national government sector and strategic plans	02 Aug. 2012		
Training of Ward Committees	29-30 January 2013		
Conduct Ward IDP Outreach programmes to identify community needs & priorities and Ward Based Planning & Budgeting	July 2012 – Feb 2013		IDP Manager
Conclude process of consultation on tabled budget with community and other stakeholders and assist Executive Mayor to revise budget following feedback, (taking into account the results of the third quarterly (section 52) report	22 January 2013		
Consider the views of the community & other stakeholders			
Tabling of the draft IDP, publication for inputs	24 January 2013		IDP Manager

IDP Indaba	22 February 2013	
Respond to submissions received and if necessary revise.	25 February 2013	
IDP approval/adoption	20 March 2013	
Forward IDP and relevant documents to National & Provincial Treasury, MEC for Department of Co-operative & Traditional Affairs	04 April 2013	Municipal Manager

1.9 Public Participation Process

One of the main features about the planning process undertaken by the Victor Khanye Local Municipality is the involvement of community and stakeholder organisations in the process. Participation of affected and interested parties ensures that the IDP addresses the real issues that are experienced by the citizens of a municipality. To further strengthen community engagement the Municipality has established 9 functional Ward Committees. In collaboration with the Ward Councillors, Ward Committee Members, and CDWs, the following issues were identified:

Table 4: Community Needs that were raised during Consultative meetings (2012/13).

a. Ward 1: Cllr M Nhlapho

Scope	Issues
1. Housing	RDP Houses to be plastered .e.g. House 609 Segone Street
2. Unemployment	High unemployment within the municipality
3. Solid waste dustbins	Need for dustbins and a criteria for distribution
4. Leaking roofs	Rain water gets into the houses
5. Odour from sewage	WWTW smell
6. Removal of asbestos roofs	Clear criteria to determine the cost for each household to repair asbestos roofs. As it does not cover all houses

a. Ward 2: Cllr Yeko

1. Feedback information	Clarity on time-frame to resolve outlined issues
2. Rates for water services	Water tariffs are too high.

3. Housing	Standard time for waiting for a RDP house
4. Leaking	There is a need to repair the roof at 656 Mandela Street
5. Waste	There is urgent need to address waste next to Sports centre
6. Jobs	What criterion is used to get into this Mayoral program

b. Ward 3: Cllr Mlambo

1. Odour	The smell from the industry is so bad.
7. Jobs	What criteria is used for Mayoral project selection
8. High mast light	Checking if all high mast poles are working
9. Business sites	Can it be possible to get all business sites around
10. Roads	There is a need to tar all outstanding roads in our ward
11. Geysers	When are we going to get our geysers
12. Water	There is a need for water on regular basis

c. Ward 4: Cllr Buda

1. Housing	There is a need for RDP houses
2. Housing	How do you register on housing data base

d. Ward 5: Cllr Ngoma

1. Housing	We appreciate the fact that we have RDP houses but now they have cracks.
2. Water	Suggestion that our kids need to be trained on how to manage water treatment and resolve water related issues
3. Unemployment	Accessibility to grant after being removed by the department

e. Ward 6: Cllr Shabangu

1. Geysers	Community members need to get information on geysers as they are damaged on how to handle them?
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2. Electricity	Community members needs high mast poles
3. Indigent register officer	Community needs full time indigent register officer
4. Unemployment	Need to deal with unemployment
5. Water	Water gets into houses when it rains

f. Ward 7: Cllr Zulu

1. Houses	Dilapidated houses need to be refurbished
2. Fencing	Fencing must stop at Reitkol to allow all the animals to graze in the same place.
3. Toilets	There is a need for toilets as the current toilets are filled up.
4. Water	There is a need for water tanker at Brakfontein. There is a need for boreholes to get water for drinking.
5. Ploughing land vicinity	Mr Truter plough very close to the houses.
6. Hall	The public hall needs to be renovated.
7. Clinic	The public Clinic needs to be refurbished.

g. Ward 8: Cllr Bath

1. Housing	RDP houses needed
2. Development	At Savannah there is nothing that has to do with development
3. Electricity	Need for electricity connection here at Savannah
4. Toilets	Need the truck to come and drain toilets

h. Ward 9: Cllr Nkabinde

1. Land	Need land for human settlement. Where is an area that is given to community by Mbuelwa mining
2. Water	The water truck not reaching areas of need.
3. R42 road	Need for a criteria used to hire people at R42 Construction
4. RDP	There is a need for RDP houses
5. Toilets	What must be done on issues of toilets smell
6. Employment Criteria in mines.	The companies need list from councillors

1.10. Powers and Functions of Victor Khanye Local Municipality

The following powers and functions are assigned to Victor Khanye Local Municipality In terms of the Municipal Structures Act of 1998 and the Demarcations Board Capacity Assessment Report. The table below reflects Victor Khanye Local Municipality power and functions:

Table 5: Victor Khanye Local Municipality power and functions

Function	Authorised	Provided By
Water and sanitation	Yes	VKLM
Electricity Reticulation	Yes	VKLM
Municipal Roads	Yes	VKLM
Other roads (District and Provincial)	No	NDM
Housing	No	Province
Building regulations	Yes	VKLM
Local tourism	Yes	VKLM
Fire fighting	Yes	VKLM
Street lighting	Yes	VKLM
Traffic and Parking	Yes	VKLM
Trading regulations	Yes	VKLM
Local sports facilities	Yes	VKLM

Municipal planning	Yes	VKLM
Municipal public transport	Yes	VKLM
Storm water	Yes	VKLM
Municipal airport	Yes	VKLM
Billboards and advertising	Yes	VKLM
Control of liquor and food outlet and street Trading	Yes	VKLM
Local amenities	Yes	VKLM
Waste and Cleansing	Yes	VKLM

1.11. Global Imperatives

1.11.1 Millennium Development Goals (MDGs)

The United Nations Millennium Declaration committed global heads of states to making the right to development a reality for everyone and to freeing the entire human race from want. The Millennium declaration, signed by world's leaders of 189 countries in 2000, established 2015 as the deadline for achieving most of the MDGs. The majorities of the MDGs targets have baseline of 1990, and are set to monitor achievements over the period 1990-2015. The objective of the Declaration is to promote "a comprehensive approach and a coordinated strategy, tackling many problems simultaneously across a broad front."

The Declaration calls for halving by the year 2015, the number of people who live on less than one dollar a day (1993 PPP). This effort also involves finding solutions to hunger, malnutrition, and disease, promoting gender equality and the empowerment of women, guaranteeing a basic education for everyone, and supporting the Agenda 21 principles of sustainable development. Vision 2014 provides a series for socio-economic development milestones to ensure progressive attainment of development, which can be summed up as follows:

- i. Access to basic water for all by 2008
- ii. Access to basic sanitation at RDP level by 2010
- iii. All schools and clinics have access to water and sanitation by 2007
- iv. Bucket toilet system to be eradicated by 2006
- v. Electricity to all households by 2012
- vi. Halve unemployment by 2014

- vii. Economic growth of 6% by 2010
- viii. Access to education and health care for all

1.11.2 The National Spatial Development perspective

The National Spatial Development Perspective (NSDP) serves as a spatial planning framework for meeting government's objectives of economic growth, employment creation, sustainable service delivery (with a particular focus on access to basic services), poverty alleviation, and reduction of inequalities, as well as spatial integration. The Presidency has made it clear that the NSDP principles should play an important role in the respective development plans of Local and Provincial Government; namely IDPs and PGDS respectively. The NSDP is premised on five principles, which seek to ensure that investment in infrastructure, and development programmes support government's growth and development objectives. It provides concrete mechanisms that seek to guide spatial planning between the three spheres of government to ensure synchronization in prioritization.

The NSDP confronts the question of where government should invest and focus its programmes in order to achieve sustainable development and economic growth and maximum impact on employment creation and poverty reduction. The logic underpinning the NSDP is that by applying a set of common principles to spatial planning the three spheres of government will align their spatial planning, which, in turn, will lead to consistent development outcomes. Hence, the NSDP is not a plan, blueprint or prescription but a way of thinking about spatial planning. In order to contribute to the broader growth and development policy objectives of government, the NSDP puts forward a set of five normative principles:

Principle 1: Rapid economic growth that is sustained and inclusive is a pre-requisite for the achievement of other policy objectives, among which poverty alleviation is key.

Principle 2: Government has a constitutional obligation to provide basic services to all citizens (e.g. water, energy, health, and educational facilities) wherever they reside.

Principle 3: Government spending on fixed investment should be focused on localities of economic growth and/or economic potential in order to gear up private-sector investment, to stimulate sustainable economic activities and to create long-term employment opportunities.

Principle 4: Efforts to address past and current social inequalities should focus on people, not places. In areas where there are both high levels of poverty and demonstrated economic potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities. In areas with low demonstrated economic potential, government should concentrate, beyond the provision of basic services, primarily on human capital development by providing education and training, social transfers such as grants and poverty-relief programmes.

1.11.3. The Medium-Term Strategic Framework

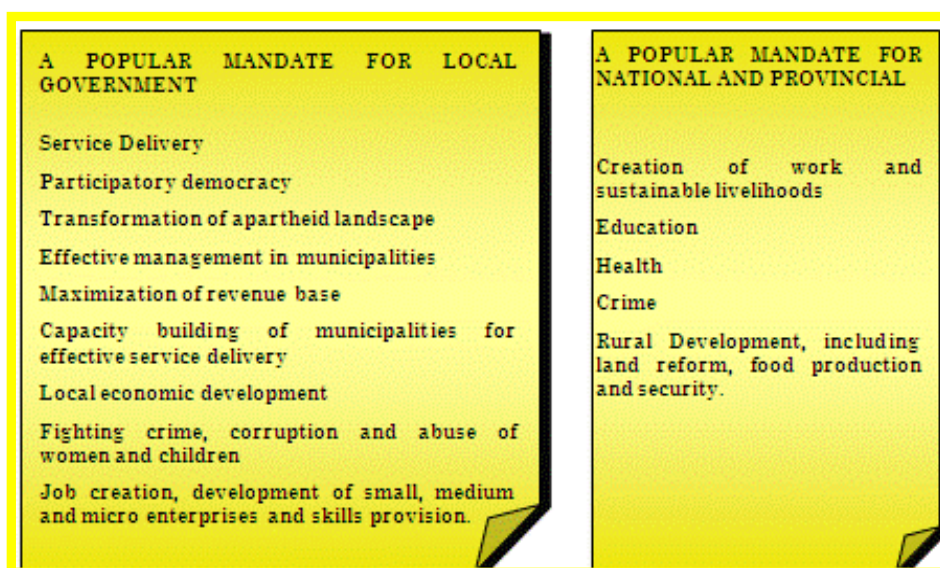
The Medium Term Strategic Framework (MTSF) seeks to identify the major strategic choices that need to be made in order to put the country on a higher trajectory in dealing with poverty and underdevelopment. It is also meant to serve as a backdrop to guide planning and budgeting across the three spheres of government. The document seeks to identify the few critical things that need to be done to define a new trajectory for the country's development. Among these are the key objectives for 2014, which include:

- i. Reduce poverty and unemployment by half
- ii. Provide the skills required by the economy
- iii. Ensure that all South Africans are able to fully exercise their constitutional rights and enjoy the full dignity of freedom
- iv. Compassionate government service to the people
- v. Achieve a better national health profile and massively reduce preventable causes of death, including violent crime and road accidents
- vi. reduce the number of serious and priority crimes and cases awaiting trial
- vii. Position South Africa strategically as an effective force in global relations.

1.11.4 The popular mandate for National and Provincial Government

Guided by the Reconstruction and Development Programme (RDP), the vision for government as a whole is to build a society that is truly united, non-racial, non-sexist, and democratic. Central to this is a single and integrated economy that benefits all within the context of achieving objectives of growing the economy, tackling poverty and unemployment as well as social-inclusion, the popular mandate for Local Government and the mandate for National and Provincial government is determined as depicted in figure 3 below. These are the key matters that government planning and budgeting processes must focus on.

Figure 2 : Popular mandate for government



In line with the above, and culminating from its victory in the 2011 Municipal Elections, the Victor Khanye local Municipality committed itself towards paying particular attention to the following during the next five years.

- i. Build local economies to create more employment, decent work, and sustainable livelihoods;
- ii. Improve local public services and broaden access to them;
- iii. Build more united, non-racial, integrated and safer communities;
- iv. Promote more active community participation in local government; and
- v. Ensure more effective, accountable and clean local government that works together with national and provincial government

1.11.5 Mpumalanga Growth and Development Strategy

The purpose of the review is to ensure that the Mpumalanga Provincial Growth and Development Strategy, herein referred to as Mpumalanga Provincial Growth Development Strategy, takes into account the current socio-economic policy environment. This includes the pronouncements in vision of 2014, the harmonisation of the Mpumalanga Provincial Development Strategy with the National Spatial Development Perspective and the Integrated Development Plans of Municipalities. It also ensures that there is a monitoring and evaluation system that will enable regular and meaningful feedback on the performance of the strategy.

The aim of the Mpumalanga Provincial Growth Development Strategy is to articulate quantified targets for Development through a clear strategy framework. This strategic

framework will enable sector Departments, Municipalities and other social partners to prioritise and align their sectoral strategies, plans, and programmes in line with the priorities of Mpumalanga Provincial Growth Development Strategy. The Mpumalanga Provincial Growth Development Strategy gives the Province the opportunity for medium to long term (10 year) strategic planning to prioritise and address major structural deficiencies in the economy and the conditions of society.

1.11.6. State of provincial address – Piorities for our municipalities in 2013

In his State of the Province address, the Premier said that all municipalities have to prioritise the implementation of the Programme of Action for Delivery Agreement on Outcome 9 and Local Government Turnaround strategy in 2013/14 financial year. This will include:

- i. Providing support in the expansion of access to basic services and eliminating backlogs;
- ii. Implementation of integrated municipal support plan;
- iii. Enhancing financial viability;
- iv. Implementing the Community Works Programme, including the programme on clean towns, townships and villages;
- v. Support programmes for operation clean audit in all municipalities;
- vi. Improving public participation to close the social distance between public representatives and communities.

1.11.7. Local Government Turn -Around Strategy

Municipal Turnaround Strategy identified what is referred to as the ‘Local Government Ten Point Plan’. This plan points to the following matters:

- i. Improve the quality and quantity of municipal basic services to the people in the areas of access to water, sanitation, electricity, waste management, roads and disaster management.
- ii. Enhance the municipal contribution to job creation and sustainable livelihoods through LED.
- iii. Ensure the development and adoption of reliable and credible IDPs.
- iv. Deepen democracy through a refined ward committee model.
- v. Build and strengthen the administrative, institutional, and financial capacities of municipalities. Create a single window of coordination for support, monitoring, and intervention in municipalities.
- vi. Uproot fraud, corruption, nepotism and all forms of mal-administration affecting local government.

- vii. Deepen a coherent and cohesive system of governance and a more equitable intergovernmental fiscal system.
- viii. Develop and strengthen a politically and administratively stable system of municipalities;
- ix. Restore the institutional integrity of municipalities.

Emanating from these exercise key issues relevant to the municipality that were identified are:

- i. Basic Service Delivery;
- ii. Public participation;
- iii. Political management and oversight;
- iv. Administration;
- v. Labour relations;
- vi. Financial Management;
- vii. Local Economic Development

1.11.8. National Development Plan (Vision 2030)

South Africa can eliminate poverty and reduce inequality by 2030. It will require change, hard work, leadership, and unity. Our goal is to improve the life chances of all South Africans, but particularly those young people who presently live in poverty. The plan asks for a major change in how we go about our lives. In the past, we expected government to do things for us. What South Africa needs is for all of us to be active citizens and to work together – government, business, communities – so that people have what they need to live the lives they would like.

The plan helps us to chart a new course. It focuses on putting in place the things that people need to grasp opportunities such as education and public transport and to broaden the opportunities through economic growth and the availability of jobs. Everything in the plan is aimed at reducing poverty and inequality. Our view is that government should shift the balance of spending towards programmes that help people improve their own lives and those of their children and the communities they live in. South Africa can become the country we want it to become. It is possible to get rid of poverty and reduce inequality in 20 years. We have the people, the goodwill, the skills, the resources – and now, a plan.

1.12.9 National Planning Outcomes

There are 12 National Outcomes as approved by the National Government. This document focuses mainly on the National Outcome Number 09, which is more related to Local Government operations.

- 1. Quality basic education
- 2. A long and healthy life for all South Africans

3. All people in South Africa are and feel safe
4. Decent employment through inclusive economic growth
5. An efficient, competitive and responsive economic infrastructure network
6. Skilled and capable workforce to support inclusive growth path
7. Vibrant, equitable, sustainable rural communities contributing towards food
8. Sustainable human settlement and improved quality of household life
9. **Responsive, accountable, effective and efficient local government system**
10. Protect and enhance our environmental assets and natural resources
11. Create a better South Africa, a better Africa and a better world
12. An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship.

1.11.10 Local Government Key Performance Areas

This document was prepared in relation to the Local Government Strategic agenda, which are:

- i. Spatial rationale
- ii. Basic service delivery
- iii. Local economic development
- iv. Good Governance and Public participation
- v. Financial viability
- vi. Institutional development and Transformation

CHAPTER TWO: SITUATIONAL ANALYSIS

2.1. Introduction

This section provides an overview of the current state of the Municipality in terms of both the socio economic indicators as well as the state of the municipal administration. The section outlines the regional and local context as well as the SWOT analysis.

2.2 Regional Context

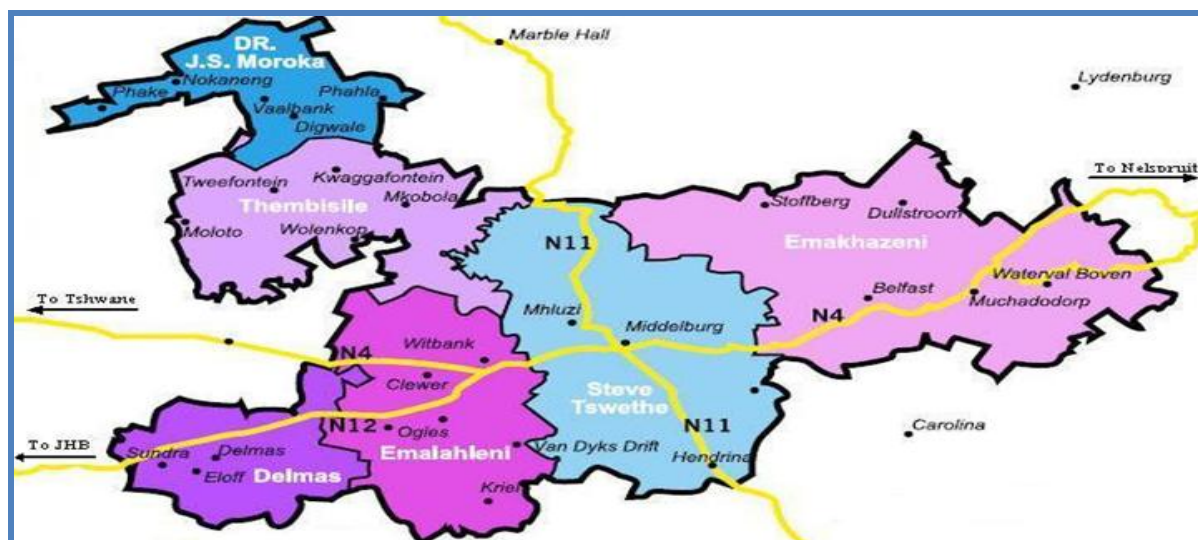
The Victor Khanye Local Municipality is situated on the western Highveld of Mpumalanga Province, covering a geographic area of approximately 1,567 square kilometres. Municipal wards 1 to 5 covers the Botleng area, its extensions, and its rural hinterland; ward 6 covers Delmas and its extensions, and Delpark and its extensions; ward 7 covers the rural area south of Delmas town; and ward 8 covers the Eloff and Sundra areas.

The headquarters of the municipality are in Delmas (a French word meaning small farm) where which has better social and economic infrastructure. Victor Khanye is currently characterized by an increase in mining and related activities in the Leandra area. In addition to mining (concentrating on coal and silica), other important sectors in this area are agriculture (a major provider of food and an energy source – maize); finance and manufacturing (capitalizing on the area's proximity to Gauteng). Natural resources make a significant and direct contribution to the Nkangala District economy, which is 'resource based' (coal, water, land capacity, geographical features, climate, and conservation areas, and ecosystems, natural features).

Economically, the largest contributing sector in the Municipality was transport (at 18.6%). In terms of labour, unlike the Nkangala District, Victor Khanye recorded high labour absorption capacities in electricity. Of all six local municipalities, Victor Khanye registered the highest comparative advantage for agriculture. The regeneration of power stations, as well as the new Kusile power station in the Victor Khanye area could serve as catalyst to increased demand for coal reserves in the Nkangala area. The industrial potential of Delmas (agro-processing) should also be promoted to capitalise on its strategic location in relation to the major transport network.

The N12 freeway has been classified as a development corridor as it links Nkangala with the industrial core of South Africa (Ekurhuleni Metro and Oliver Tambo International Airport) as well as the financial and commercial capital of South Africa – Johannesburg. In Victor Khanye Local Municipality, there is development opportunities along the N12 corridor should be identified and developed. This development will be nodal in nature. It is suggested that economic activity be actively promoted at Delmas in Victor Khanye. Intensive agriculture should be promoted along the N12 Corridor, to capitalise on the access to markets at local and regional level.

Figure: 4. Geographic Map of Nkangala District Municipality



Source: Spatial Development Framework, 2008

2.3. Population Trends and Distribution¹

The population of Victor Khanye Local Municipality has since 2001 increased from 56 207 to 75 452, which is the total growth of 19 245 (Census, 2011). The number of households has increased from 13 409 in 2001 to 20 548 in 2011.

Table 06: Population Trends and Distribution per Race

Age	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-14	7 821	8 013	15 834	9 008	8 984	17 992	10 754	10 531	21 285
15-64	16 894	16 954	33 848	17 745	18 235	35 980	26 516	24 089	50 605
65+	1 017	1 184	2 201	985	1 378	2 363	1 547	2 016	3 563
Total	25 733	26 151	51 884	27 738	28 597	56 335	38 816	36 636	75 452

(Census 2011)

The census results have shown that the number of females is greater than the number of males in Victor Khanye. In terms of percentage, males comprised 49% and females 51%. Since 2001, the male/female ratio has however changed to 51:49.

Table: 7. Population Trends and Distribution per Age and Gender

¹ Victor Khanye Strategic Plan 2010-2013

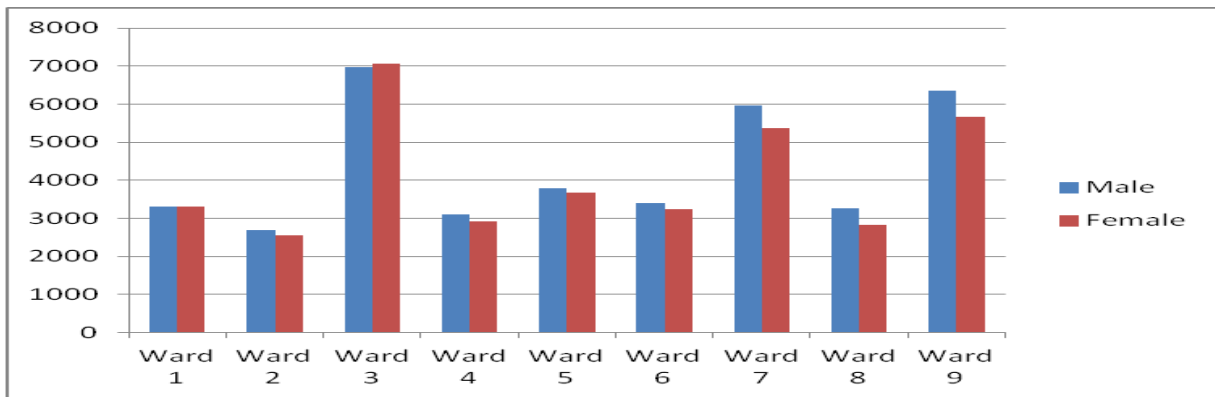
(Census, 2011)

Age Group	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	2 360	2 480	4 840	3 143	3 101	6 244	3 968	4 056	8 024
5-9	2 681	2 633	5 314	2 975	3 000	5 975	3 345	3 318	6 663
10-14	2 737	2 850	5 587	2 891	2 882	5 773	3 412	3 142	6 554
15-19	2 718	2 860	5 578	2 885	2 976	5 861	3 423	3 344	6 767
20-24	2 608	2 791	5 399	2 591	2 656	5 247	4 085	3 509	7 594
25-29	2 506	2 534	5 040	2 534	2 714	5 248	4 154	3 532	7 686
30-34	2 100	2 193	4 293	2 320	2 147	4 467	3 313	2 762	6 075
35-39	1 874	1 838	3 685	1 945	2 127	4 072	2 854	2 544	5 398
40-44	1 610	1 469	3 079	1 649	1 683	3 332	2 429	2 041	4 470
45-49	1 209	1 091	2 300	1 387	1 362	2 749	2 060	2 145	4 205
50-54	954	843	1 797	1 082	1 109	2 191	1 680	1 685	3 365
55-59	725	687	1 412	786	768	1 554	1 379	1 341	2 720
60-64	563	585	1 148	569	694	1 263	1 002	1 144	2 146
65-69	427	448	875	381	447	828	656	702	1 358
70-74	250	289	539	263	391	654	436	535	971
75-79	182	257	439	151	211	362	238	359	597
80-84	98	111	209	137	209	346	126	220	346
85+	54	71	125	52	119	171	87	192	279
Total	25 629	26 030	51 659	27 741	28 596	56 337	38 647	36 571	75 218

Table: 8: Population composition (Ward)

Wards	Male	Female	Total	% Male	%Female
Ward 1	3297	3309	6606	49.9	50.1
Ward 2	2689	2562	5251	51.2	48.8
Ward 3	6969	7065	14033	49.7	50.3
Ward 4	3108	2914	6022	51.6	48.4

Ward 5	3783	3685	7469	50.7	49.3
Ward 6	3403	3241	6644	51.2	48.8
Ward 7	5953	5369	11322	52.6	47.4
Ward 8	3251	2829	6080	53.5	46.5
Ward 9	6363	5661	12024	52.9	47.1
Total	38816	36636	75452	51.4	48.6



(Census, 2011)

From the above chart it can be seen that Ward 3 is more populated, followed by ward 9 and ward 7. These should be treated as priority areas. Programmes of the municipality should be designed in a manner that takes into consideration the extent to which these communities can be reached. These populations account to 49.5% of the population of Victor Khanye local municipality. Equally so, the population of Ward 7, ward 8 and ward 9 constitute of 29426 meaning (38.9%) is living in predominantly rural areas. This poses a challenge in that these communities are in way marginalised in as far as service delivery is concerned.

2.4 Households

Table: 9: Number of household

	Mpumalanga	Nkangala	Victor Khanye
Persons	3998726	1295630	74715
Households	1075488	356911	20548
Average HH size%	3.7	3.6	3.6

(Census, 2011)

Table: 10: Income levels

Level of income	Mpumalanga	Nkangala	Victor Khanye
R 1 - R 400	1696448	540414	30374
R 401 - R 800	834668	236300	12657
R 801 - R 1 600	127293	35898	2257
R 1 601 - R 3 200	447828	144952	9692
R 3 201 - R 6 400	224564	85321	5437
R 6 401 - R 12 800	156334	65206	3658
R 12 801 - R 25 600	127846	50069	2546
R 25 601 - R 51 200	88259	35014	1594
R 51 201 - R 102 400	31699	12718	552
R 102 401 - R 204 800	7820	3047	133
R 204 801 or more	3190	1166	91
R 204 801 or more	2346	877	53
Total	3748296	1210981	69043

(Census, 2011)

This table indicates that 45 288 (60.02%) of the people earn below R1 500.00 which qualifies them to be registered as indigent. The remaining 6409 (8.5%) cannot be accounted for as to whether they are unemployed or self-employed.

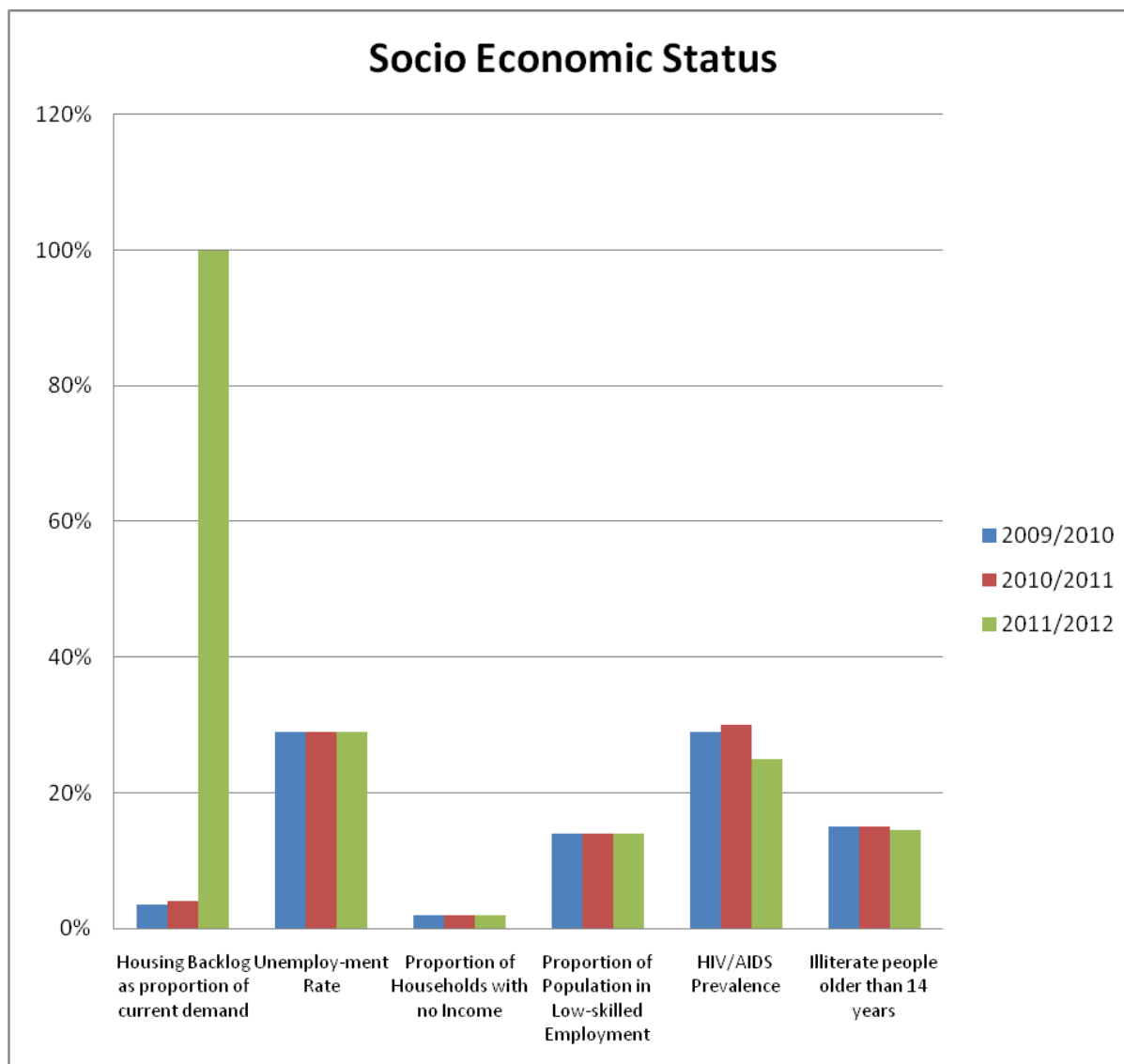
2.5 Language

The most dominant language is IsiNdebele, which is spoken by 57, 3% of the population, followed by IsiZulu (33%) and Afrikaans (2%). The largest variety of languages occurs in the non-urban area.

2.6 Religion

15% of the population attend apostolic churches. 10, 6% of the population attend the Zion Christian Church. 9,6% attend other Christian churches whereas 9,5% attend Pentecostal/Charismatic churches. This implies that Christianity is the most dominant religion in the area.

Figure: 5. Socio Economic Status



(Victor Khanye Local Municipality Annual Report 2010/11)

Table: 11: Educational levels

	Mpumalanga	Nkangala	Victor Khanye
No schooling	325540	92112	5529
Grade 1 / Sub A - Grade 7 / Std 5/ ABET 3	359683	12175	8180
Certificate with less than Grade 12 / Std 10 - Diploma with less than Grade 12 / Std 10	11212	4419	203

Grade 12 / Std 10 / Form 5 - NTC III /N3/ NIC/ V Level 4	695042	248063	13009
Matric+	218140	77793	3511
Total	2312320	797615	46548

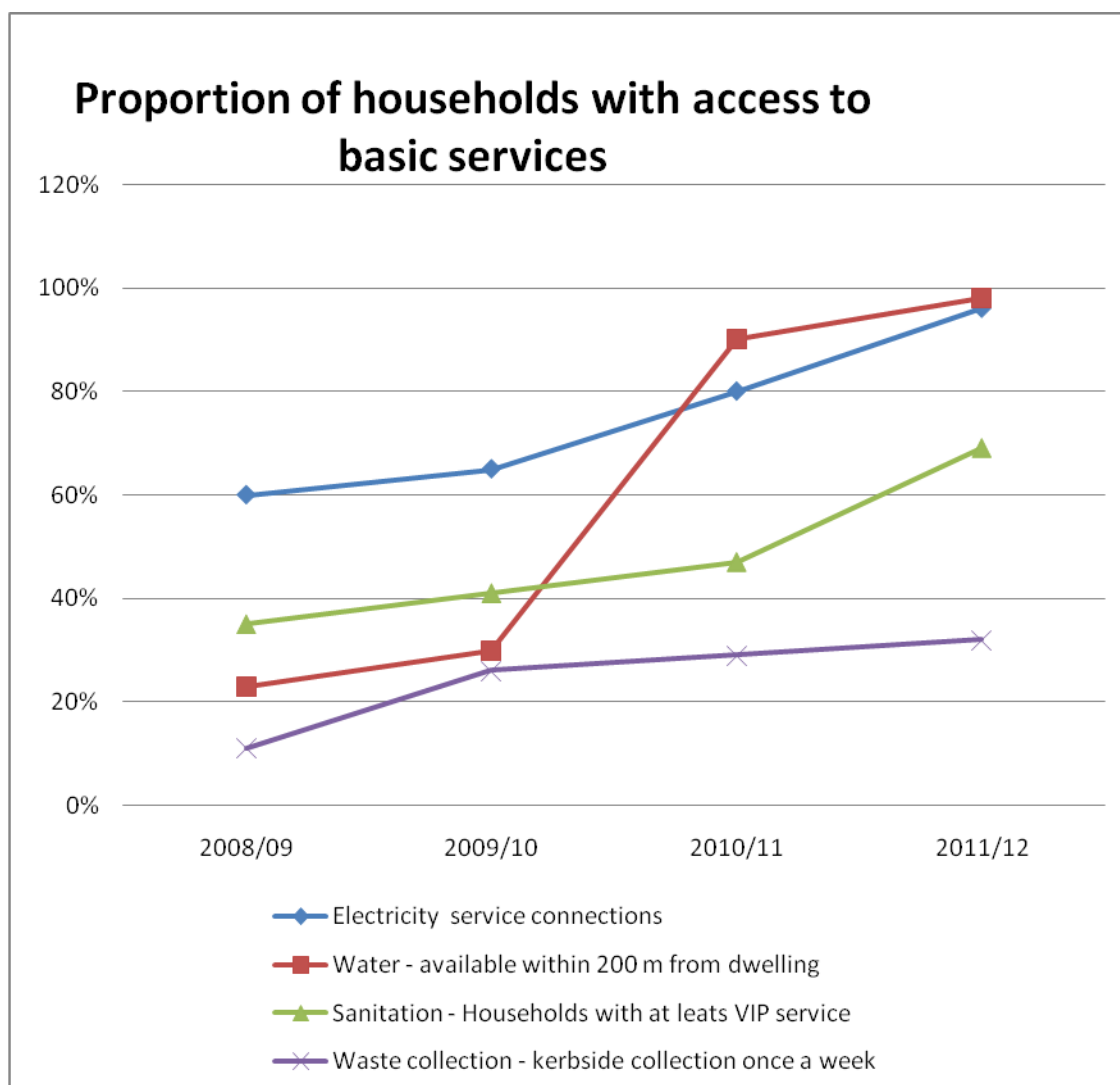
2.7 Attendance at an Educational Institution (age 5-24 years)

5529 of people at Victor Khanye local municipality did not attend an educational institution or do not possess any formal education, compared to 325540 in Mpumalanga. This implies that there are a relatively large proportion of young people who are illiterate in terms of children attend pre-school and school as compared to 71,6% of Mpumalanga 0,8% (175 persons) attended college, technikon and university, compared to 1,3% in Mpumalanga. Only 0,1% (18 people) attended some form of adult education.

2.8 Provision of Services

Access to social and economic services enables people to participate fully in the economy and their communities. When services such as water, energy and transport are available to people, they can spend more time doing profitable work, and communication establishes a vital link between people and the outside world.

Figure 6: Proportion of household with access to basic service



(Victor Khanye Local Municipality Annual Report 2010/11)

i. Water and Sanitation

Approximately 10 000² households out of 13 409 households have access to potable water on their stands, excluding rural areas. The municipal council provides for at least 80% of the households in rural areas with borehole water. The water backlog affects the sanitation directly as most houses without potable water are still using the bucket system, pit latrines or septic tanks. According to the Annual Report 2011/2012, Victor Khanye Local Municipality has a sanitation backlog of at least 32.5% households. Water supply in Victor Khanye, Botleng, Delpark and other Extensions are supplied with water by means of boreholes. With the new development in Botleng Extension 5, Victor Khanye Extension 17 and other residential developments and the expansion of McCain Foods, the demand for water exceeds the supply. The demand for water will be 18ML per day and the boreholes are delivering currently only 16ML per day. Rand Water supplied to Eloff is used to

² Victor Khanye Local Municipality Annual Report 2010-2011

augment the water supply to Victor Khanye, which affect certain areas e.g. Eloff Agricultural Holdings negatively. Higher positioned areas experience water shortages when the level in the reservoirs reaches certain low levels e.g. Botleng Extension 4, Leeupoort Agricultural Holdings, Eloff Agricultural Holdings, Victor Khanye West and Delmas Extension.

The old asbestos water pipes cause high frequency of pipe breakages, which contributes negatively to the water shortage and water quality. The rural communities around Victor Khanye receive their water supply from boreholes. However the communities are scattered all over the Municipal area e.g. Hawerklip situated approximately 21km South East from Victor Khanye and Groenfontein situated 34km North East from Delmas. These communities receive water by means of a water tanker. The majority of the communities live on privately owned lands and the relevant owner would be relevant to provide services to people not working on the farm. Some of these rural boreholes are biologically contaminated, not maintained or functional.

The capacity of the Delmas Sewer Plant is 5MI and the Botleng 4MI; the two plants received almost 7-8MI and 5-6MI respectively per day. Thus, both plants are overloaded. In terms of Section 21 of the National Water Act (act 36 of 1998), wastewater treatment works discharging effluent in to a stream or river must comply with certain standards. Overloaded wastewater treatment plants rarely comply with these standards and further result in improper sludge handling, smell nuisance and substantial increase in maintenance costs. The increase and overload is mainly due to new residential and industrial development. There are number of rural communities which are using pit latrines, which have potential to contaminate ground water. A sewer pipeline at Kgomo Street in Botleng became inadequate with the development of Delpark Extension 4. This sewer pipeline cannot handle the load especially on rainy days. This results in blockages and overflow of manholes. The capacities of the pipes are also no longer sufficient. The resident of Sundra, Eloff, Rietkol, Leeupoort and Modder East Orchard are still making use of septic tanks and pit latrine. These areas are also making use of ground water for household purposes. The existing sanitation infrastructure is at risk of contaminating the ground water.³

Table: 12: Population size per service : Sanitation

	Mpumalanga	Nkangala	Victor Khanye
Flush/Chemical toilet	485791	185818	16806
Pit toilet with ventilation (VIP)	129656	37675	232
Pit toilet without ventilation	364208	114963	1840
Bucket toilet	9365	4558	705
Other	18518	4992	499
Total	1007539	348007	20083

(Census, 2011)

³ **NB: A more detail analysis is contained in the Water Services Development Plan.**

ii. Access to Electricity

Approximately 65%⁴ of the households in the Victor Khanye Municipal area use electricity for lighting. The remaining 35% includes residents of the rural areas and informal settlements or farm dwellers. The electricity network within Victor Khanye Local Municipality is ageing and has become inefficient. The main electricity substation is under severe pressure and needs to be upgraded since the electricity demand is increasing due to the following:

Newly proposed industrial developments e.g. Sefhaku Cement Factory, Shopping Mall Botleng Ext.3 Industrial expansions e.g. McCain Foods. New residential development e.g. Botleng Ext. 5, Delmas Ext.17 and West ridge Estates. The infrastructure within the area supplied by Eskom (Eloff, Sundra, Botleng and Extension 3) needs to be upgraded to ensure that communities receive uninterrupted services.

Table: 13: Population size per race

	Mpumalanga	DC31: Nkangala	Victor Khanye
Electricity	929372	305871	17436
Gas	3019	666	144
Paraffin	11278	4069	151
Candles (not a valid option)	125997	44584	2695
Solar	2619	737	65
Total	1072285	355926	20491

(Census, 2011)

iii. Roads and Storm Water

Roads infrastructure at Victor Khanye area was originally designed for the low volume traffic. The traffic volume has increased due to growth within the industrial and farming sector. Sundra, Eloff, Leeupoort, Rietkol, Botleng and Delpark experience inadequate storm water drainage systems. This result houses are flooded during raining seasons. The estimated number of kilometers of Municipal roads and Provincial roads in and around Victor Khanye is 245 km and 170km respectively (excluding 50km National Roads). 85% of roads within the municipal are dilapidated because of the increased traffic volume especially heavy Motor Vehicles. There is a backlog in terms of maintenance of gravel due to the old equipment and shortage staff. The following areas are still having roads that are not tarred:

- Botleng Proper, Botleng Ext 1,2, 3, 4, and 5, (35 km)
- Sundra and Ellof (65 km)
- Delpark (11 km)

⁴ Victor Khanye Local Municipality Annual Report 2010-2011

The condition of the following provincial roads around Victor Khanye has deteriorated to such an extent that repairing thereof will not be possible. The Victor Khanye /Pretoria /Leandra Road, Ogies road, Eloff road needs be repaired. It is estimated that 59percentage of roads around Victor Khanye need to be upgraded including newly developed areas. There is a challenge in terms of access to the following schools in Botleng Extension 3 and 4: Sizuzile Primary School, Phaphamani and MM Motloun Secondary Schools. Farm schools have been taken over by the Department of Education and as a result, access roads that were previously maintained by farm owners are neglected.

iv. Refuse Removal

According to the 2007 Community Survey 76% of households received a regular service from the municipality, which is 13% higher than previously recorded in 2001

Table 14: Population size per service: Waste Removal

	Mpumalanga	Nkangala	Victor Khanye
Removed by local authority/private company at least once a week	456137	172534	15139
Removed by local authority/private company less often	13998	4886	420
Communal refuse dump	25477	12798	339
Own refuse dump	486180	42106	3798
No rubbish disposal	84979	22346	717
Other	8717	2240	135
Total	1075488	356911	20548

(Census, 2011)

2.9 Spatial Analysis

The spatial structure of Victor Khanye is characterised by the following prominent areas:

- i. **Botleng and its extensions:** predominantly a residential area for people in the lower income levels;
- ii. **Delmas and its extensions:** including business and industrial area, and residential area for people in the middle and higher income levels;
- iii. **Delpark and its extensions:** predominantly a residential area for people in the lower income levels;

- iv. **Eloff**: predominantly an agricultural holding area; and
- v. **Sundra**: predominantly an agricultural holding area.

Functionally, the municipal area comprises of the following functional land use categories:

- i. Developed Urban Areas: Predominantly residential (Delmas, Botleng, and Eloff) with their supportive businesses, social services and industrial developments;
- ii. Agricultural Holding Areas: Primarily extensive residential with numerous non-conforming land uses (Union Forest Plantation, Eloff, Rietkol, Springs and Sundra Agricultural Holdings);
- iii. Informal Settlements (4) as well as the Brakfontein “residential” area (mine);
- iv. Agricultural/ Farming operations; and
- v. mining Component.

Municipal wards 1 to 5 covers the Botleng area, its extensions, and its rural hinterland; ward 6 covers Delmas and its extensions, and Delpark and its extensions; ward 7 covers the rural area south of Delmas town; and ward 8 covers the Eloff and Sundra areas. The rural area of the municipality consists predominantly of extensive commercial farming and mining activities and is located in Ward 9. The municipality is a major maize producing area.

Annual maize production is calculated at between 230, 000 and 250, 000 metric tons. Mining activities are concentrated on coal and silica. About 3 million metric tons of coal and 2 million metric tons of silica are mined annually in the municipal area. The local economy is relatively diversified with the largest sector, in terms of output as well as proportional contribution being the trade sector. The trade sector is followed by the agriculture sector and the mining sector. During recent years, the total output of the agriculture sector experienced significant levels of growth while the mining and minerals sector declined.

LIST OF LOCAL MINES

MINE	LOCATION	STATUS	CONTACT PERSON
Delmas Colliery	Ward 7	Existing	Adreah Tereblance 0136657005
Exxaro Leeuwpan Coal	Ward 7	Existing	Servha Mongwe 0834508467
Staurt Coal	Ward 7	Existing	Fundile Makeleni 0836752342
Continental Coal	Ward 9	Existing	Zacharia Zulu 0724240233
Umthombo Resources	Ward 7	Existing	Sarrie Opperman 0117837996
Keaton Energy	Ward 7	Existing	Isak Nkosi isak@keatonenergy.co.za

Universal Coal	Ward 7	None existing	Minah Moabi	012 4600805
Samquarz	Ward 7	Existing	Juanita Allison	013 665 7200
Bsm Mining	Ward 9	Existing	Simon Mdau	0722869315
Shanduka Coal	Ward 9	Not - Existing	King Nkambule	013 2448165
Honnigsk Sand	Ward 9	Existing	Simon Mokwena	013 243 2639

Chapter 3: Institutional Overview

The following sets out the institutional administration which governs the Integrated Development Planning of VKLM.

5.1 Vision

“Western Mpumalanga Western gateway city for a cohesive developed community.”

5.2 Mission

““To provide quality and sustainable services to the diverse community in a responsive and efficient way for optimum economic growth in order to enhance prosperity. Inspired by desire to be positioned on the global map of attractive cities resulting in a positive impact on investment, jobs, inhabitants, visitors, and events through quality service provision.”

5.3 Values

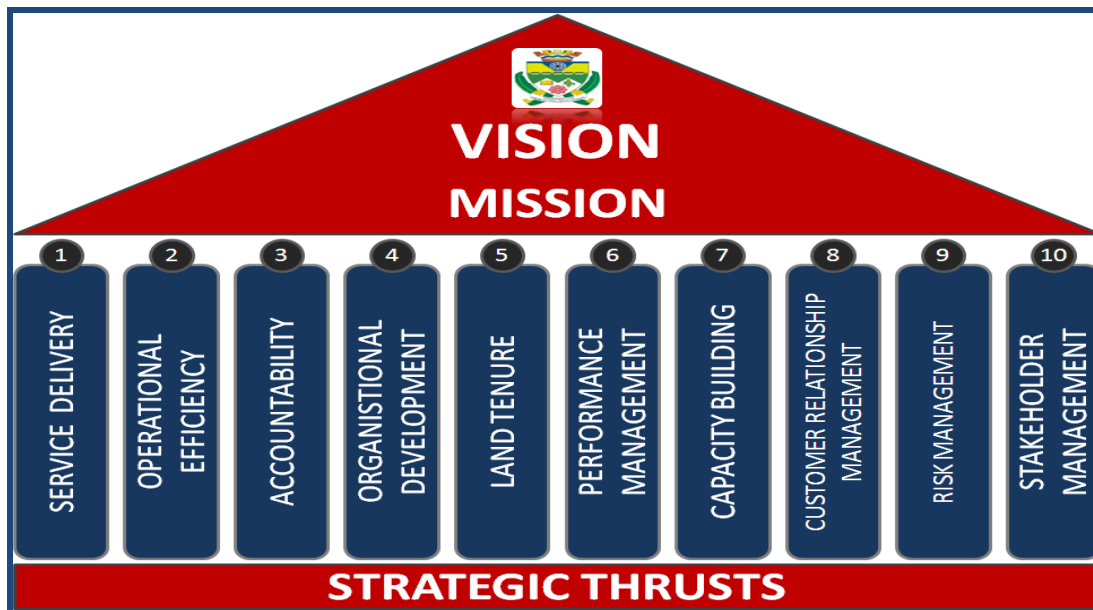
Integrity
Professionalism
Resilient
Openness

5.4 Impact and Outcomes

The IDP review process identified a number of goals and objectives that are aimed at creating a pathway for the municipality to realise its vision. These goals and objectives are aligned to the six Local Government Key Performance Areas as prescribed by the National Department of Cooperative Governance and Traditional Affairs. The goals and objectives are also aligned to the strategic thrusts as identified by the political leadership of the Municipality. The strategic thrusts are the springboard upon which the goals and objectives were developed.

Figure below outlines the strategic thrusts of the Victor Khanye Local Municipality:

Figure 7: Victor Khanye Strategic Thrusts



In line with KPAs and strategic thrusts of the Victor Khanye Local Municipality, the goals are summarised below and briefly discussed:

Goal 1: Improved provision of basic services to the residents of Victor Khanye Local Municipality - this goal addresses the programmes and projects that will be implemented to improve basic service delivery.

Goal 2: Improved social protection and education outcomes - this goal addresses the programmes and projects that will be implemented to improve provision of social services to vulnerable citizens of Victor Khanye Local Municipality;

Goal 3: Improved Compliance to MFMA and Victor Khanye Local Municipality Policy Framework -

Goal 4: Improved efficiency and effective of the Municipal Administration

Goal 5: Improve community confidence in the system of local government

Goal 6: Increase regularisation of built environment

Goal 7: Increased economic activity and job creation

Table 15: Municipal KPAs, Goal and Objective Map

KPAs	Strategic Thrusts	Strategic Goals	Strategic Objectives
KPA 1: Basic Service Delivery & Infrastructure Development	Service Delivery	Goal 1: Improved provision of basic services to the residents of VKLM	1.1. Reduce water and sanitation backlogs
KPA 1: Basic Service Delivery & Infrastructure Development	Service Delivery	Goal 1: Improved provision of basic services to the residents of VKLM	1.2. To provide a quality, adequate water service to all consumers within the municipality
KPA 1: Basic Service Delivery & Infrastructure Development	Service Delivery	Goal 1: Improved provision of basic services to the residents of VKLM	1.3. Reduced housing backlog
KPA 1: Basic Service Delivery & Infrastructure Development	Service Delivery	Goal 1: Improved provision of basic services to the residents of VKLM	1.4. Provide an efficient, safe and economical waste management
KPA 1: Basic Service Delivery & Infrastructure Development	Service Delivery	Goal 1: Improved provision of basic services to the residents of VKLM	1.5. Ensure the general environmental is protected and promoted in a sustainable way.
KPA 1: Basic Service Delivery & Infrastructure Development	Service Delivery	Goal 1: Improved provision of basic services to the residents of VKLM	1.6. Increased access to electricity by all households
KPA 1: Basic Service Delivery & Infrastructure Development	Service Delivery	Goal 1: Improved provision of basic services to the residents of VKLM	1.7. Improved the state of existing roads to better and acceptable standard

KPAs	Strategic Thrusts	Strategic Goals	Strategic Objectives
KPA 1: Basic Service Delivery & Infrastructure Development	Service Delivery	Goal 1: Improved provision of basic services to the residents of VKLM	1.8. Improved storm water drainage system
KPA 1: Basic Service Delivery & Infrastructure Development	Service Delivery	Goal 1: Improved provision of basic services to the residents of VKLM	1.9. Traffic law enforcement on all roads and streets in the municipality to curb speeding and illegal usage of roads and streets by unlicensed drivers and heavy vehicles
KPA 1: Basic Service Delivery & Infrastructure Development	Service Delivery	Goal 1: Improved provision of basic services to the residents of VKLM	1.10. To increase the accessibility of emergency services to the community
KPA 1: Basic Service Delivery & Infrastructure Development	Service Delivery	Goal 2: Improved social protection and education outcomes	2.1. Increased access to the public education
KPA 1: Basic Service Delivery & Infrastructure Development	Service Delivery	Goal 2: Improved social protection and education outcomes	2.2. Eradicate illiteracy in the community
KPA 1: Basic Service Delivery & Infrastructure Development	Service Delivery	Goal 2: Improved social protection and education outcomes	2.3 Reduced social ills such as crime, the increase teenage pregnancy as well as HIV/AIDS through the use sport amongst young people
KPA 1: Basic Service Delivery & Infrastructure Development	Service Delivery	Goal 2: Improved social protection and education outcomes	2.4. Social and culture integration and conservation of important cultural and historic sites-promote and conserve sites

KPAs	Strategic Thrusts	Strategic Goals	Strategic Objectives
KPA 1: Basic Service Delivery & Infrastructure Development	Service Delivery	Goal 2: Improved social protection and education outcomes	2.5. To establish and support facilities and programs helping people with disabilities in our municipality
KPA 1: Basic Service Delivery & Infrastructure Development	Service Delivery	Goal 2: Improved social protection and education outcomes	2.6. To provide integrated and comprehensive pre statutory and early intervention services and programmes to children and their families at risk by 31 March 2012
KPA 2: Financial viability and Finance Management	Financial Viability	Goal 3: Improved Compliance to MFMA and Victor Khanye Local Municipality Policy Framework	3.1. To complete the conversion of all the financial operations into GRAP to fully implement the legislative requirements
KPA 2: Financial viability and Finance Management	Financial Viability	Goal 3: Improved Compliance to MFMA and Victor Khanye Local Municipality Policy Framework	3.2. To reduce water loss and contribute towards the increase of revenue
KPA 2: Financial viability and Finance Management	Financial Viability	Goal 3: Improved Compliance to MFMA and Victor Khanye Local Municipality Policy Framework	3.3. To increase the Efficiency of the Supply Chain Management Processes
KPA 2: Financial viability and Finance Management	Financial Viability	Goal 3: Improved Compliance to MFMA and Victor Khanye Local Municipality Policy Framework	3.4. Reduced Risk Tolerance Level
KPA 3: Institutional Development and Transformation	Organisational Development	Goal 4: Improved efficiency and effective of the Municipal Administration	4.1. Improve the functionality of the organizational structure with the VKLM Strategy

KPAs	Strategic Thrusts	Strategic Goals	Strategic Objectives
KPA 3: Institutional Development and Transformation	Capacity Building	Goal 4: Improved efficiency and effective of the Municipal Administration	4.2. Improve the level of skill level of employees
KPA 3: Institutional Development and Transformation	Organisational Development	Goal 4: Improved efficiency and effective of the Municipal Administration	4.3. Improve the wellness of employees
KPA 3: Institutional Development and Transformation	Organisational Development	Goal 4: Improved efficiency and effective of the Municipal Administration	4.4. Improve the management of EE issues
KPA 3: Institutional Development and Transformation	Organisational Development	Goal 4: Improved efficiency and effective of the Municipal Administration	4.5. Increased compliance to occupational health and safety act
KPA 3: Institutional Development and Transformation	Performance Management System	Goal 4: Improved efficiency and effective of the Municipal Administration	4.6. Increase the roll out of PMS
KPA 3: Institutional Development and Transformation	Operational Efficiency	Goal 4: Improved efficiency and effective of the Municipal Administration	4.7. Improve the ICT infrastructure
KPA 3: Institutional Development and Transformation	Operational Efficiency	Goal 4: Improved efficiency and effective of the Municipal Administration	4.8. To ensure that the municipality buildings, vehicles and equipment are sufficient and well maintained for delivering municipal services

KPAs	Strategic Thrusts	Strategic Goals	Strategic Objectives
KPA 4: Good Governance and Public Participation	Accountability	Goal 5: Improve community confidence in the system of local government	5.1. Increased implementation public participation imperatives
KPA 4: Good Governance and Public Participation	Good Governance	Goal 5: Improve community confidence in the system of local government	5.2. Reduce incidences of Fraud and Corruption
KPA 4: Good Governance and Public Participation	Customer Relationship Management	Goal 5: Improve community confidence in the system of local government	5.3. Improved Customer Relationship Management
KPA 5: Spatial Rationale	Land Tenure and Spatial Development	Goal 6: Increase regularisation of built environment	6.1. To provide a systematic spatial/ land development control
			6.2. To ensure stability in Commercial Agricultural Business
KPA 6: Local Economic Development	Economic Growth and Development	Goal 7: Increased economic activity and job creation	7.1 Economic Growth and Development
			7.2. Increased economic participation by the youths

5.5 SWOT Analysis

Table 16: SWOT analysis

<p>Strength</p> <ul style="list-style-type: none"> ✓ EPWP Performing well - Job Creation ✓ Achieved Blue drop status (Water quality) ✓ Leadership commitment ✓ Have a new MM and Technical Director ✓ Skilled Management Staff ✓ Good historical background ✓ Successive Clean audit outcomes (2 yrs). ✓ Strategic geographic location (N12/N4 route corridor). ✓ Functional PPP initiatives ✓ Culturally diverse communities ✓ Functional Intergovernmental Forum ✓ Municipal learnerships and other forms of financial assistance 	<p>Weaknesses</p> <ul style="list-style-type: none"> ✓ Shortage of solid waste removal containers (dustbins, bulk waste containers) ✓ Compromised fleet/asset management ✓ Lack of ICT Strategy and Systems compromises Municipal Data Security ✓ Nil internal and external communications ✓ IDP not credible and not implementable ✓ Lack of skills in low level employees ✓ Inadequate economic development resources ✓ Dispersed and fragmented urban structure ✓ Compromised integrity of the Indigent Register. ✓ Poor rural focus (municipal services delivery) ✓ Low municipal staff morale ✓ Poor municipal by-laws enforcement
<p>Opportunities</p> <ul style="list-style-type: none"> ✓ Development of Bloemendaal water connection resulting in local job creation 	<p>Threats</p> <ul style="list-style-type: none"> ✓ Poor health conditions of workers ✓ Influx of foreigners

<ul style="list-style-type: none"> ✓ Pending Communication official appointment (community participation) ✓ Forthcoming Development of International Cargo Airport (attraction of investors and new job opportunities) ✓ Anchor development projects ✓ Access to developmental finance for agriculture, tourism and other business ✓ Existing basic municipal infrastructure ✓ Availability of public/private sector learnership and bursaries ✓ Close proximity to markets & exports (GP) ✓ Rehabilitations of coal dumps and mine land resulting in job creation 	<ul style="list-style-type: none"> ✓ Developments in the wetlands ✓ Illegal sand mining ✓ Pollution of the streams ✓ Possible service delivery protests ✓ Uncleared Dolomite sites (severe injuries) ✓ Tensions between the Municipality and the Farming organisation ✓ Loss of institutional memory ✓ IDP and Risk Management plans developed for compliance purposes ✓ No support structures for Business Chambers on the municipal LED Strategy ✓ No Debt collection /credit control strategy and approach ✓ High unemployment rate (poverty). ✓ Poor communication of available economic development opportunities. ✓ Remoteness of municipal service points and amenities for rural communities. ✓ Land invasion (informal settlements) ✓ Shortage of land for future developments ✓ Poor management of Mining Exploration/Development and rehabilitation ✓ Limited local fresh produce
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	<p>resulting in insufficient contribution to food security</p> <ul style="list-style-type: none">✓ High water demands far exceeding supply
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CHAPTER FOUR: PROJECT IMPLEMENTATION

4.1. Introduction

The balanced scorecard is a strategic planning and management system that is used extensively in business and industry, government, and non-profit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals.

4.2. Organisational Scorecard

The Municipal Systems Act, 2000 (Section 45) requires that the results of performance measurements, be audited as part of the Municipality's Internal Auditing processes. In Terms of Regulation 14 (1) of the Municipal Planning and Performance Management Regulations, 2001, of the Systems Act, it is the Municipality's responsibility to develop and implement mechanisms, systems and processes for auditing the results of the performance measurements, as part of its internal audit processes. In addition, the Municipal Finance and Management Act No 56 of 2003, section 165 (2) (b) (v) requires that the Internal Audit Unit of a Municipality, report to the Audit Committee on matters relating to Performance Management.

KPA 1: Basic Service Delivery

Strategic Objective	Strategic Thrust / Programme	Outcome	KPI	KPI Ref	Owner	Baseline 2011/12	Target 2012/13 ⁵	Target 2013/14	Target 2014/15	Target 2015/16	Target 2016/17	Target 2017/18
	Service Delivery (Infrastructure)	Reduced water and sanitation backlogs	% of households with access to basic levels of sanitation (VIP toilets)	1.1	TS	91.1% (13 479) ⁶	92.6% (205)	102% (1250)	(500)	(500)	(500)	(500)
			% of households with access to basic levels of water (stand pipe)	1.2	TS	82.6% (13 479)	85.2% (355)	94.5% (1250)	99.0% (600)	100% (500)	(500)	(500)

⁵ Sourced 2012/13 IDP

⁶ H/hold figure sourced SA Census 2011

Strategic Objective	Strategic Thrust / Programme	Outcome	KPI	KPI Ref	Owner	Baseline 2011/12	Target 2012/13 ⁵	Target 2013/14	Target 2014/15	Target 2015/16	Target 2016/17	Target 2017/18
		Reduced housing backlog	% of households provided living in formal housing units (RDP)	1.3	TS	82.6% (13 479)	85.4% (377)	94.3% (1 200) ⁷	98.8% (600)	100% (168)	(100)	(100)
			% of informal settlements formalised	1.4	TS	4 ⁸	N/A ⁹	2	N/A	N/A	2	N/A
		Improved access to sustainable waste removal	% of households with access to a minimum level of basic waste	1.5	CSS	100% (13 479)	100%	100%	100%	100%	100%	100%

⁷ Actual # of RDP units scheduled for completion each year, subject to confirmation by Dept of Human Settlement

⁸ Sourced from 2011/12 Annual Report

⁹ Project initiated to complete registration process

Strategic Objective	Strategic Thrust / Programme	Outcome	KPI	KPI Ref	Owner	Baseline 2011/12	Target 2012/13 ⁵	Target 2013/14	Target 2014/15	Target 2015/16	Target 2016/17	Target 2017/18
		service	removal (Bags)									
Improved provision of basic services to the residents of VKLM		Increased access to electricity by all households	% of households with access to basic levels of electricity	1.6	TS	82.6% (13 479)	84.5% (258)	93.4% (1200)	95.6% (300)	98.6% (400)	101.2% (400)	(450)
	Service Delivery (Infrastructure)	Improved standard of existing roads	% of required tarred roads provided	1.7	TS	3.2% (141 km) ¹⁰	8.2% (7km)	15.2% (10km)	22.3% (10km)	29.4% (10km)	36.5% (10km)	43.6% (10km)
		Improved storm water drainage	% of required stormwater drainage network	1.8	TS	4.0%	4.6% (0.3km)	N/A ¹¹	14.6%	24.6%	34.6%	46.6%

¹⁰ Extract from 2011/12 Annual Report

¹¹ The forthcoming year 2013/14 will be engaged in the development and approval of the Pavement and Stormwater Master System (PMS and SMS)

Strategic Objective	Strategic Thrust / Programme	Outcome	KPI	KPI Ref	Owner	Baseline 2011/12	Target 2012/13 ⁵	Target 2013/14	Target 2014/15	Target 2015/16	Target 2016/17	Target 2017/18
		systems	provided			(50km)			(5km)	(5km)	(5km)	(5km)
	Service Delivery (Community Services)	Safer road usage	% reduction in the # of road accident	1.9	CSS	0% (300)	N/A	>5% (285)	>5% (271)	>5% (257)	>5% (244)	>5% (232)
		Improved accessibility of emergency services to the community	% response time after hours (10 min) with respect to the request for emergency services	1.10	CSS	85.81%	>85%	>85%	>90%	>90%	>90%	>90%

Strategic Objective	Strategic Thrust / Programme	Outcome	KPI	KPI Ref	Owner	Baseline 2011/12	Target 2012/13 ⁵	Target 2013/14	Target 2014/15	Target 2015/16	Target 2016/17	Target 2017/18
Improved social protection and education outcomes	Service Delivery (Community Services)	Alleviate Poverty	% of (indigents) households with access to free basic services (GKPI)	1.11	FIN	100% (2 700 ¹²)	100%	100%	100%	100%	100%	100%
	Service Delivery (Education)	Upliftment of previously disadvantaged groups	# of learners provided with financial support (Mayoral community programme)	1.12	MM	100%	100%	100%	100%	100%	100%	100%
	Service Delivery (Sport and Recreation)	Improved Recreational and Sporting facilities	% of recreation / sport facilities upgraded	1.13	MM	66.7% (9)	66.7% (9)	100% (9)	100% (9)	100% (9)	100% (9)	100% (9)

¹² As per Indigent register 2012

Strategic Objective	Strategic Thrust / Programme	Outcome	KPI	KPI Ref	Owner	Baseline 2011/12	Target 2012/13 ⁵	Target 2013/14	Target 2014/15	Target 2015/16	Target 2016/17	Target 2017/18
	Service Delivery (Transversal)	Improved community access to municipal services	# of Thusong centre built	++	MM	New Indicator	N/A	N/A ¹³	N/A	1	N/A	N/A
Improved social protection and education outcomes	Service Delivery (Health Services)	Improved access to Municipal Health services	% implementation of the municipalities HIV/AIDS business strategic plan	1.15	MM	New Indicator	N/A	N/A ¹⁴	80%	100%	N/A	N/A

¹³ Refer Project Ref P 1.14 in the 2013/14 SDBIP for progress milestones in the development of the Business Plan

¹⁴ Refer Project Ref P 1.15 in the 2013/14 SDBIP for progress milestones in the development of the new HIV/AIDS strategy

KPA 2: Financial Viability and Finance Management

Strategic Objective	Strategic Thrust / Programme	Outcome	KPI	KPI Ref	Owner	Baseline 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015/16	Target 2016/17	Target 2017/18
Improved compliance to MFMA and VKLM policy Framework	Financial Viability	Full GRAP compliance to legislative requirements	Auditor General Opinion - Unqualified	2.1	FIN	Unqual	Unqual	Unqual	Clean Audit	Clean Audit	Clean Audit	Clean Audit
		Revenue enhancement	% increase in revenue streams ito annual revenue budget	2.2	FIN	New	N/A	2%	2%	2.5%	2.5%	3.0%
		Compliance to Supply Chain Management Regulations	% decrease in reportable deviations to SCM Policy as reported to the MM ito annual budget	2.3	FIN	51	44	2%	2%	2%	2.5%	3.0%

		4.Reduced Risk Tolerance Level	% of AG Management Letter findings resolved	2.4	FIN	80%	81%	82%	85%	85%	90%	90%
		Ensure working liquidity	% service payment level	2.5	FIN	65.0% ¹⁵	70%	68%	70%	72%	74%	75%

¹⁵ Extract from 2011/12 Annual Report

KPA 3: Institutional Development and Transformation

Strategic Objective	Strategic Thrust / Programme	Outcome	KPI	KPI Ref	Owner	Baseline 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015/16	Target 2016/17	Target 2017/18
Improved efficiency and effective of the Municipal Administration	Organisational Development	Effective and functional organizational structure	% approved critical positions filled (post levels 1-4)	3.1	CS	100%	100%	100%	100%	100%	100%	100%
		Attain Employment Equity parity	% of employees from previously disadvantaged groups appointed in the three highest levels of management as per the approved EE plan (GKPI)	3.2	CS	100%	100%	100%	100%	100%	100%	100%
	Capacity Building	Capacitated workforce	% of budget spent implementing the Workplace Skills Plan (GKPI)	3.3	CS	100%	100%	100%	100%	100%	100%	100%

Strategic Objective	Strategic Thrust / Programme	Outcome	KPI	KPI Ref	Owner	Baseline 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015/16	Target 2016/17	Target 2017/18
	Performance Management System	Optimum institutional performance	% improvement in # of KPI's attaining organizational targets	3.4	MM	(45%) ¹⁶	44% (65%)	15% (74.5%)	10% (82.0%)	5% (86.0%)	5% (90%)	5% (95%)
	Operational Efficiency	Effective ICT infrastructure	% implementation of King 3 recommendations in respect of IT risk assessment	3.5	MM	New	5 ¹⁷	60%	90%	100%	100%	100%

¹⁶ Refer Auditor General Management Letter dated 30 November 2012, item 28

¹⁷ Refer 2013/14 Risk Assessment Report

KPA 4: Good Governance and Public Participation

Strategic Objective	Strategic Thrust / Programme	Outcome	KPI	KPI Ref	Owner	Baseline 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015/16	Target 2016/17	Target 2017/18
Improve community confidence in the system of local government	Accountability	Increased community participation	% improvement in ward committee functionality	4.1	MM	75%	80%	90%	100%	100%	100%	100%
	Good Governance	Enhanced Oversight	% of MPAC resolutions raised and resolved per quarter	4.2	MM	70%	75%	90%	100%	100%	100%	100%
		Reduced incidences of Fraud and Corruption	% reduction in reported cases of fraud and corruption	4.3	MM	New	100%	100%	100%	100%	100%	100%

Strategic Objective	Strategic Thrust / Programme	Outcome	KPI	KPI Ref	Owner	Baseline 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015/16	Target 2016/17	Target 2017/18
	Customer/Stakeholder Relationship Management	Improved Employee Satisfaction	% level of employee satisfaction	4.4	CS	New	N/A	<50% ¹⁸	>50%	>65%	>70%	80%
		Improved Customer Relationship Management	% level of community satisfaction with service delivery	4.5	MM	New	N/A	<50% ¹⁹	>50%	>65%	>70%	80%

¹⁸ Employee Satisfaction survey to be implemented in the 2nd Quarter 2013/14

¹⁹ Customer Satisfaction survey to be implemented in the 3rd Quarter 2013/14

KPA 5: Spatial Rationale

Strategic Objective	Strategic Thrust / Programme	Outcome	KPI	KPI Ref	Owner	Baseline 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015/16	Target 2016/17	Target 2017/18
Increase regularisation of built environment	Land Tenure and Spatial Development	Structured spatial / land development	% progress of aligning the local Spatial Development Framework (SDF) with District and other developmental plans ²⁰	5.1	TS	New	N/A	N/A ²¹	100%	N/A	N/A	N/A

²⁰ Incorporating the Provincial Integrated Spatial Rationale, PGDS, NSDP and VKLM Town Planning Scheme

²¹ Alignment of VKLM SDF to other District and Provincial plans

Strategic Objective	Strategic Thrust / Programme	Outcome	KPI	KPI Ref	Owner	Baseline 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015/16	Target 2016/17	Target 2017/18
		Growth of commercial Agricultural business	% implementation of the municipalities Rural Development Strategy aligned to the Comprehensive Rural Development Programme (CRDP) ²²	5.2	TS	New	N/A	N/A ²³	25%	50%	75%	100%

²² Initiative championed by the Department of Rural Development and Land Reform

²³ Development of Local VKLM municipality Rural Development Strategy

KPA 6: Local Economic Development

Strategic Objective	Strategic Thrust / Programme	Outcome	KPI	KPI Ref	Owner	Baseline 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015/16	Target 2016/17	Target 2017/18
Increased economic activity and job creation	Economic Growth and Development	Sustainable job creation	# of EPWP Full Time Equivalent (FTE's) through Capital projects (GKPI)	6.1	TS	180 ²⁴	360	400	400	400	400	400
		Economic Growth and Development	Rand value of new investment (000's) ²⁵	6.2	MM	New	N/A	N/A	< R 500	< R 500	< R 500	< R 500

Table 18: Goal 1: Improved provision of basic services to the residents of VKLM

²⁴ Extract from 2011/12 Annual Report

²⁵ Based on investment from development of Cargo Airport; (multi-year project), Tourist center and other Tourism initiatives

CHAPTER FIVE

5.1 Institutional Outlook

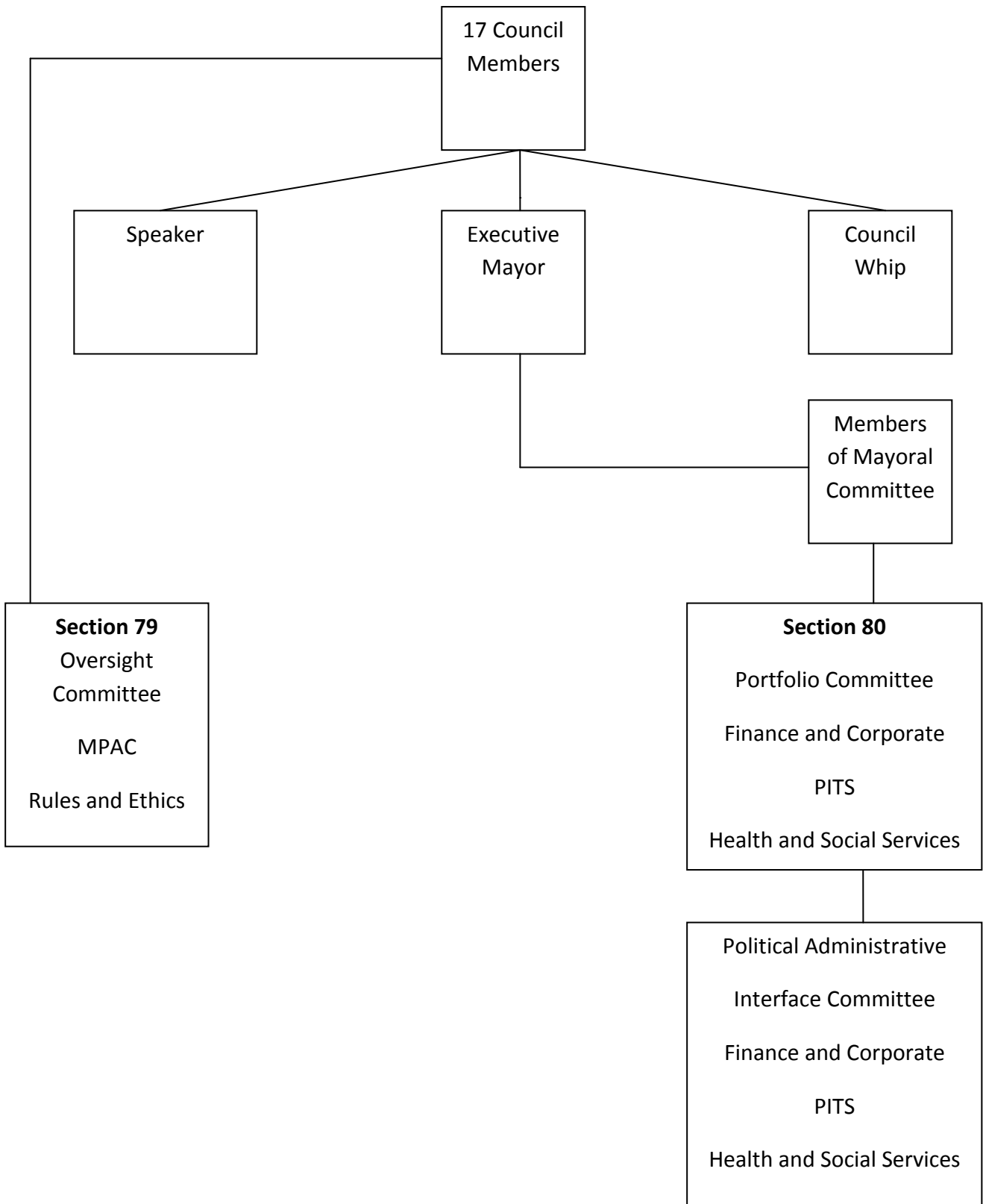


Table 25: Members of Mayoral Committee

Councillors	Portfolio
Cllr E.N Makhabane	Executive Mayor
Cllr K.V Buda	MMC: Planning, Infrastructure Transport & Safety
Cllr S.H Mahlangu	MMC: Health, Sport & Social Services
Cllr Z.J.M Zulu	MMC : Finance, Administration & Economic Development

Table 26: Proportionally elected Council

Councillors	Political Party
Cllr E.N Makhabane	ANC
Cllr R.K Segone	ANC
Cllr S.H Mahlangu	ANC
Cllr B Shabalala	ANC
Cllr M.J Rapatsa	ANC
Cllr M Rautenbach	DA
Cllr B.S Rolisizu	DA
Cllr T.M Maluleke	NFP

Table 27: Proportionally elected Council

Ward	Name of the Councillor
1	Cllr M.M Nhlapho
2	Cllr B.D Yeko
3	Cllr L.N Mlambo
4	Cllr K.V Buda
5	Cllr H.M Ngoma
6	Cllr E.T Shabangu
7	Cllr Z.J.M Zulu
8	Cllr D.J Bath
9	Cllr S.S Nkabinde

5.2 Municipal Committees

5.2.1 Section 79 Committees

5.2.1.1 Geographic Names Change Committee

Table 28: Geographic Names Change Committee

1	Cllr. SH Mahlangu (Chair)
2	Cllr. HM Ngoma
3	Cllr. ET Shabangu
4	Cllr. LN Mlambo
5	Cllr. SS Nkabinde
6	Cllr. M Rautenbach
7	Cllr. RK Segone

5.2.1.2 Local Labour Forum

Table 29: Local Labour Forum

1	Cllr. Nhlapho M.M (Chair)
2	Cllr. Shabangu E.T
3	Cllr. Shabalala B
4	Cllr. Buda K.V
5	Cllr Rolisizu B.S
6	Cllr Segone R.K (Ex-officio)

5.2.1.3 Policy Development Committee

Table 30: Policy Development Committee

1	Cllr Yeko B.D (Chair)
2	Cllr Zulu Z.J.M
3	Cllr Rapatsa MJ
4	Cllr Makhabane E.N
5	Cllr Bath D.J
6	Cllr Maluleka T.M
7	Cllr Segone R.K (Ex-officio)
8	Cllr. Rautenbach

5.2.1.4 Rules and Ethics Committee

Table 31: Rules and Ethics Committee

1	Cllr. Segone (Chair)
2	Cllr. DJ Bath
3	Cllr. HM Ngoma
4	Cllr. KV Buda
5	Cllr. M Rautenbach

5.3 SECTION 79 COMMITTEES

5.3.1.1 4.8 Finance, Administration & Economic development

Table 32: Finance, Administration & Economic development

1	Cllr. LM Mlambo
2	Cllr. ZJM Zulu
3	Cllr. BS Rolisizu
4	Cllr. HM Ngoma
5	Cllr. MM Nhlapho
6	Cllr. RK Segone (Ex officio)

Table 33: Planning, Infrastructure, Transport, & Safety

1	Cllr. S Nkabinde (Chair)
2	Cllr. DJ Bath
3	Cllr. TM Maluleka
4	Cllr. ET Shabangu
5	Cllr. KV Buda
6	Cllr. RK Segone (Ex officio)

5.3.1.2 Health, Sports & Social Services

Table 34: Health, Sports & Social Services

1	Cllr. B Shabalala (Chair)
2	Cllr. M Nhlapho
3	Cllr. BD Yeko
4	Cllr. M Rautenbach
5	Cllr. SH Mahlangu
6	Cllr. RK Segone (Ex officio)

5.3.1.3 Budget Steering Committee

Table 35: Budget Steering Committee

1	Cllr. EN Makhabane (Chair)
2	Cllr. ZJM Zulu
3	Cllr. LN Mlambo
4	Cllr. BS Rolisizu

As per Council resolution S07/05/2011 the Speaker will be an ex-officio to all the section 79 committees.

5.4 OVERSIGHT COMMITTEES

5.4.1.1 Municipal Public Accounts Committee

Table 36: Municipal Public Accounts Committee

1.Cllr Rapatsa M.J (Chair)
2.Cllr Rolisizu B.S
3.Cllr Shabalala B
4.Cllr Bath D.J
5.Cllr Shabangu E.T

6.Cllr Mlambo L.N
7.Cllr Maluleka T.M
8.Cllr Nhlapho M

5.4.1.2 Audit Committee

Victor Khanye Local Municipality utilizes the shared services of Nkangala District Audit Committee. This Audit Committee is mandated to oversee internal control and risk management practices, review financial reporting practices, checking the functionality of the performance management system and reviewing the quarterly performance reports.

5.4.1.2.1 Audit findings table

Table 37: Audit findings table

1	The municipality did not adequately review the financial statements and the annual performance report prior to their submission for auditing and thus significant matters that required the adjustment of the financial statements were not identified and corrected.
2	The municipality did not have documented and approved internal policies and procedures to address the process of collecting, recording, processing, monitoring and reporting performance information.
3	The municipality did not adequately monitor the implementation of the action plan to address the findings on performance information.
4	The municipality has not clearly defined the responsibilities for its information security and these responsibilities have not been allocated to anyone.
5	Management at Victor Khanye Local Municipality has not signed the License Agreement (SLA) entered into with MunAdmin. Also municipality could not provide evidence that there was an existing SLA between the municipality and the MunSoft service provider before 17 January 2012
6	Management at Victor Khanye Local Municipality has not established a monitoring approach of service level agreements against supplier performance. Evidence of monitoring of service level agreements could not be provided for audit.
7	It has been established that management at Victor Khanye Local Municipality have developed an information security policy, but there was no proof that the policy has been approved, published and communicated to all employees and relevant external parties
8	Management at Victor Khanye Local Municipality has not developed and approved a patch management process to ensure that the security of all systems (operating

	system, anti-virus, firewalls etc) is up to date.
4	Management at Victor Khanye Local Municipality has not developed, documented, approved and implemented an access control policy to manage the process of granting users access to financial systems.
5	Formal access request documentation was not properly completed for registering users, changing access rights, effecting password resets and terminating access rights. The access documents are not consistently signed by the supervisor, the CFO and the access grantor. Some are not even signed by the designated signatories, including the person requesting access.
6	At Victor Khanye Local Municipality, management has not regularly reviewed user access privileges to ensure that they are commensurate with their current job requirements.
7	Formally, documented processes were not in place to ensure that the activities of the system controllers who grant user access to the financial systems were reviewed.
8	Username which are not specifically linked to a user have been identified on the SEBATA user list. Generic usernames such as "SECOFR" and "TOKENS" have also been identified on the user list. In addition user-list for Mun Admin was not provided for audit purpose and therefore we could not be able to determine if there are any use of global username and their monitoring thereof and if all usernames on the system are linked to a specific user.
9	Management has not developed formal processes to manage upgrades/updates to the financial applications.
10	There is no proof that formal change request documentation has been completed to affect any upgrade/update to the financial system.
11	There is no proof that management approved all changes/upgrades/updates to the financial system since there is no paper trail to the changes.
12	Vendor staff is granted access to the production environment, but their activities cannot be monitored to the person since they all use one generic username to access the system.
13	A backup and retention strategy had not been designed to ensure that backups would regularly be performed to enable the entity to recover critical data in the event of a disaster.
14	Backups are executed and checked for successful completion but there is no adequate review of the backup register by a senior employee to confirm that recorded backups have actually been executed.
15	The municipality did not have a proper system of record management or an approved record classification system that provided for the maintenance of information

	supporting the reported performance contained in the annual performance report for the service delivery and infrastructure objectives. This includes information that relates to the collection, collation, verification, storing and reporting of actual performance information
16	<p>Management did not implement the following daily and monthly controls as designed for the entity's business processes:</p> <ul style="list-style-type: none"> ✓ Debtors reconciliations not prepared on a monthly basis. ✓ PPE reconciliations to the asset register
17	As indicated in section 2, part A of this report, the financial statements contained numerous misstatements that were corrected. This was mainly due to lack of adequate reviews by management.
18	<p>Non-compliance with laws and regulations on SCM, MFMA could have been prevented had compliance been properly reviewed and monitored</p> <ul style="list-style-type: none"> ✓ SCM regulations not always complied with. <p>AFS submitted for audit subject to material adjustments</p>
19	Management at Victor Khanye Local Municipality has not developed and approved a patch management process to ensure that the security of all systems (operating system, anti-virus, firewalls etc) is up to date.
20	Management at Victor Khanye Local Municipality has not developed, documented, approved and implemented an access control policy to manage the process of granting users access to financial systems.
21	A backup and retention strategy had not been designed to ensure that backups would regularly be performed to enable the entity to recover critical data in the event of a disaster.
22	The Municipality did not conduct a risk assessment within the timeframes as required by the MFMA.
23	The internal audit function did not conduct internal audits or reviews of performance information systems and management that focused on compliance aspects as well as the usefulness and reliability of the reported performance information timeously.
24	Internal audit was not adequately staffed and did not have an approved audit plan.
25	The audit committee did not approve the internal audit plan.
26	The audit committee did not advise the council on matters relating to internal financial control, compliance with laws and regulations and performance reporting for the first three quarters of the year.
27	R302 746 of irregular expenditure incurred in the current financial year was as a result of the contravention of SCM legislation. 100% of this irregular expenditure was

	identified during the audit process and not detected by monitoring processes of the Municipality. The root cause of the lack of effective prevention and detection is that the Supply Chain Policy is not in line with the SCM Regulations.
28	<p>Sufficient appropriate audit evidence could not be provided that ten of selected contracts awarded to the value of R12 517 677 were made in accordance with the requirements of the SCM legislation. Restrictions were also placed on the auditors to assess specific matters, the detail of which is listed below.</p> <ul style="list-style-type: none"> • Whether the winning provider submitted a declaration of interest
29	The reasons for the limitations experienced were documents were misplaced. As a result of the limitations experienced, the findings reported in the rest of this section might not reflect the true extent of irregularities and SCM weaknesses.
30	<p>The reasons for the limitations experienced were documents were misplaced. As a result of the limitations experienced, the findings reported in the rest of this section might not reflect the true extent of irregularities and SCM weaknesses.</p> <p><i>Procurement process – Quotations</i></p> <ul style="list-style-type: none"> ✓ awards to the total value of R302 745 were procured without inviting at least three written price quotations from prospective suppliers and the deviation was not approved by a properly delegated official ✓ Sufficient appropriate audit evidence could not be obtained that the preference point system had been applied in all procurement of goods and services above R30 000, as required by section 2(a) of the Preferential Procurement Policy Framework Act of South Africa, 2000 (Act No. 5 of 2000) and SCM Regulation 28(1)(a).
31	<p>Reasons for the use of consultants</p> <ul style="list-style-type: none"> ✓ Unbundling infrastructure assets ✓ Preparation of asset register in compliance with GRAP 17 ✓ Valuation of post medical retirement benefits ✓ Valuation of provision for landfill sites ✓ Preparation of the valuation roll
32	<p>Assessment of the impact of the assistance provided by consultants</p> <ul style="list-style-type: none"> - The consultants have been able to provide the Municipality support adequately in the areas of expertise sort.
33	Other shortcomings in the appointment, competencies and services of the consultants

	<p>- No significant issues noted.</p>
34	<p>The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance. We are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Due to the inherent limitations of an audit there is a risk that some material misstatements including fraud may not be detected.</p> <ul style="list-style-type: none"> • No fraud indicators identified.
35	<p>The Accounting Standards Board (ASB) has issued the following additional Standards of GRAP, for which the Minister of Finance prescribed an effective date of 1 April 2012 in the <i>Government Gazette</i>.</p> <ul style="list-style-type: none"> • GRAP 21 <i>Impairment of non-cash-generating assets</i> • GRAP 23 <i>Revenue from non-exchange transactions (Taxes and transfers)</i> • GRAP 24 <i>Presentation of budget information in financial statements</i> • GRAP 26 <i>Impairment of cash-generating assets</i> • GRAP 103 <i>Heritage assets</i> • GRAP 104 <i>Financial instruments</i>
36	<p>The ASB has issued the following additional Standard of GRAP, for which the Minister of Finance prescribed an effective date of 1 April 2013 in the <i>Government Gazette</i>.</p> <ul style="list-style-type: none"> • GRAP 25 <i>Employee benefits</i>
37	<p>The ASB has issued the following additional Standards of GRAP, for which no effective date has been set.</p> <ul style="list-style-type: none"> • GRAP 18 <i>Segment reporting</i> • GRAP 20 <i>Related-party disclosures</i> • GRAP 105 <i>Transfers of functions between entities under common control</i> • GRAP 106 <i>Transfers of functions between entities not under common control</i> • GRAP 107 <i>Mergers</i>
38	<p>Minimum competency regulations were issued on 15 June 2007. As per regulation 15 and 18, all municipalities must ensure that their staff complies with the competency requirements with effect from 1 January 2013. This means that the requirements are not yet applicable for the financial year 2011-12 (financial period ending 30 June 2012). However, municipalities will need to start aligning their recruitment policies to the regulations and put measures in place to ensure that they comply with the requirements by 1 January 2013</p>
39	<p>For the purposes of this report, the detailed audit findings included in annexures A to C have been classified as follows:</p> <ul style="list-style-type: none"> • Matters to be included in the auditor's report - These matters should be addressed as a matter of urgency. • Other important matters – These matters should be addressed to prevent

	<p>the likelihood that these matters may in future lead to material misstatements of the financial statements, material findings on predetermined objectives and compliance with laws and regulations.</p> <ul style="list-style-type: none"> • Administrative matters – These matters are unlikely to result in material misstatements of the financial statements, material findings on predetermined objectives and compliance with laws and regulations.
40	<p>For the purposes of this report, the detailed audit findings included in annexures A to C have been classified as follows:</p> <ul style="list-style-type: none"> • Matters to be included in the auditor’s report - These matters should be addressed as a matter of urgency. • Other important matters – These matters should be addressed to prevent the likelihood that these matters may in future lead to material misstatements of the financial statements, material findings on predetermined objectives and compliance with laws and regulations. • Administrative matters – These matters are unlikely to result in material misstatements of the financial statements, material findings on predetermined objectives and compliance with laws and regulations.

5.4.2 Supply chain management (bid) committees

Rules 26 to 29 of the National Treasury: Municipal Supply Chain Management Model Policy reads together with, and in keeping with the Supply Chain Management regulation (Gen868) and Section 117 of the Municipal Finance Management Act (56 of 2003) as an empowering legislature provides for the Accounting Officer to appoint the Bid Committees. These committees are changed as and when the Accounting Officer deems necessary considering the expertise, knowledge and technical skills required. The Supply Chain Manager shall have a permanent seat on all supply chain committees.

5.5 Administration Profile

In terms of the Municipal Systems Act, the Municipal Manager is the head of administration. She is assisted by the managers directly accountable to the Municipal Manager. (Executive Directors/ Senior Managers) this can be depict in the Organogram as follows:

Figure 8: High Level Organogram

5.6 Employment equity

The Victor Khanye Local Municipality will, in actively addressing the gap embark of various programs as directed by the act

5.6.1 Implementation Plan

The following section has been developed in line with Section 20 (a) (b) (c) of the EEA. There is cognizance that the gaps cannot be addressed in one year. The sections give overall guidelines towards correcting the past imbalances.

Table 38: Implementation plan

Requirements	Corrective Measures
1) Elimination of barriers that inhibit access to employment for designated people.	a) Selective recruitment targeting of designated group, b) Mentorship programs, c) Accelerated development programs, d) Promotions
2) Measurable diversity programs that will foster equal opportunities, respect and dignity for all persons	a) Cultural diversity programs, b) Leadership development programs, c) Personal development plans
3) Accommodate people from designated groups	a) Promotions, b) Transfers, c) Retention strategies
4) Opportunities that prevail to be filled with people from designated group	a) Selective recruitment, b) Moratorium on the employment over represented groups
5) Equitable representation however that done with suitably qualified persons	a) Skills development plans b) No window dressing
6) Efforts made to develop skills in this group as well as initiatives taken to retain these persons in these positions	a) Retention strategies.

The following table reflects the numerical plan to be followed per gender, race and occupational level.

Table 39: Occupational categories

YEAR 1											
Occupational Categories	MALE				FEMALE				Disabled	Total	
	African	Coloured	Indian	White	African	Coloured	Indian	White			
Legislators, senior officials and managers					1					1	2
Professionals					1			1			2
Technicians and associate professionals					1	1	1	1			4
Clerks		1	1		1		1		1		5
Service and sales workers											
Skilled agricultural and fishery workers											
Craft and related trades workers					1				1		2
Plant and machine operators and assemblers											
Elementary occupations					2	1	1	1	1		6
TOTAL PERMANENT											
Non-permanent employees											
TOTAL		1	1		7	2	3	3	4		21

5.6.1.1 Year 1

Year one proved to be highly successful in terms of recruitment, however, this brought about an inconclusive picture of the Employment Equity with the municipality. Although the targets have been exceeded, in both gender categories, the municipality continued to be employing more male candidates. This is also necessitated by the nature of work within the municipality, which is traditionally male dominated areas of work and the society still find these positions to be unpalatable to the counter female prospective employees.

5.6.1.2 Year 2

5.6.1.2.1 Objectives:

Victor Khanye Local Municipality will recruit to achieve at least 20% of the identified gaps numerically throughout the various occupational levels. This should be over and above the resignations and terminations that could have occurred through the year.

- i. Implement the learnership, mentorship and career advancement programs.
- ii. Implement all amended policies and procedures
- iii. Design intervention programs for all challenges realized.

Table 40: Occupational categories

YEAR 2											
Occupational Categories	MALE				FEMALE						
	African	Coloured	Indian	White	African	Coloured	Indian	White	Disabled	Total	
Legislators, senior officials and managers					1					1	2
Professionals					1			1			2
Technicians and associate professionals					1	1	1	1			4
Clerks	1	1	1		1		1		1		6
Service and sales workers											
Skilled agricultural and fishery workers											
Craft and related trades workers					1					1	2
Plant and machine operators and assemblers											
Elementary occupations					2	1	1	1	1		6
TOTAL PERMANENT											
Non-permanent employees											
TOTAL	1	1	1		7	2	3	3	4		22

The municipality expect to see an over achievement in the coming financial year as a result of the newly created positions and the anticipated organisational design endeavour which might see the municipality, having to increase its workforce even further.

5.7 Workforce Analysis

This section reports on the status of the Victor Khanye Local Municipality workplace. It presents profile of the workforce according to race, gender, and disability status. The section does not look at the corrective measures but rather presents the raw findings in terms of equity of the municipality.

5.7.1 Vacancy Rate

The total headcount for Victor Khanye Local Municipality is currently 341 against a planned establishment of 435, leading to 94 (21.6%) vacancies at the time of compiling this document.

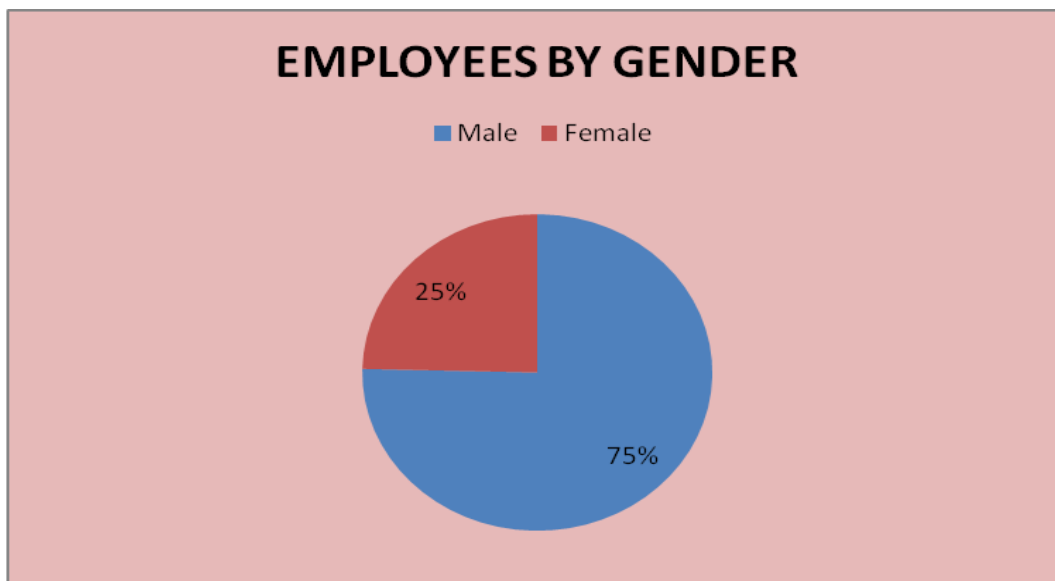
5.7.2 Gender

The following table and its accompanying pie chart reflect the profile of the Victor Khanye Local Municipality:

Table 41: Gender representation

GENDER	NUMBER
Male	257
Female	84
Total	341

Figure 9: Employees Gender representation



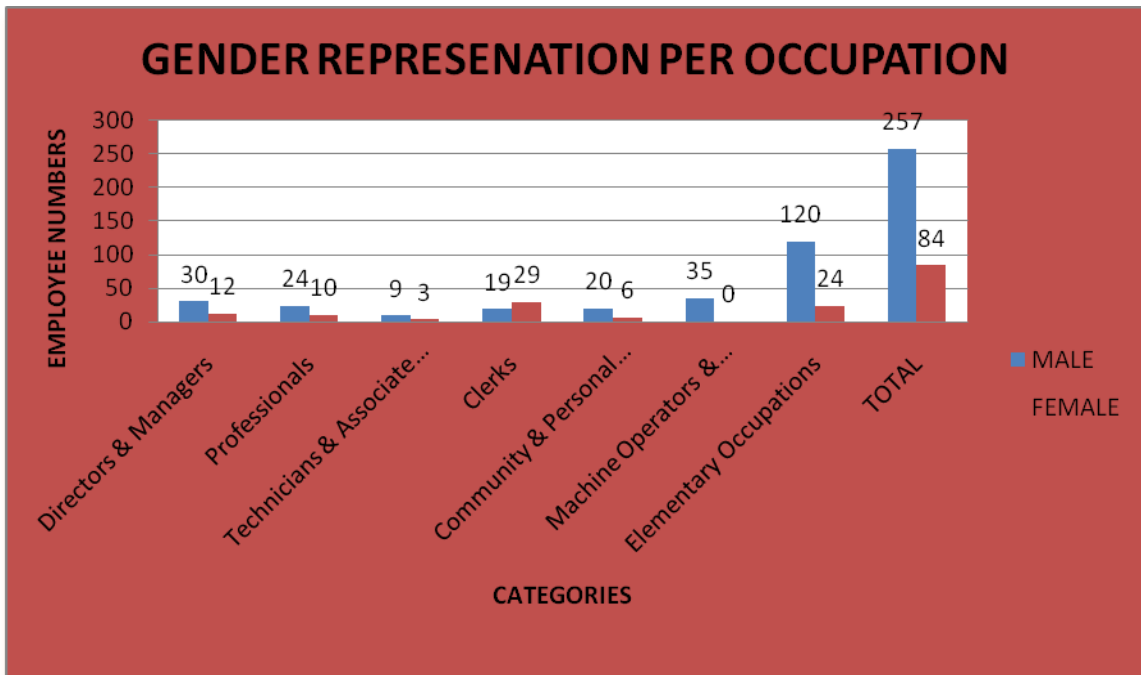
5.7.3 Occupational Level Profile

The Employment Equity Act should not only be viewed in terms of race and gender, but also right across the organization i.e. various job levels and business units. This section takes the Work profile further by looking at the spread across occupational levels.

Table 42: Occupation per gender

OCCUPATIONS	MALE	FEMALE
Directors & Managers	30	12
Professionals	24	10
Technicians & Associate Professionals	9	3
Clerks	19	29
Community & Personal Services workers	20	6
Machine Operators & Drivers	35	0
Elementary Occupations	120	24
TOTAL	257	84

Figure 10: Gender Representation per Occupation



5.7.4 Workforce Movement

Employment Equity is affected by various factors i.e. resignations, dismissals, terminations, deaths, promotions, etc. It is therefore critically important for the municipality to record and track staff turnover. The workforce movement for the past 12 months is as set out below.

5.7.4.1 New Appointments

25 new appointments were made during the past 12 months period of the Employment Equity period, see table below:

Table 43: Number of new appointments per gender

Gender	Number of new appointments
African Male	14
African Female	11
White Female	
Total	25

Figure 11: Pie representation of new appointments

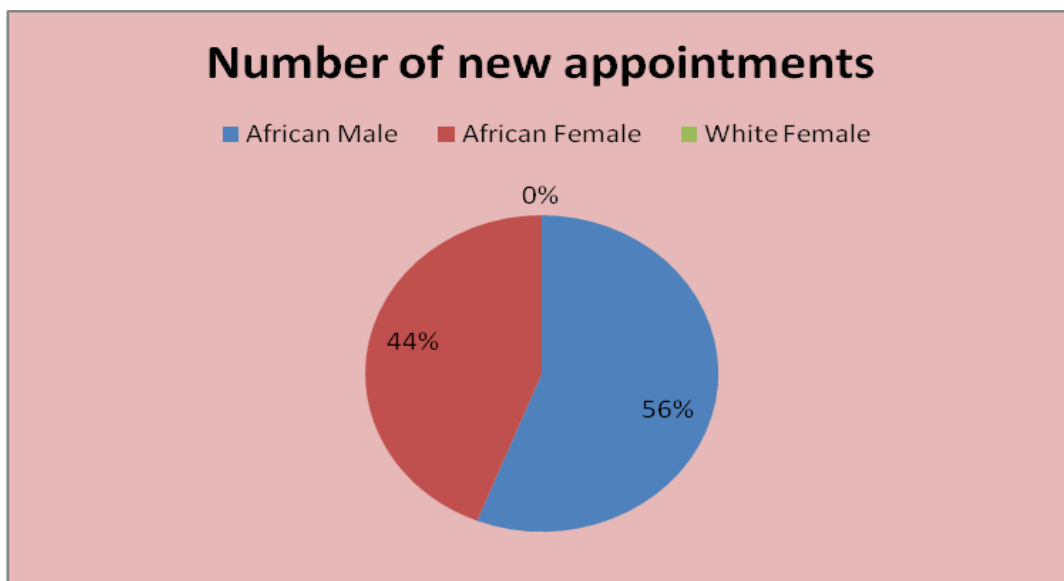


Table 44: New appointments per occupational levels

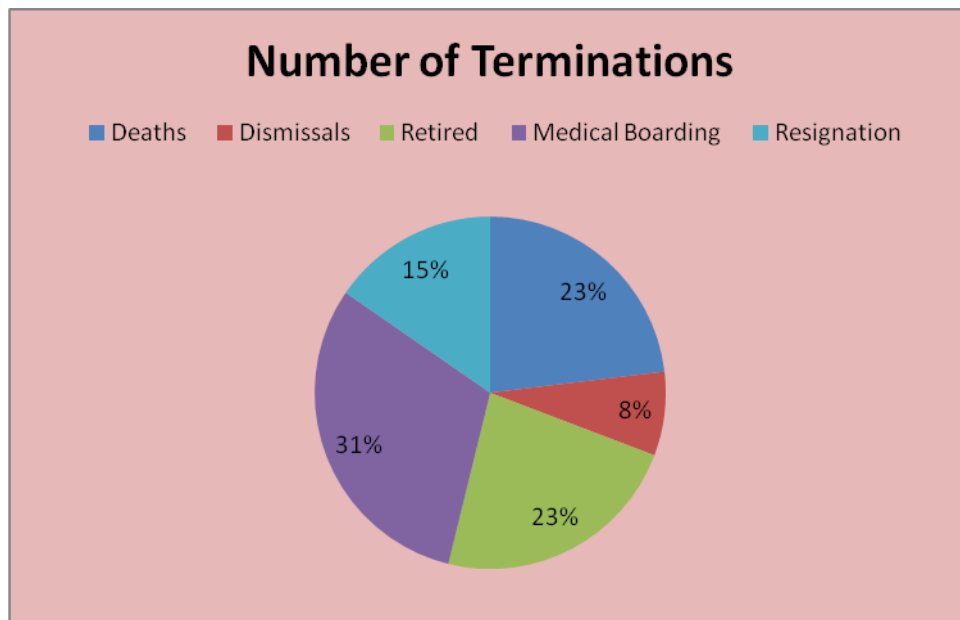
OCCUPATIONS	AFRICAN MALE	AFRICAN FEMALE	COLOURED MALE	COLOURED FEMALE	INDIAN MALE	INDIAN FEMALE	WHITE MALE	WHITE FEMALE
Directors & Managers	2	0		0	0	0	0	0
Professionals	2	2						
Technicians & Associate Professionals	2	2						
Clerks	4	5						
Community & Personal Services workers								
Machine Operators & Drivers	2	1						
Elementary Occupations	2	1						
TOTAL	14	11	0	0	0	0	0	0

Although black males are in the majority in terms of the workforce profile, they were still in the majority in terms of new appointments.

Table 45: Types of terminations

Type of Termination	Number of Terminations
Deaths	3
Dismissals	1
Retired	3
Medical Boarding	4
Resignation	2
TOTAL	13

Figure 12: Pie representation of terminations



5.7.5 Promotions

The current promotions policy for the municipality is by application for a vacant post. Six promotions were effected during the period under review.

Table 46: Number of Promotions

Promotions	
Staff members	335
Promoted Staff	6
Total Staff members	341

Figure 13: Pie representations of promotions



5.7.6 Profile of Promotions

The promotions for the period under review have all been for black males at elementary level.

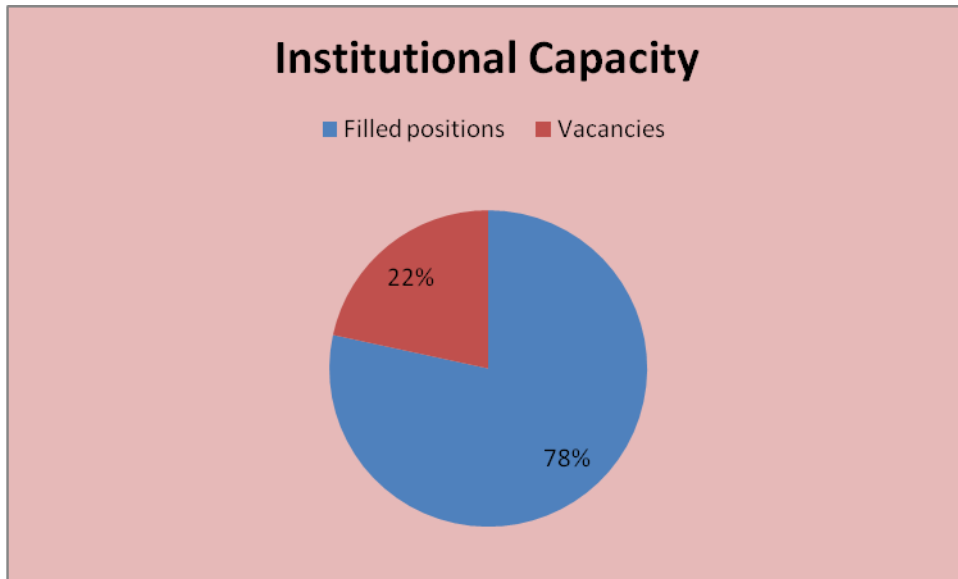
5.7.7 Vacancies (Institutional Capacity)

The Victor Khanye Local Municipality is currently operating at 78.4% capacity. The remaining 21.6% is a lever to make the municipality compliant.

Table 47: Institutional Capacity

Institutional Capacity	Number
Filled positions	341
Vacancies	94
Target	435

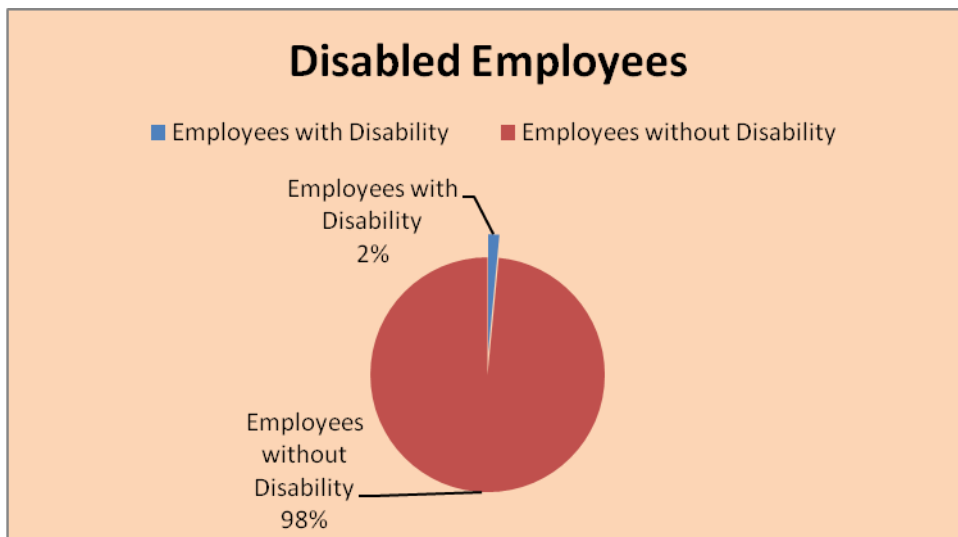
Figure 14: Institutional Capacity pie representation



5.6.15 Employees with Disabilities

People with disabilities are defined in the Act as people who have long term recurring physical or mental impairment, which substantially limits their prospects of entering into, or advancement in employment. The Victor Khanye Local Municipality has eight employees with disabilities, working to about 3% of the total workforce.

Figure 15: Employees with disabilities



The methodology of establishing awareness and determining the status quo of the municipality in terms of Employment Equity included a workshop and meetings with various stakeholder groups, i.e.

- i. Employees
- ii. Union representatives
- iii. Leadership
- iv. Management.

Various documentation including management reports, policies, programmes and human resources operations were reviewed. The process was largely guided by the Employment Equity Act prescripts. On the overall, the municipality has made some inroads to align with the Employment Equity Act in the workplace, in their practices and procedures.

5.8 Training

Training is a critical process of capacitating and empowering employees especially in an instance where there is commitment to Employment equity. All new appointments at Victor Khanye Local Municipality undergo a strict orientation programme, 42 African male and 18 African female, 1 Female Colored and 1 White Male employees attended work related courses during the year ending 30/07/2013.

Table 48: Number of people Trained

OCCUPATIONS	AFRICAN MALE	AFRICAN FEMALE	COLOURED FEMALE	WHITE MALE	WHITE FEMALE
Legislators	9	5	0	0	0
Directors & Managers	4	1	0	0	
Professionals	0	1	0	1	0
Technicians & Associate Professionals	9	0	0	0	0
Clerks	0	9	1	0	0
Community & Personal Services workers	20	2	0	0	0
TOTAL	42	18	1	1	0

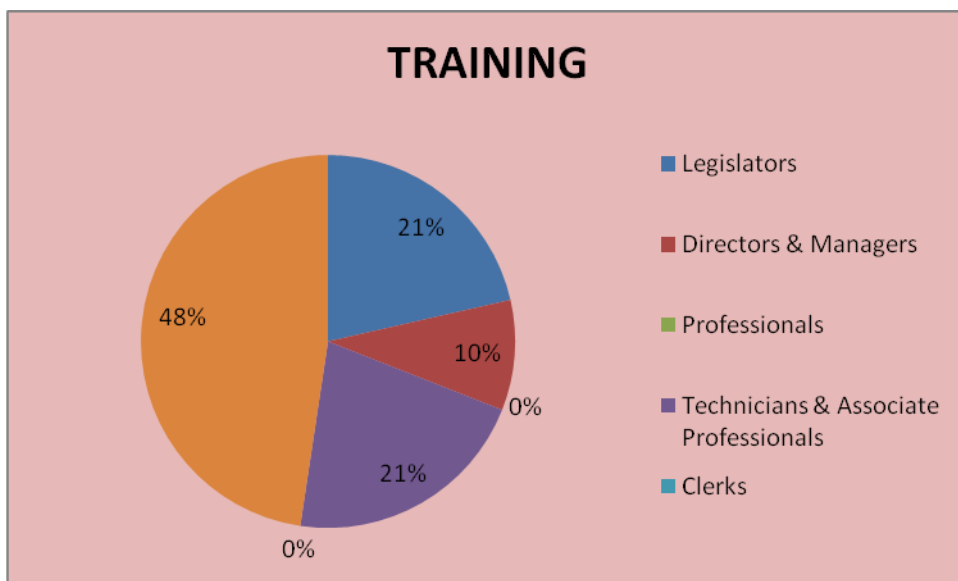


Figure 16: Pie representation of people trained

5.9 Employment practice policy

This policy is intended to create a framework for decision-making in respect of employment practice/s in the Victor Khanye Local Municipality (VKLM). The policy establishes a set of guidelines and rules for the consistent interpretation and application of collective agreements and legislation governing the acquisition of staff by the VKLM.

5.9.1 Human resource management strategy

Human Resource Strategy is a plan for maximising the effectiveness of the municipality's employees in supporting the VKLM Business Strategy as developed and approved Mid 2012. The purpose of the strategic session was to reposition the Victor Khanye Local Municipality in order to maximise the efficiency, effectiveness and impact of the Municipal Council both within the municipality as well as the Mpumalanga Province.

As a result of the recently approved Business Strategy, VKLM had to review its HRM Strategy to be in line the VKLM Business Strategy. Hence the Strategy is still in draft format and awaiting approval by Council, through various Council Structures.

The Human Resources Strategy is central to the delivery of our strategic objectives and has been developed to facilitate Victor Khanye Local Municipality's Institutional Strategy 2011-2015 and core service delivery strategies.

5.9.2 Therefore the VKLM HRM Strategy 2013 – 2015 was born.

The strategic human resource implications identified in the Institutional Strategy are to be:

- i. Innovative in the development and delivery of all areas of our activity
- ii. Externally focused on our markets and customers

- iii. Commercially astute and growth driven
- iv. Flexible and integrated products and services
- v. Equipped with responsive and efficient organisational structures

The Human Resources Strategy sets out how our human resources will be developed to meet these strategic human resource issues.

5.10 Succession and Career Path Policy

One of the elements of the HRM Strategy is the Succession and Career Pathing Plan Policy. Therefore a policy was developed and its intent is to: Forster the meaning of the succession planning and career pathing to meet it intended meaning being –

Succession planning - making the necessary arrangements to ensure that suitably qualified people are available to fill posts which will arise within any specific department over forthcoming years.

Career path - ensuring that each staff member's potential is developed to its fullest extent and that there is a career mapped out for him/her in the municipal service. The aim should be an attempt to train and develop the employee to the extent that he/she is able to reach the level of seniority to which he aspires and to be able to competently undertake the duties attached to that post.

CHAPTER SIX: FINANCIAL PLAN

6.1 The financial strategy

The financial framework wherein Council executes its mandate as a Category B, Grade 3 local authority finds its subsistence from the vision and mission statements of the municipality being: "A place of peace and prosperity where people productively can reach the pinnacle of their potential". The activities of Council are driven by Council's desire to fulfil the developmental role of a local authority and to maintain sustainable municipal services on a generally accepted standard to all its residents. Council endeavours to realize these aspirations within the essentiality of financial viability. Basic economic principles as well as good and sound business practices are taken into consideration when implementing operational activities as well as capital projects. In order to execute its mandate and fulfil in its desires it is essential that the municipality have access to adequate sources of revenue from both its own operations, intergovernmental transfers and external investors.

6.1.1 Cash / Liquidity Position

The effective management of cash as well as the maintenance of a cash flow model to ensure that the municipality will fulfil timorously in all its obligations towards service providers, personnel and other financial commitments is vital for both the short- and long-term survival of the municipality. In addition to budget control and management, a cash flow model is maintained to ensure that expenditure is incurred in line with the cash reserves available within the municipality. The current ratio, which expresses the current assets as a proportion to current liabilities stands at a ratio of 2, 33:1. An overall ration in excess of 2:1 is considered healthy.

6.1.2 Sustainability

The effective continuation of municipal services is determined by the sustainability of the service. The budgets related to the services are balanced in order to ensure that the expenditure will be covered by the income. Said income is generated through the implementation of Council's tariff structure, which is based on affordability. The level of the services is in line with the affordability level of the community it serves. Due to an unemployment level, in excess of 40% there are a substantial number of poor households, which are not financially equipped to pay for the basic services provided. Hence, subsidisation is supplied by means of a differentiated tariff structure in which case the shortfall is financed from the equitable share from national government.

6.1.3 Effective and efficient use of resources

The utilisation of the Municipality's resources is guided by means of standard operating procedures or policy statements provided by the Council

6.1.4 Accountability, Transparency and Good Governance

Since the Municipality's activities are mainly financed from public resources, it remains essential to enable to be accountable utilization and reporting by means of various forums and processes. As required by legislation, amongst others the Municipal Finance Management Act, no 56 of 2003, the municipality endeavours to be accountable to all its stakeholders who are responsible for providing resources to the Municipality. The compilation of the Integrated Development Plan as well as the Budget is communicated by means of forum meetings and the ward committee system uphold by Council. Hereby all stakeholders can submit their needs and/or requirements for municipal services. As required by legislation, report back meetings are to be held and Council meetings are open for attendance by any stakeholder. The annual reports, including the annual report from the Office of the Auditor General, are compiled within the prescribed format and timeframes.

6.1.5 Redistribution

The Municipality endeavour has to treat all people in terms of the Batho Pele principles. A basic level of municipal services is available to all the residents, regardless of their own financial capacity. In case where a basic municipal service is not affordable to a resident, it is financed from the equitable share from national government.

6.1.6 Development and Investment

Due to the backlogs in basic services, it is essential that the Municipality continue to invest in the development and maintenance of infrastructure to address these backlogs. Council is addressing this matter by means of the Integrated Development Plan as well as the Capital Program.

6.1.7 Borrowing

Through the various capital markets as well as other financial institutions, financial resources are available to address the backlog in infrastructure development. It is however, essential that a Loan Redemption Fund be maintained which is substantiated by means of a cash investment, in order to fulfil timorously in debt repayment without extra-ordinary fluctuations in tariffs. The current external capital charges, as a percentage of operational income is 6, 2%. The acceptable norm should not be more than 12%.

6.1.8 Financial Management Strategies and Programmes

The following financial management strategies and programmes were identified and implemented:

6.1.8.1 A five-year strategic information technology plan.

Mainly for the maintenance of effective information technology systems within the Municipality. The development of an integrated MIS (Management Information System) together with a GIS is in progress.

6.1.8.2 Asset management plan

A computerized bar-code asset management system is maintained in order to ensure accountable utilization and reporting on assets.

6.1.8.3 Budgetary Office

The establishing of a budget office in terms of the determination of the Municipal Finance Management Act, no 56 of 2003.

6.1.8.4 Pre-paid Vending

The installation of automated pre-paid vending machines in order to provide a 24/7 service.

6.1.8.5 Improved meter reading functions

The commissioning of a system to improve the correctness of meter readings in order to provide accurate municipal accounts.

6.1.8.6 Upgrading of networks. WAN - Wireless Area Network

The implementation of an improved radio link data network to improve the connection to the main financial server. Improve the service to the consumer.

6.1.8.7 Financial Management Policies

In order to ensure a sound financial base and resources to sustain municipal services on a level that is acceptable to the residents of the Municipality, the following financial management policies were introduced and maintained:

6.1.8.7.1 Credit Control Policy

The policy was introduced in order to ensure effective recovery of outstanding debts owed to the Municipality. Without denying the residents excess to a basic municipal service, measures are introduced to act against non-payers.

6.1.8.7.2 Indigent Policy

The policy was introduced to financially assist the poorest of the poor by means of a subsidy financed from the equitable share from national government. Different

categories of indigence were determined according to the levels of income. The subsidy is determined according to the category of indigence.

6.1.8.7.3 Investment policy

As per requirement of the Municipal Finance Management Act, No 56 of 2003, an investment policy was introduced in order to guide the investment of surplus funds as well as the Loan Redemption Fund.

6.1.8.7.4 Tariff policy

The Tariff policy was introduced in order to determine the scope and nature of all tariffs as well as the level thereof. Tariffs are charged in order to raise income for sustaining the municipal services.

6.1.8.7.5 Asset Management Policy

The policy was introduced in order to guide the effective, efficient, and economical acquiring, utilization, depreciation, writing off and selling of Council's assets.

6.1.8.7.6 Supply Chain Management Policy

The policy was introduced in order to guide effective, efficient, economical, and transparent procurement procedures.

6.1.8.7.7 Travelling and Subsistence Policy

The policy was introduced in order to guide the reimbursement of travelling and subsistence expenses incurred by Councillors and officials.

1. Operational Budget projections

Table 49: Operational budget projections

	Current	Y 1	Y 2	Y 3	Total
	2011/2012	2012/2013	2013/2014	2014/2015	Y1 to Y3
Revenue source	('000)	('000)	('000)	('000)	('000)
Property taxes	33 100	37 409	44 507	49 269	131 185
Rates & user charges	115 280	135 039	150 114	168 362	453 515
Rental: Facilities	1 353	1 420	1 492	1 500	4 412
Interest Investments	1 113	1 224	1 346	1 300	3 870
Interest Debtors	19 333	19 500	20 512	21 100	61 112
Traffic fines	600	660	726	1 100	2 486
Licences & permits	1 661	1 779	1 906	2 350	6 035
Agency services	1 682	1 732	1 819	2 100	5 651
Grants & subsidies	47 528	52 567	56 524	61 000	170 091
Other Income	158	171	186	200	557
Internal recoveries	3 208	3 661	3 785	4 155	11 601
Less Income foregone	-6 186	-6 592	-6 625	-6 500	-19 717
	218 830	248 570	276 292	305 936	830 798
% Increase over period		13.6%	11.2%	10.7%	

Figure 17: Revenue Sources

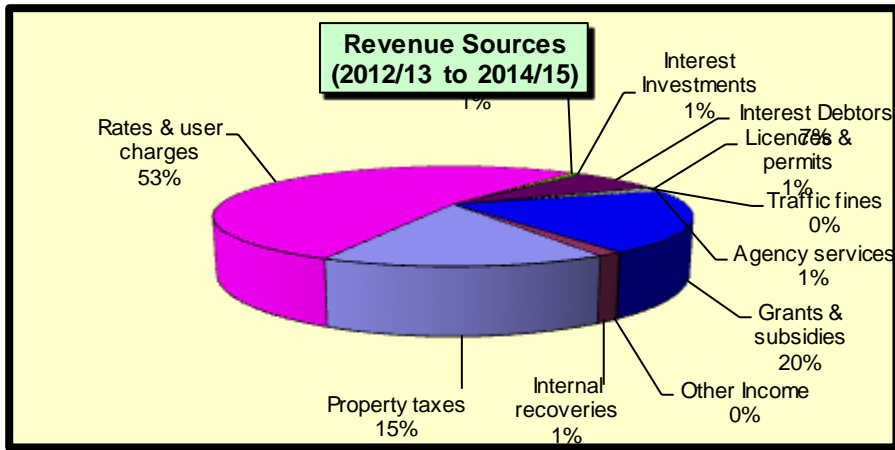


Figure 18: Revenue projection

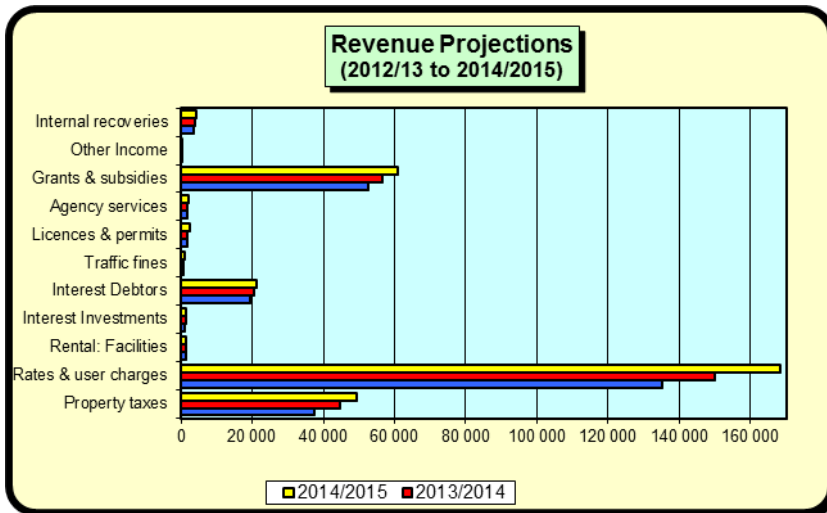


Table 52: Operational budget

Expenditure per item.	('000)	('000)	('000)	('000)	('000)
Employee related	62 720	71 670	78 312	88 150	238 132
Remuneration Councillors	5 929	6 404	6 916	7 483	20 803
Working Capital reserve	31 627	35 715	40 303	42 552	118 570
Collection cost	250	274	300	350	924
Depreciation	3 169	4 500	5 000	8 550	18 050
Maintenance	14 598	14 956	16 397	19 662	51 015
Interest External	4 179	4 059	4 120	4 599	12 778
Redemption External	213	81	81	1 025	1 187
Bulk purchases	63 815	75 741	86 301	95 344	257 386
Contracted services	4 628	4 883	5 008	5 100	14 991
Grants & Subsidies paid	57	63	68	75	206
General expenses	53 391	53 347	58 012	63 256	174 615
Contribution to capital	896	2 000	3 000	5 000	10 000
Internal charges	3 209	2 842	2 986	2 115	7 943
Costs debited out	-29 889	-28 051	-30 530	-37 331	-95 912
Total expenditure	218 792	248 484	276 274	305 930	830 688
Operating surplus	38	86	18	6	110

Figure 19: Appropriation of capital

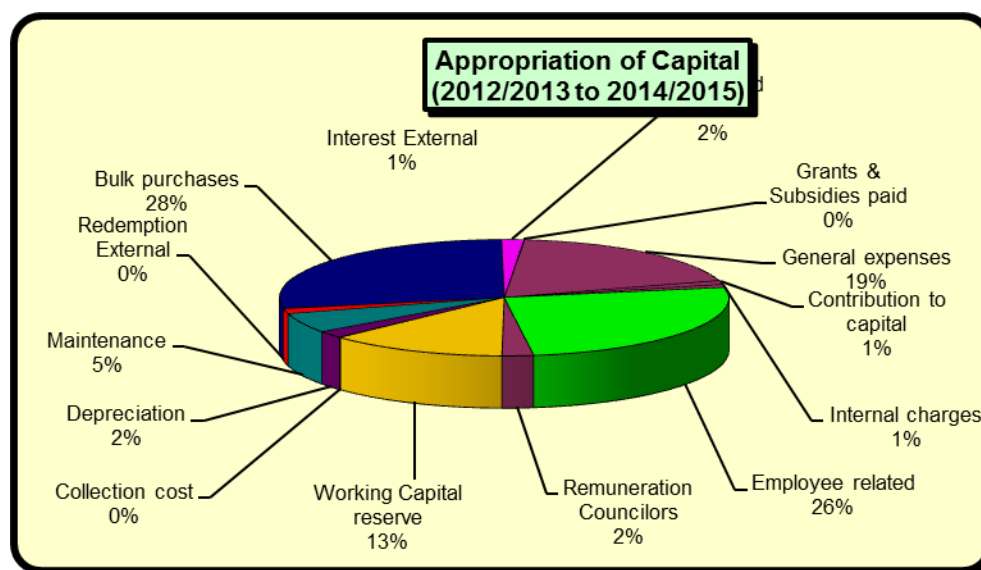


Table 53: Operational Expenditure per vote

	Current	Y 1	Y 2	Y 3	Total
	2011/2012	2012/2013	2013/2014	2014/2015	Y1 to Y3
Expenditure per Vote	('000)	('000)	('000)	('000)	('000)
Executive & Council	0	0	0		0
Budget & Treasury	64 785	70 491	77 485	84 995	232 971
Corporate Services	969	1 018	1 070	1 098	3 186
Community & social	184	195	206	216	617
Sport & recreation	5	4	4	5	13
Public safety	2 234	2 409	2 598	2 798	7 805
Housing	411	431	453	469	1 353
Health	0	0	0	0	0
Planning & Development	0	0	0	0	0
Road transport	2 199	2 288	5 415	4 622	12 325

Electricity services	70 070	82 963	95 647	108 518	287 128
Water services	50 657	58 998	62 598	66 985	188 581
Waste water management	14 988	16 511	17 337	19 551	53 399
Waste management	12 328	13 176	13 461	16 673	43 310
Electricity supply					0
Total expenditure	218 830	248 484	276 274	305 930	830 688

Figure 20: Expenditure per vote

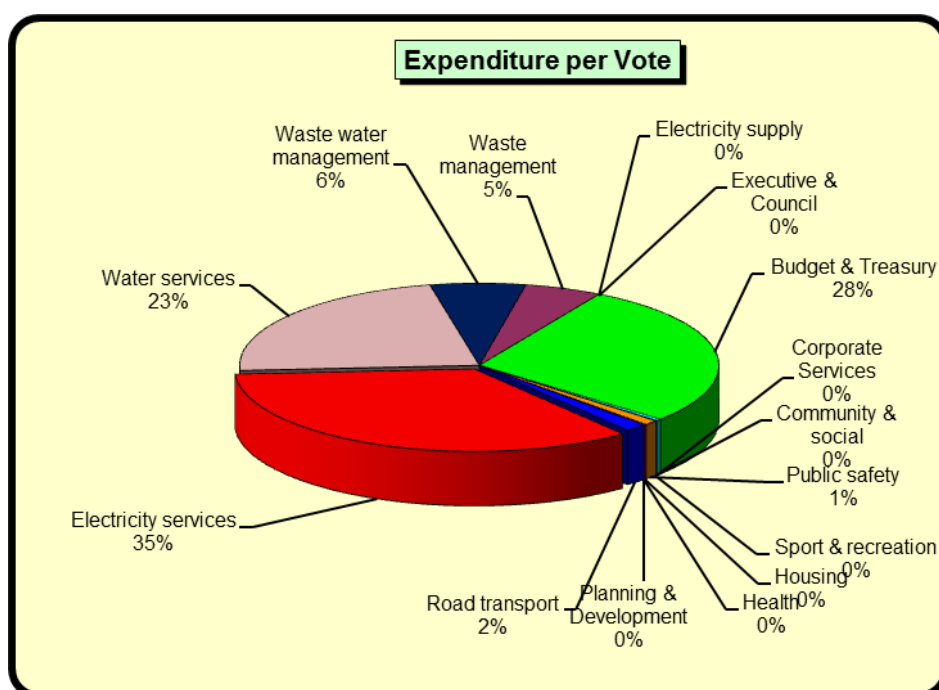


Table 54: Appropriation of capital

Appropriation of capital	('000)	('000)	('000)	('000)	('000)
Executive & Council		10 000	10 000	10 000	30 000
Budget & Treasury	65	101	95	200	396
Community & social			2 324		2 324
Sport & Recreation	750	2 951		2 500	5 451
Public safety	542		355	512	867
Road Transport	17 360	10 000	8 000	13 500	31 500
Electricity Services	9 300	3 000	2 500	5 000	10 500
Water services	1 800	10 000	2 000	5 000	17 000
Waste water management	4 471	8 770	20 970	10 000	39 740
Waste management	2 280	2 000	3 000	6 000	11 000
Total expenditure	36 568	46 822	49 244	52 712	148 778

Figure 21: Appropriation of capital

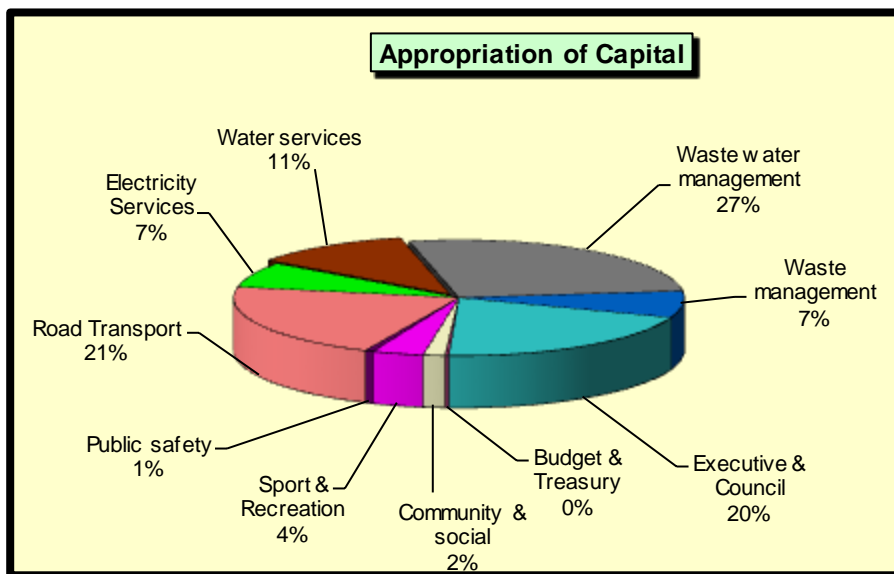


Table 55: Funding sources

	Current	Y 1	Y 2	Y 3	Total
	2011/2012	2011/2012	2012/2013	2013/2014	Y1 to Y3
Funding Sources	('000)	('000)	('000)	('000)	('000)
External loans	4 000	8 101	7 444	4 712	20 257
Own Revenue	897	2 000	3 000	5 000	10 000
MIG	20 521	24 951	26 324	28 000	79 275
Grants: Nkangala DM	11 150	11 770	12 476	15 000	39 246
Total sources	36 568	46 822	49 244	52 712	148 778

Figure 22: Funding of capital projects

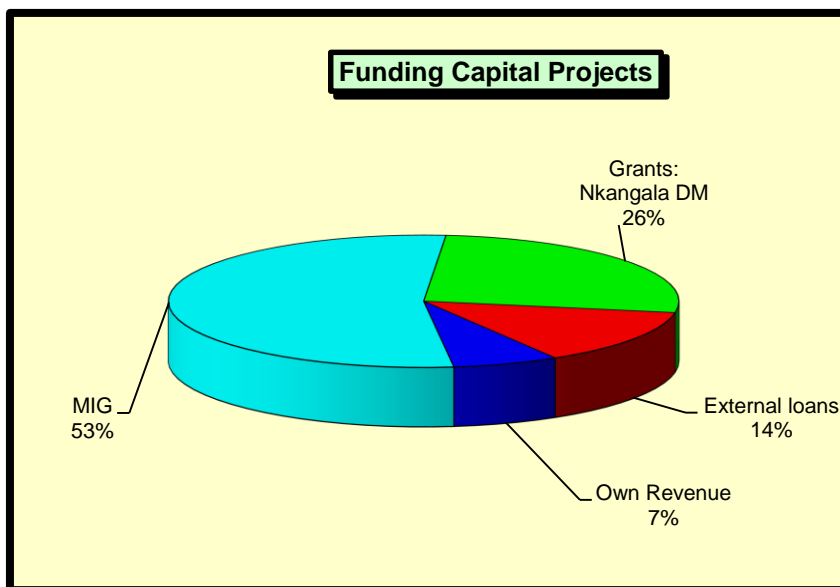


Table 56: Financial benchmark

Financial benchmark	Basis of calculation	2009/2010	2010/2011
Borrowing management			
Debt to asset ratio	Total debt / Total assets	12.0%	9.4%
Debt to revenue	Total debt / Annual income	37.3%	26.7%
Interest bearing debt to revenue	Interest bearing debt / Annual income	8.6%	4.0%
Average interest paid on debt	Interest paid / Total interest bearing debt	12.8%	21.6%
Capital charges to operating expenditure	Interest & capital paid / Operating expenditure	1.0%	0.9%
Interest as a % of operating expenditure	Interest paid / Operating expenditure	1.0%	0.9%
Safety of capital			
Debt to equity	Total debt / funds & reserves	-	-
Current ratio	Current assets / Current liabilities	1:0.90	1:0.58
Gearing	Funds & reserves / Long term debt	-	-
Liquid ratio	Cash assets / Current liabilities	1:2.53	1:2.43
Revenue management			
Annual debtors collection rate (Payment level %)	Last 12 months receipts / Last 12 month billing	69.1%	68.8%
Outstanding debtors to revenue	Outstanding debtors (net) / Annual revenue (total income)	15.6%	13.9%
Days debtors outstanding	Outstanding debtors (net) / Annual revenue (total income) x 365	56,8	51
Efficiency			

Personnel costs to operating expenditure	Personnel cost / Operating expenditure	22.2%	26.3%
Other indicators			
Electricity distribution losses	(Total units purchase less total units sold) / Total units purchased	16.1%	9.4%
Water distribution losses	(Total units purchase less total units sold) / Total units purchased	20.0%	16.4%
Asset maintenance rate	Repair & maintenance expenditure / Total asset value	2.2%	2.0%
Colour code Legend:	Positive		
	Negative		

CHAPTER SEVEN : KEY PERFORMANCE AREAS AND PRIORITY ISSUES

7.1 KPI 1: BASIC SERVICE DELIVERY

7.1.1 Issues 01: Water and sanitation

7.1.1.1 Problem Statement

The municipal council provides 80% of the households in rural areas with borehole water and 20% is provided by Rand Water. The overall backlog on water is estimated to be 1828 households. The water backlog affects the sanitation directly as most houses without potable water are still using the bucket system, pit latrines, or septic tanks. With the new development in Botleng Extension 5, Botleng Extension 6 and other residential developments and the expansion of McCain Foods, the demand for water exceeds the supply. The demand for water will be 18MI per day and the boreholes are delivering currently only 16 MI per day. Rand Water is used to augment the water supply to Delmas, which affect certain areas e.g. Eloff Agricultural Holdings negatively. Eloff town and Agricultural Holdings do not have any water storage capacity. Higher positioned areas experience water shortages when the level in the reservoirs reaches certain low levels e.g. Botleng Extension 4, Leeupoort Agricultural Holdings, Eloff Agricultural Holdings, Delmas West, and Delmas Extension 2. Due to the extensive residential water leakages at Botleng Ext.3 and 4, the outlet of the Botleng reservoir must be closed at specific time in order to insure adequate water supply to Botleng Ext. 3, 4, 5 and 6.

The water backlog affects the sanitation directly as most houses without potable water are still using the bucket system, pit latrines, or septic tanks. Households in Delmas, Botleng, Delpark, and all Extensions are supplied with water by means of boreholes. The statistics show that 95.3% of the households in Nkangala District Municipality have access to sanitation. The Community Survey of 2007 indicates that Victor Khanye local municipality (MP311) has the lowest RDP sanitation service levels in the District.

Table 57: Levels of backlogs

Municipality	RDP Sanitation levels CS2007	RDP Sanitation service levels %	RDP Sanitation backlog %	RDP Sanitation backlog as % of	RDP Sanitation backlog as % of Province
Nkangala District Municipality	291348	95.3	4.6	100	17.4
Victor Khanye Local Municipality	13554	89.5	10.4	11	1.9

The current level of operation and maintenance regarding water services in the municipality is not acceptable and the assets are deteriorating. The capacity of the Delmas Sewer Plant is 5MI and the Botleng 4MI; the two plants receive almost 7-8MI and 5-6MI respectively per day. Thus, both plants are overloaded. In terms of Section 21 of the National Water Act (act 36 of 1998), wastewater treatment works discharging effluent in to a stream or river must comply with certain standards.

Overloaded wastewater treatment plants rarely comply with these standards and further result in improper sludge handling, smell nuisance, and substantial increase in maintenance costs. The overload is mainly caused by new residential and industrial developments. Most rural communities are using pit latrines, which contaminate ground water. The residents of Sundra, Eloff, Rietkol, Leeupoort, and Modder East Orchard are still making use of septic tanks and pit latrines. These areas are also making use of ground water for household purposes. The existing sanitation infrastructure is at risk of contaminating the ground water. There is a general lack of planning, manifesting it through the absence of official documentation such as an Asset Management Plan (AMP) or a detailed WSDP in this regard. The schemes are also getting older and require increased maintenance and attention. The lack of planning has been exacerbated by the almost exclusive drive to meet the backlog-eradication targets by some WSAs. The addition of new infrastructure and consumers to the existing schemes and the redirection of budgets away from the O&M to the construction of new connections compound the problem.

Table 58: WTW/ Source of Potable water

LM	Scheme	WTW/ Source of Potable water			Current Use (mill m ³ / a)	Future Use		Current Surplus or Shortfall (mill m ³ / a)
		WTW	Source	Allowable Abstraction (mill m ³ / a)		2010	2015	
Victor Khanye	Delmas-Botleng	-	Boreholes	3.345	5.206	6.176	7.880	-0.565
	Eloff-Sundra	-	Rand Water	1.296				

Victor Khanye local municipality (MP311) has the largest RDP sanitation backlog, with a backlog of 10.4%. This accounts for 11% of the District backlog and 1.9% of the provincial backlog

7.1.1.2 Strategic objectives

- i. To reduce water loss and contribute towards the increase of revenue
- ii. To provide a quality, adequate water service to all consumers within the municipality
- iii. Reduce water and sanitation backlog.

7.1.1.3 Projects

Table 59: Water and Sanitation

Project Name	Project Number	Indicator	Responsible department	Funding Sources	Budget 2011/12 R	Budget 2012/13 R	Budget 2013/14 R
Improved access to sanitation service for both rural and urban households within the municipality.	HPC01 - 2012	No of VIP Toilets installed by June 2030.	Technical services(Water and sanitation section)	VKLM	500 000	500 000	700 000
Increased installation, maintenance and extension of the water and sewerage reticulation System	HPC02- 2012	Level of Construction of 35km bulk pipe line from Bloemendal by 31 June 2013.	Technical services(Water and sanitation section)	VKLM	5000 000	5000 000	5000 000
Increased replacement of all Old asbestos pipes	HPC03- 2012	60% completion of the replacement of old asbestos pipes	Technical services(Water and sanitation section)	VKLM	10 000 000	10 000 000	10 000 000

Upgrading of Delmas Waste Water Treatment Works	HPC04-2012	70% completion of upgrading	Technical services(Water and sanitation section)	VKLM	3000 000	3000 000	3000 000
Improved storm water drainage system to cater for current and future developments.	HPC05-2012	100% completion of future development of plans	Technical services(Water and sanitation section)	VKLM	5000 000	5000 000	5000 000
Upgrade of Sewer line Delpark	HPC06-2012	100% completion of future development of plans	NDM	VKLM	1000 000	1000 000	1000 000
Provision of water in rural areas	HPC07-2012	100% completion of future development of plans	NDM	VKLM	2000 000	2000 000	2000 000
Provision of Sanitation in rural areas	HPC08-2012	100% completion of the development of plans	NDM	VKLM	3000 000	3000 000	3000 000
Replacement of asbestos pipes around Delmas	HPC09-2012	100% completion of the development of plans	NDM	VKLM	4000 000	4000 000	4000 000

Development of integrated comprehensive maintenance plan	HPC10-2012	100% completion of the development of plans	VKLM	VKLM	4000 000	4000 000	4000 000
Build 4MI Reservoir at Eloff	HPC11-2012	100% completion of the reservoir	VKLM	MIG NDM VKLM			8 500 000
Upgrade sewer lines to Botleng Ext.14 sewer pump station	HPC12-2012	100% completion of upgraded sewer lines	VKLM	NDM VKLM			5 000 000
Repair residential leakages in Botleng Ext.3	HPC13-2012	50% repair of residential cisterns and taps in Botleng Ext. 3	VKLM	VKLM			1 000 000
Review of Water Service Development Plan	HPC14-2012	100% completion of review	VKLM	NDM			500 000
Compiling of a Water Master Plan	HPC15-2012	100% completion of the Water Master Plan	VKLM	VKLM			750 000
Sewer provision Sewer network at Eloff	HPC16-2012	Sewer network at Eloff	VKLM	VKLM			750 000

7.2 Issues 02: Electricity and street lighting

7.2.1.1 Problem Statement

The Electricity Regulations Act (Act no. 4 of 2006) stipulates that in order to maintain good quality of supply, ensure stability of the electricity network, minimize electricity load shedding and avoid blackouts, the following norms and standards for reticulation services must be maintained in the area of jurisdiction. Energy efficient fittings in all building

Street lights must be fitted with energy efficient system that allow for remote reduction of power during capacity constraints. An end user or customer with a monthly consumption of 500 Kwh and above must have a smart metering system and be on time of use tariff not later than 01 January 2013. The total electricity backlog in the District is in the order of about 30 000 units.

Table 60: CS2007service levels for the core function – Electricity

Municipality	RDP Electricity CS 2007 (actual)	RDP Electricity %	RDP Electricity backlog %	RDP Electricity backlog as % or	RDP Electricity backlog as % of Province
Nkangala District Municipality	249101	81.5	18.4	100	33.6
Victor Khanye Local Municipality	12125	80.1	19.8	5.3	1.7

Approximately 65% of the households in the Victor Khanye Municipal area use electricity for lighting. The remaining 35% includes residents of the rural areas and informal settlements or farm dwellers. The electricity network within Victor Khanye Local Municipality is ageing and has become inefficient. The main electricity substation is under severe pressure and needs to be upgraded since the electricity demand is increasing due to the following:

- iv. New industrial developments e.g. Sephaku Cement Factory,
- v. Industrial expansions e.g. McCain Foods
- vi. New residential development e.g. Botleng Ext. 5, Delmas Ext.17 and West ridge Estates.

Construction of the airport. The infrastructure within the area supplied by Eskom (Eloff, Sundra, and Botleng Extension 3) needs to be upgraded to ensure that communities receive uninterrupted services.

7.2.1.2 Strategic objectives

- ✓ Increased access to electricity by all households
- ✓ Investigate alternative sources of energy other than electricity

7.2.1.3 Projects

2. Table 61: Electricity

Project Name	Project Number	Indicator	Responsible department	Funding Sources	Budget 2011/12 R	Budget 2012/13 R	Budget 2013/14 R
Extend the provision of the Free Basic Electricity to poor households	EWHO 1-2012	Number of household provide with free basic electricity	Technical services(Electricity)	VKLM	R5000 000	R5000 000	R5000 000
Develop and implement Distribution Loss Strategy	EWHO 2-2012	100%completion of the document	Technical services(Electricity)	VKLM	R300 000	R300 000	R300 000
Improve lighting on public spaces as a way of making our neighbourhoods safer	EWHO 3-2012	100%completion of the document	Technical services(Electricity)	VKLM	R300 00	R300 000	R300 000
Reduced load shedding	EWHO 4-2012	Number of the incidents attended	Technical services(Electricity)	VKLM	R200 00	R200 000	R200 000
Upgrade of sewer line battery	HPC06 - 2012	100% completion of future development of plans	NDM	VKLM	1000 000	1000 000	1000 000

Provision of solar systems in all wards	HPCo6 - 2012	100% provision of the solar systems in all wards	VKLM	VKLM	2000 000	2000 000	2000 000
Provision of electricity to rural areas(Waaikraal, Argent, Abour)	HPCo6 - 2012	Provision of electricity in rural wards	VKLM	VKLM	1000 000	1000 000	1000 000

7.2.2 Issues 03: Roads and Storm water

7.2.2.1 Problem Statement

Roads infrastructure in Victor Khanye area was originally designed for the low volume traffic. The traffic volume has increased due to growth within the industrial and farming sector. Sundra, Eloff, Leeupoort, Rietkol, Botleng and Delpark inadequate storm water drainage systems. The estimated km of Municipal roads and Provincial roads around Victor Khanye is 295 km and 170km (excluding 50 National Roads) respectively. 85% of roads within the municipal are dilapidated as a result the increased traffic volume especially heavy Motor Vehicles. There is a backlog in terms of maintenance of gravel roads as result old equipment and shortage staff. The following areas are still having roads that were never tarred before:

- ✓ Botleng Proper, Botleng Ext 1, 2, 3, 4, and 5, 35 km
- ✓ Sundra and Ellof 65 km
- ✓ Delpark 11 km

The condition of the following provincial roads around Victor Khanye has deteriorated to such an extent that repairing thereof will not be possible. The Victor Khanye /Pretoria /Leandra Road, Ogies road, Eloff road.59% of roads around Victor Khanye need to be upgraded including newly developed areas. There is a challenge in terms access to the following schools in Botleng Extension 3 and 4: Sizuzile Primary School, Phaphamani and MM Motlounge Secondary Schools. Farm schools have been taken over by the department of Education and as a result, access roads that were previously maintained by farm owners are totally neglected.

7.2.2.2 Strategic objectives

- ✓ Improve storm water drainage system
- ✓ Improved the state of existing roads to better and acceptable standard

7.2.2.3 Projects

Table 62: Roads and drainage

Project Name	Project Number	Indicator	Responsible department	Funding Sources	Budget 2011/12 R	Budget 2012/13 R	Budget 2013/14 R
Improved storm water drainage system to cater for current and future developments	RSWo 1- 2013	100% completion of the improvement	Technical services(Road and storm water)	VKLM	2000 000	2000 000	2000 000
Improved farm roads by applying tarmac surface	RSWo 2- 2013	Number of roads repaired	Technical services(Road and storm water)	VKLM	2000 000	2000 000	2000 000
20% of Roads Surfaced and maintained	RSWo 3- 2013	Number of roads repaired	Technical services(Road and storm water)	VKLM	2000 000	2000 000	5000 000
Improve the state of existing roads surface and maintenance	RSWo 4- 2013	7km road surface by 2030	Technical services(Road and storm water)	VKLM	2000 000	2000 000	2000 000
Improve the state by applying the tarmac surface	RSWo 4- 2013	10km of roads in rural area Re-gravelled by 31 March 2013	Technical services(Road and storm water)	VKLM	15 000	15 000	15 000

Improve storm water drainage system	RSWo 5- 2013	300 of storm water pipes installed by 31 March 2013	Technical services(Road and storm water)	VKLM	20 000 000	20 000 000	20 000 000
Roads and storm water master plan	RSWo 8- 2013	Roads and storm water master plan	Technical services(Road and storm water)	VKLM	20 000 000	20 000 000	20 000 000
Increasing number of boreholes in rural wards	RSWo 9- 2013	Increasing number of boreholes in rural wards	Technical services(Road and storm water)	VKLM	20 000 000	20 000 000	20 000 000
Rehabilitation of road and storm water of the Municipality	RSW1 0- 2013	Rehabilitation of road and storm water of the Municipality	Technical services(Road and storm water)	VKLM	20 000 000	20 000 000	20 000 000

7.2.3 Issues 04: Housing

7.2.3.1 Problem Statement

The provision of housing is one of the key mechanisms through which the rate of service delivery can be fast-tracked. The NDM is cognisant that phrase ‘housing’ is much broader than a ‘house’. Housing encapsulates the physical structure, which is the house, as well as the services that go with it, water and sanitation infrastructure, electricity, roads and storm water. Thus, accelerated provision and facilitation of access to housing can potentially alleviate the service delivery backlog that is still a dominant feature in some of our municipalities. It must be taken into account that any housing programme has both a social and economic imperative. With that realisation, creation of sustainable human settlements will be achieved. The issue of lack of low-income housing was highlighted as one of the factors that lead to the increasing backlog. There are members of the community who are currently employed but cannot afford to purchase a house in the free market. Emanating from the community outreach meetings, communities have identified the need for government intervention in supporting those who cannot afford their own housing and do not qualify for the RDP and other low income housing schemes. A large number of these communities need to be assisted in securing bank loans and so forth. Resolving this situation will lead to a considerable reduction in the housing backlog and the incidence of selling RDP houses.

Outcome 8 of the Delivery Agreement requires that housing delivery needs to be accelerated, informal settlements upgraded and services be delivered to all. This will lead to a considerable reduction in the housing backlog. Emanating from the community meetings, communities have

identified the need for government intervention in supporting those who cannot afford their own housing and do not qualify for the RDP and other low income housing schemes. A large number of these communities need to be assisted in securing bank loans. Suitable areas of potential expansion have been identified and described in the Spatial Development Framework. Apart from the funding constraints currently encountered, the communities have emphasized the need to address the following issues:

- ✓ High level of housing backlog;
- ✓ Slow pace of housing delivery (i.e. RDP housing);
- ✓ Poor building quality by some contractors;
- ✓ Long periods for construction and completion of RDP houses;
- ✓ Lack of housing in farm areas for farm workers;
- ✓ Illegal selling and renting out of RDP houses;
- ✓ Inadequate budget allocations;
- ✓ Need for prioritisation of informal settlement dwellers
- ✓ Need for prioritisation of the elderly and the disabled in the allocation of the RDP housing
- ✓ The challenges pertaining to title deeds, particularly in tribal areas
- ✓ Lack of support by private sector. E.g. banks & material suppliers.
- ✓ Outstanding accreditation of capacitated municipalities to implement housing programme.
- ✓ Challenges relating to spatial integration of settlements; and
- ✓ The requirement of R2 479 up-front payments for RDP houses.

7.2.3.2 Strategic objectives

- ✓ Reduce housing backlog

7.2.3.3 Projects

Table 63: housing

Project Name	Project Number	Indicator	Responsible department	Funding Sources	Budget 2011/12 R	Budget 2012/13 R	Budget 2013/14 R
Ensure the completion of all housing units by construction under 2012/13	HPC01-2013	Number of housing units built by 30 June 2014	Department of Human Settlement	Department of Human Settlement	25 000 000	25 000 000	25 000 000
Provide adequate and skilled human resources to handle housing issues	HPC02-2013	Number of permanent staff members employed by 30 September 2014	VKLM(Housing)	VKLM	5000 00	5000 00	5000 00
Co-ordinate the land claims	ST03-2013	Number of quarterly reports to council	VKLM(Technical)	VKLM			
Improve land restitution	ST04-2013	Land reform policy developed	VKLM(Technical)	VKLM	50 000	50 000	50 000
Minimize urbanisation and farm evictions	ST05-2013	Urbanisation strategy	VKLM(Technical)	VKLM	10 000	10 000	10 000

Complete the unfinished housing units	STo6-2013	Complete the unfinished housing units	VKLM(Technical)	VKLM	1000 000	1000 000	1000 000
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7.2.4 Issues 05: Environmental and Waste Management

7.2.4.1 Problem Statement

The state of air, water, waste, bio-diversity and land are some of the key elements in determining the state of the environment. Mining potential on the other hand is detrimental to the valuable biophysical elements of the environment. The elements of air, water, biodiversity and land are briefly outlined below. The following are the air quality management issues that are raised by the State of Environmental Resources study to the fact that they are not sufficiently addressed by various departments and local government institutions within in the District:

- ✓ Location of industries vs. residential areas (relating to land use)
- ✓ Rezoning of areas that might result in an increase in air pollution (relating to land use)
- ✓ Smog on highways (relating to Environmental Management)
- ✓ Management of greenhouse gases (relating to Environmental Management)

In terms of the Department of Environmental Affairs and Tourism, waste is an undesirable or superfluous by-product, emission, or residue of any process or activity, that has been discarded, accumulated or been stored for the purpose of discarding or processing. Waste products may be gaseous, liquid or solid or any combination thereof and may originate from domestic, commercial or industrial activities, and include sewage sludge, radioactive waste, as well as mining, metallurgical and power generation waste. The table Nkangala District has a relatively high refuse removal backlog in relations to a Victor Khanye local Municipality

Table 64: CS2007 service levels for the core function – Refuse removal

Municipality	RDP Refuse removal CS2007 (actual)	RDP Refuse removal	RDP Refuse removal backlog %	RDP Refuse removal backlog as % of	RDP Refuse removal backlog as % of Province
Nkangala District Municipality	137654	45.1	54.6	100	30.4
Victor Khanye local municipality	11570	76.4	23.5	2.1	0.6

7.2.4.2 Strategic objectives

- ✓ Ensure the general environment is protected and promote in a sustainable way .

7.2.4.3 Projects

Table 65: Environmental and waste management

Project Name	Project Number	Indicator	Responsible department	Funding Sources	Budget 2011/12 R	Budget 2012/13 R	Budget 2013/14 R
Restructure waste management services and refuse removal provision to every household	EWH01-2013	Level of implementation of restructured waste management services and refuse removal	VKLM(Community)	VKLM(Community)	500 000	500 000	500 000
	EWH01-2013	Distribution of dustbins to 5000 all households	VKLM (Community)	VKLM(Community)		2 000 000	2 000 000

	EWHo2-2013	Development of a recycling strategy	VKLM(Community)	VKLM(Community)	0	500 000	500 000
Provision of appropriate refuse removal disposal sites	EWHo31-2013	Approval of the extension of the existing Landfill site obtained by 30 June 2014	VKLM(Community)	VKLM(Community)	200	500 000	
Application for the landfill site licence	EWHo4-2013	Landfill site licence issued by 30 December 2014	VKLM(Community)	VKLM(Community)	10 000	10 000	10 000
Construct second phase of landfill sites	EWHo5-2013	Appointment of the contractor by the March 2014 and preparation of site for construction.	VKLM(Community)	VKLM(Community)	3 000 000	3 000 000	2 000 000
Enhance Municipal and community knowledge on rehabilitations of Wetlands	EWHo4-2013	All Municipal boundary Wetlands identified by 30 June 2014	VKLM(Community)	VKLM(Community)			
Maintaining Municipal Parks and cemeteries	EWHo5-2013	Implementation of the program for grasscutting of parks and cemeteries	VKLM (Community)	VKLM (Community)			

7.2.5 Issues 06: Public Education

7.2.5.1 Problem Statement

Outcome 1 of the Delivery Agreement requires the improvement of quality of basic education in general and in Maths and science in particular. The fact that approximately 34.7% of the population in Victor Khanye Local Municipality did not attend any educational institution leads to a generation of illiterate young people and unemployment in future. This also poses a huge problem within the communities as the dependency syndrome increases and criminal activities increase. The status of teacher and pupil ratio in the township schools is slowly creating a problem for the public education in Delmas. The schools in Botleng Proper (best schools facilities) Bazani Primary, Othandweni Primary and Khangela primary are experiencing a decline in learner registration, this phenomena might be influenced by the development of Botleng Extension 3,4 and 5 versus the ageing of the population in Botleng proper. The schools in Botleng Extension 3 Sizuzile Primary, Mdumiseni Primary are experiencing overcrowding. The secondary schools are not that much affected by this situation because the older schoolchildren are able to commute between Botleng proper, Delpark Extension 2, and Botleng extension 3 & 4. With the Development of Botleng extension 6 the problem will be exacerbated even further, there might be a need for transportation for the learners to fill the empty schools.

There is a scholar transport challenge for the learners who are residing at the farm areas, At times the service providers allege that they are paid late hence their reluctance to transport the learners where there is no payment resulting in learners losing school days. There is a great need for an institution addressing the mining skills and the manufacturing qualifications. The unprecedented alarming rate of violence between the learners in some cases resulting in death is noted. In view of the above, promotion of campaigns for safer schools that are free from crime, violence, drugs, alcohol, HIV/AIDS and teenage pregnancy. The high poverty levels in especially rural areas warrant an extension of school feeding schemes to all schools, especially foundation phase. Also that some children are orphaned largely by HIV/AIDS and other families are headed by minors renders them at risk of teenage pregnancy and many other threats. In view of the high levels of poverty, the criteria used for determining and declaring no fee school need to be evaluated.

The need to have improved skill particularly in what is termed critical areas such as those relating to Mathematics requires that a new teaching attitude be adopted from the lower grades. Improved quality of schooling in Science, Medicine and Technology fields is eminent and requires major investment in the teachers and the resources required such as laboratories, exposure by learners to the skills gaps in the market and a perception change about certain subjects, which are perceived difficult. This necessitate that an entire mind shift, which is required at the foundation phase, is inculcated. The need for private sector's involvement particularly around career exposure for learners and programmes such as take a girl child to work needs to be strengthened.

7.2.5.2 Strategic objectives

- ✓ Increase access to the public education.
- ✓ Eradicate illiteracy in the community.

7.2.5.3 Projects

Table 66: Public education

Project Name	Project Number	Indicator	Responsible department	Funding Sources	Budget 2011/12 R	Budget 2012/13 R	Budget 2013/14 R
Facilitates and initiates peer education in the awareness and prevention HIV/Aids	PE 01-2013	Number of HIV/AIDS instated by 2013	VKLM(MM)	VKLM(MM)	20 000	20 000	20 000
Upgrade of Delmas and Sundra library	PE 02-2013	Fencing of Delmas library	VKLM(Community)	VKLM(Community)		1 000 000	200 000
Improve public library access in all communities like mobile libraries	PE 03-2013	Approval obtained from DSCR for provision of mobile libraries by 31 December 2014 Developed programme for Mobile Library Service	VKLM(Community)	VKLM(Community)		300 000	300 000
Increase Awareness of library and internet services through advertising and activities	PE 04-2013	Strategy for marketing and advertising library services developed by 30 September 2013	VKLM(Community)	VKLM(Community)		10 000	10 000

7.2.6 Issues 07: Emergency services

7.2.6.1 Problem Statement

Disaster Management as a function is responsible for the planning, prevention, response, mitigation and rehabilitation of risks and significant events that occur or threaten to occur that could have a serious impact on communities or serious disruption of services. Due to development and the increase in population, our communities are becoming more exposed to potentially serious hazards and risks. Victor Khanye Local Municipality is frequently affected by some hazards such as fire, vehicle accidents, technological and environmental threats, natural phenomena, service disruption and crime. Disaster Management incorporates the Fire Service as its response function as they are the first responders to incidents where life and property are under threat. The department is currently experiencing staff shortages in order to sustain an effective Emergency Management Services as well as insufficient facilities. Some criteria that were identified that require attention are; insufficient specialized training in terms of Fire and Rescue. Current specialized equipment is out of date and is not in line with the advancements in technology. This equipment are limited and expensive products and equipment suppliers are in short supply within South Africa – Due to the nature of the work and the equipment required to perform these functions are only manufactured overseas and imported, resulting in them being extremely expensive.

7.2.6.2 Strategic objectives

- ✓ To promote community protection and effective response to emergencies within the Municipal area.

7.2.6.3 Strategic objectives

- ✓ To increase the accessibility of emergency services to the community

7.2.6.4 Projects

Table 67: Emergency

Project Name	Project Number	Indicator	Responsible department	Funding Sources	Budget 2011/12 R	Budget 2012/13 R	Budget 2013/14 R
Regulate risks and services through By-laws and regulations.	ES01-2013	Level of implementation of Fire Service regulations	VKLM(Community)	VKLM	375 000	150 000	300 000

Ensure rapid and effective Emergency Services response	ES02-2013	Upgrade of the Emergency Services Dispatch centre to streamline dispatch	VKLM(Community)	VKLM	1 500 000	300 000	400 000
Establish a facility to ensure effective and quick response to Emergencies	ES03-2013	Plan, construct and commission a fully functional Fire Station strategically placed to ensure efficient response as a first phase.	VKLM(Community)	VKLM/NDM/MIG	1600 000	25 000 000	850 000
Establish and maintain an emergency respond vehicle fleet that is area specific to the needs within the community	ES04-2013	Maintain an 80% availability of emergency vehicles to comply to the codes of practice (SANS 10090)	VKLM(Community)	VKLM/NDM	950 000	3 500 000	1 900 000
Establish & maintain emergency equipment to ensure effective emergency response	ES05-2013	Upgrade emergency equipment to accommodate new technologies	VKLM(Community)	VKLM/NDM	850 000	950 000	1 500 000
Capacitate structures assisting in management of Wildland Fires	ES06-2013	Acquire and distribute task specific equipment to Fire Protection Association	VKLM(Community)	VKLM/NDM	450 000	1 300 000	500 000

Establish community awareness and related training in relation to Fire and Disaster risks	ES07-2013	Training of fire teams and Number of community awareness Programs	VKLM(Community)	VKLM/NDM/DAFF	80 000	80 000	100 000
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7.2.7 Issues 08: Culture, sports and recreational

7.2.7.1 Problem Statement

Victor Khanye community is predominantly characterized by the Ndebele culture. Sports contribute to the building race. However, the extension of sporting facilities in many communities still reflects the segregation effects of the past. Young people are not able to engage in sporting activities largely due to lack of these facilities, especially in town. The situation is worse amongst the farming communities where sporting equipment and facilities is not available, mainly because of land ownership, which is mainly in the hands of the farmers. Victor Khanye community is predominantly characterized by the Ndebele culture. Sports contribute to the building race. However, the extension of sporting facilities in many communities still reflects the segregation effects of the past. Young people are not able to engage in sporting activities largely due to lack of these facilities, especially in town. The situation is worse amongst the farming communities where sporting equipment and facilities is not available, mainly because of land ownership, which is mainly in the hands of the farmers. The predominant Sport Activities are:

- ✓ Soccer
- ✓ Rugby
- ✓ Netball
- ✓ Basket Ball
- ✓ Volleyball

The nature and extent of the challenge is complex and easily noticeable in the rural areas. The challenge ranges from a shortage of playing fields and lack of maintenance thereof to unavailability of other sporting codes. The proposals that still need to be pursued per municipality are as follow.

Victor Khanye LM: In the light of the government commitment to expanded access to services, the communities who are located in the periphery should be prioritised in the provision of services. The Simon Gondwe Sports Centre at Delmas provides the communities of the municipality with access to sport facilities. However, it should be extended in order to accommodate communities in the periphery, particularly communities from areas such as Botleng who have limited access to sport facilities. The need for sport facilities for soccer, netball etc (ward 6) has been highlighted by the communities.

7.2.7.2 Strategic objectives

- ✓ Reduce social ills such as crime ,the increase in teenage pregnancy as well as HIV/AIDS through the use of sports a variety of facilities .

7.2.7.3 Projects

Table 69: Recreational activities

Project Name	Project Number	Indicator	Responsible department	Funding Sources	Budget 2011/12 R	Budget 2012/13 R	Budget 2013/14 R
Ensure accessibility to sports and recreational facilities for all inhabitants by providing a variety of facilities	CRS01-2013	Status Quo report on the distribution of sports facilities in the municipality by 30 September 2013	VKLM(Community)	VKLM	2000 000	2000 000	2000 000
Encourage participation in all sporting activities.	CRS02-2013	Municipal sports policy developed in line with the National sports plan by 30 June 2014	VKLM(Community)	VKLM	30 000	30 000	30 000
Provide cultural hubs and to establish arts and cultural forums	CRS03-2013	Sports fora a establishment line with the National sports plan by 30 June 2013	VKLM(Community)	VKLM	30 000 000	30 000 000	30 000 000
Name and rename all features in Delmas	CRS04-2013	Programme for the LGNC developed by December 2013	VKLM(Community)	VKLM	15 000	15 000	15 000

7.2.8 Issues 09: Gender, Disability and Children

7.2.8.1 Problem Statement

In Victor Khanye Local Municipality, more attention is given to the issue of women empowerment and gender equality, awareness programs are put in place, and more opportunities are open for women however is a room for improvement. People living with

disabilities are more often taken serious, subjected to the assumption that they are not capable of anything. It is for this that reason they are considered as unemployable and charity cases. Some families even go to the extent of imprisoning them in their homes, hiding the people living with disabilities from the public. Most of these people are fully dependant on government grants.

There is a stimulation centre for disabled children. Facilities for skills development of adults and children living with disabilities are needed. Because of HIV and AIDS mortalities, households are left to the care of children. These children are forced to look after their siblings and sometimes they have to leave school, to find employment in order to provide for themselves. Victor Khanye does not have a single orphanage to accommodate children without parents and families. It is estimated that a 76.5% of the economically active population in Victor Khanye local municipality is unemployed leading to a higher dependency ratio. Poverty levels in our society remain very high. The Department of home affairs is currently issuing identity documents, birth and death certificates to enable people to access social service grants. There are social welfare programmes currently Department of Social Services. The youth are involved in substance abuse and there is no entertainment for the elderly.

7.2.8.2 Strategic objectives

- ✓ To establish and support facilities and programs helping people with disability in our municipality.

7.2.8.3 Projects

Table 70: woman, children and gender

Project Name	Project Number	Indicator	Responsible department	Funding Sources	Budget 2011/12 R	Budget 2012/13 R	Budget 2013/14 R
Increase awareness among woman and disabled with regards to their rights	GDC 01-2013	Strategy for increasing awareness among woman and disabled with regards to their rights by 31 December 2013	VKLM(Community)	VKLM	20 000	20 000	20 000

Ensure that all public offices and facilities are accessible and user friendly	GDC 02-2013	Level of implementation of user friendly public and accessible offices and facilities.	VKLM(Community)	VKLM	10 000	10 000	10 000
Promote a society that takes care of the needs of the poor and destitute	GDC 03-2013	Community outreach developed by 31 December 2013	VKLM(Community)	VKLM	10 000	10 000	10 000
Protect and promote the wellbeing of children in the community by rendering preventative services	GDC 04-2013	Number of child protection programmes conducted in partnership with provincial department	VKLM(Community)	VKLM	10 000	10 000	10 000

7.2.9 Issues 10: Traffic, Safety and Security

7.2.9.1 Problem Statement

The municipality in cooperation with the Mpumalanga Provincial government deployed traffic officers for the enforcement of traffic laws, but traffic officers are not adequate due to vast area, which covers Sundra, Eloff, and Delmas, Vukuzenzele and Extensions and portion of N12. The Municipality acts on an agent basis on behalf of the Mpumalanga Provincial Government on the testing and issuing of Learners and Drivers licenses as well as vehicle licenses. At present, there is a crisis at the licensing section with insufficient office space. Secondly, the current offices space does not comply with legislative requirements. The e-Natis system usually gets offline resulting in confusion. This causes long queues to form and clients become upset for waiting a long time to be served. The public are also not happy with the fact that the licensing office and the license-testing center are separated and far apart, it causes unnecessary traveling for them

The municipality is not responsible for public transport except for providing parking facilities and taxi ranks for private public transport operators. It only addresses issues on traffic, drivers and vehicle licenses and parking. The increase of heavy goods vehicles in the restricted areas results in congestion in the CBD.

7.2.9.2 Strategic objectives

- ✓ Control over trucks driving through and parking in residential areas.

7.2.9.3 Projects

7.2.9.4 Projects

Table 70: traffic table

Project Name	Project Number	Indicator	Responsible department	Funding Sources	Budget 2011/12 R	Budget 2012/13 R	Budget 2013/14 R
Issuing of licences on road safety environment for all vehicles, commuters and pedestrians and cyclist.	TSS01-2013	Number of licences issued to successful applicants by 30 December 2013	VKLM(Community)	VKLM	200 000	200 000	200 000
Issuing of roadworthy certificates for all types of vehicles.	TSS01-2013	Number of road worthy certificates issued by 2030	VKLM(Community)	VKLM	300 000	300 000	300 000
Implementation of best models practices at the licensing section.	TSS01-2013	Best model practices implement by 31 December 2013	VKLM(Community)	VKLM	100 000	100 000	100 000
Prevention of damage to the roads system by regulating the mass of heavy goods vehicles travelling through the municipality	TSS01-2013	Feasibility study for truck inn/weigh bridge developed by 31 December 2013	VKLM(Community)	VKLM	200 000	200 000	200 000

Capturing of summonses on the system	TSS01-2013	Number of summonses captured on the systems	VKLM(Community)	VKLM	200 000	200 000	200 000
Installations of anti-corruption measures at licensing office	TSS01-2013	Level of anti-corruption measures at licensing office	VKLM(Community)	VKLM	200 000	200 000	200 000

7.3 KPI 2: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

7.3.1 Issues 11: Organizational Development

7.3.1.1 Problem Statement

As directed by the Employment Equity Act, Act 55 of 1998, and a five-year Employment Equity Plan was compiled and submitted to the Department of Labour in 2008. Over and above the plan, appointments at senior management level were done in a representative manner. One of the Council's goals is to recruit female to management level to achieve gender representation at the senior management level. On the internal processes, the Victor Khanye Local Municipality has achieved considerably as far as human resource matters are concerned. Among these achievements; implementation of Employment Equity Plans in the , particularly employment of people with disabilities; designing a system of delegations; compilation and review of human resource policies; Implementation of Performance Management System (PMS) and capacity building of employees through a structured Human Resource Development Programme are some that can be mentioned. Coordination and integration of the PMS, capacity building for Councillors and employees, retention of skills as well streamlining of the organisational structure and internal administrative processes are some of the issues that still need to be improved. Alignment and coordination of initiatives and programmes of external service providers with that of local municipalities also needs attention, although some progress has been achieved in this regard. Agreement on an integrated PMS across all three spheres of government will also be sought. Key in this activity will be the ability of individual performance of officials to the over-all performance management and relevant monitoring and evaluation systems pertaining to relevant IDPs.

7.3.1.2 Strategic objectives

- ✓ Improve the functionality of the organization.
- ✓ Improve the compliance to employment equity plan

7.3.1.3 Projects

Table 71: Employment equity

Project Name	Project Number	Indicator	Responsible department	Funding Sources	Budget 2011/12 R	Budget 2012/13 R	Budget 2013/14 R
Review and implement organizational structure	ODEP 01-2013	Level of the implementations of organizational structure	VKLM(Corporate)	VKLM	100 000	100 000	100 000
Increase the retention of scarce skills across the Municipality	ODEP 02-2013	Percentage reduction of scarce skills vacancy rate	VKLM(Corporate)	VKLM	100 000	100 000	100 000
Develop and implement Succession strategy	ODEP 03-2013	Level of implementation of the succession strategy	VKLM(Corporate)	VKLM	100 000	100 000	100 000
Improve the Management of the Employment equity plan	ODEP 04-2013	Level of compliance to the Employment equity plan to middle and lower management levels	VKLM(Corporate)	VKLM	100 000	100 000	100 000

7.3.2 Issues 12: Training and skills development

7.3.2.1 Problem Statement

Skills development, particularly scarce and critical skills, is one of the key issues that are critical which the District must focus on. The municipal economy continues to experience a shortage of certain skills in each of the key sectors. In order to address these challenges, short- to medium-term measures are necessary to address structural imbalances in the labour market. Staff training and development are based on the premise that staff skills need to be improved for organizations to grow. Training is a systematic development of knowledge, skills, and attitudes required by employees to perform adequately on a given task or job. New entrants into the municipality have various skills, though not all are relevant to organizational needs of the municipality. Training and development are required for staff to enable them work towards taking the municipality to its expected destination. It is against the backdrop of the relative importance of staff training and development in relation to organization effectiveness that this project addressed. As far as skills development initiatives are concerned, the following challenges can be highlighted:

- ✓ Skills available not relevant to the needs of the labour market
- ✓ Shortage of accredited training institutions
- ✓ Available training institutions not providing training programs needed by the labour market
- ✓ Businesses/industries failure to support work-based training programs
- ✓ Business and Government not willing to support learnership/skills programs for the unemployed
- ✓ Inadequate & uncoordinated efforts by business and government to address issues of skills development

Not all SETAs committed to fast tracking the implementation of learnership/skills programme.

7.3.2.2 Strategic objectives

- ✓ Improve the level of skills of employees

7.3.2.3 Projects

Table 72: Skills development projects

Project Name	Project Number	Indicator	Responsible department	Funding Sources	Budget 2011/12 R	Budget 2012/13 R	Budget 2013/14 R
Increase number of staff capacitate as part of training and development strategy	TSD 01-2013	Number of staff capacitated	VKLM(Corporate)	VKLM	500 000	500 000	500 000
Develop and implement training and development strategy	TSD 01-2013	Training and development strategy developed by target date	VKLM(Corporate)	VKLM	500 000	500 000	500 000

7.3.3 Issues 13: Performance Management

7.3.3.1 Problem Statement

The idea of performance management may be incorrectly viewed as a punitive measure that is designed to punish some people. In reality, not only is performance management simple and implementable, but it is essential in all the functions and dealings of any organisation. The Victor Khanye Local Municipality seeks to enhance performance management culture amongst all Councillors and officials. A PMS workshop will be conducted with all officials and councillors to ensure seamless understanding and alignment of the model in view of the regulations promulgated. The Victor Khanye Local Municipality adopted its scorecard in September 2012, as its performance management system. In accordance with government gazette notice dated 24 August 2001, a performance management system must include the following key indicators:

The percentage of Councils capital budget spend on capital projects identified for a particular financial year in terms of the IDP.

- ✓ The level at which the employment equity targets have been met.
- ✓ The percentage of households within the municipality earning less than R 1100 per month with access to free basic service.
- ✓ The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal.

- ✓ The percentage of the Council's budget actually spend on implementing its workplace skills plan
- ✓ The number of jobs created through Local Economic Development initiatives including capital viability.

The aforementioned indicators needed to be met in order to indicate the municipality has made the necessary impact on the community that it serves. Thus, Victor Khanye Local Municipality adopted the Municipal Score Card to summarize and properly direct performance management. At an organisational and departmental level, SDBIP's are developed to form part of the Performance management plans of the Municipal Manager and the Section 57 managers. The performance agreements are assessed twice informally per year and twice formally in a year. Accordingly, performance bonuses are paid according to the achievements on performance. The framework on the Performance Management System provides further clarity in this regard.

7.3.3.2 Strategic objectives

- ✓ Increase the roll out of Performance Management Systems

7.3.3.3 Projects

Table 73: performance table

Project Name	Project Number	Indicator	Responsible department	Funding Sources	Budget 2011/12 R	Budget 2012/13 R	Budget 2013/14 R
Development and institutionalise Performance Management systems	PMS 01-2013	Level of implementation of Performance Management System	VKLM(Corporate)	VKLM	100 000	100 000	100 000

Implement performance Regulations to Municipal Manager and Managers directly accountable to the Municipal Manager	PMS 01-2013	Number of Consolidated Performance Management systems quarterly report	VKLM(Corporate)	VKLM	100 000	100 000	100 000
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7.3.4 Issues 14: Information Technology

7.3.4.1 Problem Statement

Institutional Development and more specifically Information Technology and Systems play a vital role in any municipality as the status and or availability thereof or access thereto determines the manner in which the allocated powers and functions are exercised and performed. Some of the information technology and or systems that are current being used by this municipality is outdated and in certain instances none exciting.

7.3.4.2 Strategic objectives

- ✓ Improve the ICT infrastructure

7.3.4.3 Projects

Table 72: Information Technology

Project Name	Project Number	Indicator	Responsible department	Funding Sources	Budget 2011/12 R	Budget 2012/13 R	Budget 2013/14 R
Determine the gaps between the status quo and prescribed or desired and to quantify the needs in this regard	ITS 01-2013	Level of implementation of the ICT strategy.	VKLM(Municipal Manager)	VKLM	20 000	20 000	20 000

Regulate the usage of computers networks as well as systems through protocols and usage policies.	ITS 01-2013	Developed regulatory framework	VKLM(Municipal Manager)	VKLM	20 000	20 000	20 000
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7.3.5 Issues 15: Occupation Health and wellness

7.3.5.1 Problem Statement

Occupational health should aim at: the promotion and maintenance of the highest degree of physical, mental and social well-being of workers in all occupations; the prevention amongst workers of departures from health caused by their working conditions; the protection of workers in their employment from risks resulting from factors adverse to health; the placing and maintenance of the worker in an occupational environment adapted to his physiological and psychological capabilities; and, to summarize, the adaptation of work to man and of each man to his job.

The main focus in occupational health is on three different objectives: (i) the maintenance and promotion of workers' health and working capacity; (ii) the improvement of working environment and work to become conducive to safety and health and (iii) development of work organizations and working cultures in a direction which supports health and safety at work and in doing so also promotes a positive social climate and smooth operation and may enhance productivity of the undertakings. The concept of working culture is intended in this context to mean a reflection of the essential value systems adopted by the undertaking concerned. Such a culture is reflected in practice in the managerial systems, personnel policy, principles for participation, training policies and quality management of the undertaking.

7.3.5.2 Strategic objectives

- ✓ Improve the wellness of employees

7.3.5.3 Projects

Table 73: Occupation Health and wellness

Project Name	Project Number	Indicator	Responsible department	Funding Sources	Budget 2011/12 R	Budget 2012/13 R	Budget 2013/14 R
Develop and implement employees wellness strategy	HWSO 1-2013	EWP Strategy developed by September 2014	VKLM(Corporate)	VKLM	100 000	100 000	100 000
Increase of the employees to the wellness programs	HWSO 2-2013	Number of EWP Programmes implemented by 30 June 2014	VKLM(Corporate)	VKLM	200 000	200 000	200 000
Develop and implement SHE Management Systems	HWSO 3-2013	SHE Management System developed by targeted date	VKLM(Corporate)	VKLM	100 000	100 000	100 000

7.3.6 Issues 16: Municipal assets

7.3.6.1 Problem Statement

The Victor Khanye Municipality has its main offices on the corner of Samuel Road and Van der Walt Street in Delmas. These offices cannot accommodate the entire staff compliment. The municipality also has a fleet of vehicles used to deliver municipal service as well as equipment used for the daily businesses at the offices. The fleet is old and prone to abuse by staff. Council is currently having a shortage of ±30 offices. Considering that additional office personnel are to be appointed during the new Financial Year, the number of offices needed shall increase drastically. The condition and appearance of Council building needs to be attended. Due to the increase of personnel and offices, extra parking facilities are required. The theft of diesel, petrol and other equipment requires that security at the Municipal Workshop be beefed up. The construction of new offices requires an estimated cost of R100million and renovations and upgrading of existing offices and the FC Dumat Building R120 million.

7.3.6.2 Strategic objectives

- ✓ To ensure that the municipality buildings, vehicles and equipment's are sufficient and well maintained for service delivery

7.3.6.3 Projects

Table 74: Occupation Health and wellness

Project Name	Project Number	Indicator	Responsible department	Funding Sources	Budget 2011/12 R	Budget 2012/13 R	Budget 2013/14 R
Building and upgrading offices to accommodate all personnel	MS01-2013	Completion of building and upgrading	VKLM(Finance)	VKLM	300 000	300 000	300 000
Provision of sufficient parking area and security for personnel and council equipment	MS01-2013	Completion of building and upgrading	VKLM(Finance)	VKLM	1000 000	1000 000	1000 000
To ensure that municipal buildings vehicles and equipment's are not used for personal gain.	MS01-2013	Level of implementation of Assets policy	VKLM(Finance)	VKLM	400 000	400 000	400 000

7.4 KPI 3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

7.4.1 Issues 17: Public Participation

7.4.1.1 Problem Statement

One of the main features about the integrated development planning process undertaken by the Victor Khanye local Municipality is the involvement of community and stakeholder organisations in the process. Participation of affected and interested parties ensures that the IDP addresses the real issues that are experienced by the citizens of a municipality. The primary purpose of this forum is to facilitate public participation within the through providing a platform for discussion and resolution of challenges confronting community participation mechanism and structures such as ward councillors, ward committees and Community Development Workers (CDWs).

A strong working relationship has also been established with print media that exists in the Victor Khanye Local Municipality. Communication through the print media is done through local, regional and national newspapers, websites, magazines and newsletters. A -wide newsletter has been initiated. The newsletter is produced and distributed quarterly. Copies of the newsletter can also be found at the library. In order to reinforce the flow and the dissemination of information and community participation, promotional materials are also developed, availed and widely distributed from time to time. These range from brochures, t-shirts, caps, pens, posters, backdrops, banners, etc

7.4.1.2 Strategic objectives

- ✓ Increase and implementation of public participation imperatives

7.4.1.3 Projects

Table 74: Public Participation

Project Name	Project Number	Indicator	Responsible department	Funding Sources	Budget 2011/12 R	Budget 2012/13 R	Budget 2013/14 R
Development of communication strategy	PP01-2013	Communication strategy developed and approved by council by council 31 December 2013	VKLM(Municipal Manager)	VKLM	100 00	100 00	100 00
Develop and in-year Reporting Programme.	PP02-2013	Progress on community issue raised during public participation	VKLM(Municipal Manager)	VKLM	100 00	100 00	100 00
To encourage the ward consultative meetings to take place per ward.	PP03-2013	Number of ward committee meetings held	VKLM(Municipal Manager)	VKLM	100 00	100 00	100 00

To ensure that key stakeholders are capacitated to participate into matters of governance	PP03-2013	Number of workshops held	VKLM(Municipal Manager)	100 00	100 00	100 00	100 00
To upgrade all community halls	Ms 03-2013	Upgrading of the Community halls	VKLM (Community)	VKLM	5 000 000	100 00	100 00
Equipments for parks vehicles	Ms 04-2013	Equipments for parks vehicles	VKLM (Community)	VKLM	5 000 000	100 00	100 00
Ambulation facilities	Ms 05-2013	Ambulation facilities	VKLM (Community)	VKLM	5 000 000	100 00	100 00

7.4.2 Issues 18: Municipal committees

7.4.2.1 Problem Statement

The Constitutions of the Republic of South Africa, read together with the Municipal Systems Act outlines the powers and functions of the municipalities. This was further confirmed by the demarcation board. The following table illustrates the generic powers and function as contained in schedule 4 part b and schedule 5 part b of the Constitution. The highlighted bullet points indicate the powers and function directly accorded to the Municipality by the MEC of Local Government and Housing.

Table 75: Powers and functions

Schedule 4 Part B	Schedule 5 Part B
Air pollution	Beaches and amusement facilities
Building regulations	Billboards and the display of advertisements in public places
Child care facilities	Cemeteries, funeral parlours and crematoria
Electricity and gas reticulation	Cleansing
Fire fighting services	Control of public nuisances
Local tourism	Control of undertakings that sell liquor to the public
Municipal airports	

Municipal planning	Facilities for the accommodation, care and burial of animals
Municipal health services	Fencing and fences
Municipal public transport	Licensing of dogs
Municipal public works	Licensing and control of undertakings that sell food to the public
Pontoons, ferries, jetties, piers and harbours,	Local amenities
Storm water management systems in built-up areas	Local sport facilities
Trading regulations	Markets
Water and sanitation services	Municipal abattoirs
	Municipal parks and recreation
	Municipal road
	Noise pollution
	Pounds
	Public places
	Refuse removal, refuse dumps and solid waste disposal
	Street trading
	Street lighting
	Traffic and parking

7.4.2.2 Strategic objectives

- ✓ Improved accountability to council

7.4.2.3 Projects

Table 76: Municipal committees

Project Name	Project Number	Indicator	Responsible department	Funding Sources	Budget 2011/12 R	Budget 2012/13 R	Budget 2013/14 R
Effective functioning of Council committees	Mc01-2013	Number of Council meetings held	VKLM(Corporate)	VKLM	100 000	100 000	100 000

7.4.3 Issues 19: Fraud and corruption

7.4.3.1 Problem Statement

The Victor Khanye local Municipality employs to the excess of just over 400 staff members, runs a budget of over R120 million and owns assets. This, including other issues puts the municipality at risk of fraud and corruption by either staff or outsiders. For the purposes of the input fraud and corruption are defined as follows, respectively:

Fraud is deliberate distortion of documents in order to conceal the misuse of assets for personal gain.

Corruption is the offering, giving, soliciting, or acceptance of an inducement that may influence any person to act inappropriately. Recently there was only one case of fraud and corruption confirmed in the municipality i.e. the issue of the licensing department. This occurrence has in all probabilities reminded the Municipality of the great English saying i.e. "Prevention is better than cure." The anti-corruption issue is about an attempt to avoid the occurrences of corruption, minimize the chances of such form occurring.

7.4.3.2 Strategic objectives

- ✓ Reduce incidences of fraud and corruption

7.4.3.3 Projects

Table 77: Fraud and corruption

Project Name	Project Number	Indicator	Responsible department	Funding Sources	Budget 2011/12 R	Budget 2012/13 R	Budget 2013/14 R
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Improve functionality of the systems to mitigate fraud and corruption	FC01-2013	Level of implementation of anti-corruption strategy	VKLM(Municipal Manager)	VKLM	200 000	200 000	200 000
Promote standards of honest and fair conduct	FC02-2013	Level of implementation of preventative fraud and corruption	VKLM(Municipal Manager)	VKLM	200 000	200 000	200 000
Implement early warning systems to detect fraud and corruption	FC03-2013	Level of implementation of risk Management strategy	VKLM(Municipal Manager)	VKLM	300 000	200 000	200 000
Development of anti-corruption strategy	FC04-2013	Development of anti-corruption strategy	VKLM(Municipal Manager)	VKLM	300 000	200 000	200 000

7.4.4 Issues 20: Customer care

7.4.4.1 Problem Statement

Customer service is the provision of service to customers before, during and after a purchase. According to Turban et al. (2002), Customer service is a series of activities designed to enhance the level of customer satisfaction – that is, the feeling that a product or service has met the customer expectation. The importance of customer service may vary by product or service, industry and customer. The perception of success of such interactions will be dependent on employees who can adjust themselves to the personality of the guest, according to Micah Solomon. From the point of view of an overall sales process engineering effort, customer service plays an important role in an organization's ability to generate income and revenue. From that perspective, customer service should be included as part of an overall approach to systematic improvement. A customer service experience can change the entire perception a customer has of the organization.

Some have argued that the quality and level of customer service has decreased in recent years, and that this can be attributed to a lack of support or understanding at the executive and middle management levels of a corporation and a customer service policy. To address this argument,

many organizations have employed a variety of methods to improve their customer satisfaction levels, and other key performance indicators (KPIs). In a Municipality There are suggestion boxes which has been placed to get the inputs and feed from the customers at the same time there is a website feedback inputs that has been put in place to get the level and quality of the service provided.

7.4.5 Strategic objectives

- ✓ Improved communication System

7.4.5.1 Projects

Table 78: Customer care

Project Name	Project Number	Indicator	Responsible department	Funding Sources	Budget 2011/12 R	Budget 2012/13 R	Budget 2013/14 R
Improved Customer relationship	CS01-2013	Level of implementation of communication systems	VKLM(Finance)	VKLM	200 000	200 000	200 000
Develop and implement customer awareness and care strategy	CS02-2013	Level of implementation of customer care strategy	VKLM(Finance)	VKLM	200 000	200 000	200 000
Increase number of customers reached through the customer awareness and care strategy	CS03-2013	Number of customers reached	VKLM(Finance)	VKLM	200 000	200 000	200 000

7.5 KPI 4: SPATIAL RATIONALE

7.5.1 Issues 21: Spatial Tenure and development

7.5.1.1 Problem Statement

Township Establishment and upgrading of settlements:

Victor Khanye Local Municipality came about because of the amalgamation of the Botleng Town Committee and the Delmas Town Council. The municipality is composed of urban and semi-urban areas i.e. Victor Khanye, Botleng, Eloff, and Sundra and the farm and villages. The Apartheid Planning Patterns are evident in the municipality. This manifest itself thorough the careful selection of natural buffers to separate the former black townships and former white suburbs. The dolomite nature of Delpark Extension 2 proved to be the illustration of the fact. There are land claims, which are still to be considered by the Department of Land Affairs and the land claims commission. The major conflict to be anticipated in the municipality is in relation to farms is the resolution of the security of tenure issue for the farm dwellers and farm workers. There are settlements that have existing for longer than 20 years i.e. Kwa-Isaka, Kwa-Jozua, Dryden, Argent, Arbor, Brakfontein etc. These problem areas will need to addressed, somehow through the security of tenure for the dwellers and workers.

7.5.2 Strategic objectives

To provide systematic spatial and land development control

7.5.2.1 Projects

Table 79: Spatial Tenure and development

Project Name	Project Number	Indicator	Responsible department	Funding Sources	Budget 2011/12 R	Budget 2012/13 R	Budget 2013/14 R
Acquire land for expansion and development	ST01-2013	Strategic land in line with SDF Identified by 2013	VKLM(Technical)	VKLM	2000 000	2000 000	2000 000
Conduct land audit	ST02-2013	Level of audit completed	VKLM(Technical)	VKLM	200 000	200 000	200 000
Develop and implement LUMS Strategy	ST03-2013	Level of development of LUMS strategy	VKLM(Technical)	VKLM	400 000	400 000	400 000

Guide the development in the municipal area	ST04-2013	Number of application subject to quality assurance	VKLM(Technical)	VKLM	100 000	100 000	100 000
Ensure efficient access to spatial information	ST05-2013	100% access provide on request	VKLM(Technical)	VKLM	10 000	10 000	10 000
Minimize urbanisation and farm evictions	ST06-2013	Urbanisation strategy	VKLM(Technical)	VKLM	10 000	10 000	10 000
Improve land restitution	ST07-2013	Land reform policy developed	VKLM(Technical)	VKLM	50 000	50 000	50 000
Co-ordinate the land claims	ST08-2013	Number of quarterly reports to council	VKLM(Technical)	VKLM			

7.6 KPI 5: LOCAL ECONOMIC DEVELOPMENT

7.6.1 Issues 22: Local economic development

7.6.1.1 Problem Statement

Victor Khanye Local Municipality faces the following socio- economic challenges:

Lack of artisan skills

According to Nkangala District skills audit survey of 2011,the audit report revealed a mismatch between supply and demand of skills in the District, 84% of people applying for jobs only have a matric qualification and no other further qualification,12% have graduated with general qualification ,while the other 4% have artisan or technical qualifications. Lack of artisan and technical skills result in most locals being employed as general workers paid minimum wages by local industries.

Unemployment

According to the South Africa Statistics results of 2011, unemployment rate with –in Victor Khanye Local Municipality is 28.19%.Unemployment has undesirable social effects such as, crime, prostitution, and poverty

Small Micro Medium Enterprise and Co-operative Development

The second National Small Business Conference organised by the Department of Trade and Industry in 1998 focused on the role of Government in SMME support. Local SMMEs and Co-operatives face many problems ranging from lack of business management skills, lack of working capital and markets. There are about fifty SMMEs and Co-operatives registered in the Municipality data -base

Slow Economic Growth

Despite being geographically strategic positioned , Victor Khanye Local Municipality has not been attracting much needed investment, reasons range from inadequate infrastructure, lack of land and outdated Economic Development Strategy.

Mining and Quarrying

Despite abundant Mineral Resources in Delmas, communities are not benefitting economically save for a few job opportunities. Only 20% Mining Companies comply with Local Economic Development Social Labour Plan Projects. This has led to community protests.

Commercial Agriculture

Delmas region produce high volumes of maize and broiler chickens, Less than 5% of maize and broiler chicken farmers are black majority. It is necessary that more black communities venture into predominantly white dominated Commercial farming industry.

Tourism

The following potential Tourism attractions remain under developed and utilised:

- Delmas Treason Memorial Monument
- Caves in Modderfontein
- Grave of Chief Fene Mahlangu

7.6.1.2 Strategic objectives

- ✓ Economic growth and development.
- ✓ Increased economic participation by the youth.
- ✓ Develop a 2013 -2017 Comprehensive Economic Development Strategy
- ✓ Reduce Unemployment rate from current from 28.19 % to 5% by 2017
- ✓ To increase percentage of locals with artisan qualification from current 4% to 50% by 2017

7.6.1.3 Projects

Table 80: Local economic development

Project Name	Project Number	Indicator	Responsible Department	Funding Source	Project Location	Implementation Date Project Cost
Development of a Comprehensive Local Economic Development	LED 01-2013	LED Strategy Adopted by Council	VKLM Municipal Managers	VKLM	Delmas	2013 R190 000
Facilitate Establishment of a Further Education Training Campus	LED 02-2013	Number of locals graduating with SAQA Recognized Artisan Certificates	Department of Education & VKLM	Universal Coal & Exxaro Leeuwpan Mines	Delmas Bolting Ward 2	2013 R 4 500 000
Facilitate Creation of decent job opportunities	LED 03-2013	4000 decent permanent job created 2013 to 2017	Private Sector Specifically Sephaku Cement Local Mines FLsmith Nkangala International Airport Municipality EPWP And MIG	Private and Public Sector	Delmas	2013 800 jobs 2014 900 jobs 2015 1000 2016 1100 jobs 2017 1200 jobs

			projects			
Facilitate Capacitation of local SMMEs and Co-operatives	LED 04-2013	<p>Number of SMMEs and Co-operatives trained in Business Management skills</p> <p>Number of SMMEs and Co-operatives contracted for Capital projects</p> <p>Number of SMMEs and Co-operatives accessing funding (loans& grants) from private and public sector</p>	VKLM	DTI DEDET National Empowerment Fund SEDA MEGA NDA NYDA NDM VKLM	Delmas	2013-2017

Facilitate Development of Tourism Facilities		Number of Tourism Attractions Developed	MTPA National Department of Tourism DEDET	MTPA National Department of Tourism DEDET	Delmas	2013 -17
Local Economic Development Meetings	LED 05-2013	Number of LED Meetings Held Number of recommendations to Council	VKLM	VKLM	Delmas	2013 -2017 12 LED meetings annually R20 000/year
Facilitation of implementation of LED Social Labour Plan Projects	LED 06-2013	Number of LED SLP projects implemented	DMR/ VKLM	Local Mines Exxaro Stuart Coal Continental Coal Keaton Energy Samquarz Universal Coal Umthombo Resources Honingkranz Sand BSM Mining Delmas Coal Shanduka Coal	Delmas	2013-2017 Ten projects annually R5 000 000/year

Facilitate land reform programme		Number of farms Acquired and transferred to black farmers	DARDLA	DARDLA	Delmas	2013-2017
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7.7 KPI 6: FINANCE

7.7.1.1 Issues 23: Revenue collection

7.7.1.2 Problem Statement

The Municipality make use of a 50/50 programme whereby 50% of the amount tendered for purchase of electricity is allocated to the outstanding account. Some of the accounts are in arrears due to the fact that approximately 40% of the municipal areas are provided with electricity by Eskom. Social revenue could not be implemented hence overall debt collection rate is affected. Municipal accounts are issued out on a monthly basis ,based on a fixed portion consisting of property rates ,refuse and sanitation levies and variable portion based on the actual consumption of water and electricity .The consumption of water and electricity is determined from the actual meter readings. The accuracy, completeness of readings cannot be 100% confirmed due to age of the infrastructure. Shortage of staff also contributes in the inability to implement debt collection and credit control policy as well as the indigent policy. Incorrect consumer data makes it impossible for municipality to collect revenue.

7.7.2 Strategic objectives

- ✓ Improved revenue collection

7.7.2.1 Projects

Table 81: Revenue collection

Project Name	Project Number	Indicator	Responsible department	Funding Sources	Budget 2011/12 R	Budget 2012/13 R	Budget 2013/14 R
Ensure budget amount is levied	RV01-2013	Percentage of amount levied	VKLM(Finance)	VKLM	N/A	N/A	N/A

Ensure that all accounts are send out before due date	RV02-2013	Percentage accounts prepared and send out before month end	VKLM(Finance)	VKLM	N/A	N/A	N/A
Develop and implement a revenue enhancement strategy	RV03-2013	Level of implementation of data cleansing	VKLM(Finance)	VKLM	300 000	300 000	300 000
Ensure annual review of the indigent register	RV04-2013	Number of reviews of indigent register	VKLM(Finance)	VKLM	N/A	N/A	N/A
Develop implement data cleaning strategy	RV04-2013	Level of implementation of data cleansing strategy	VKLM(Finance)	VKLM	100 000	100 000	100 000
Develop and implement the comprehensive assets management system	RV04-2013	Level of implementation of Assets management strategy	VKLM(Finance)	VKLM	200 000	200 000	200 000
Vending Machines at N12,Delpark and Extension 5	RV05-2013	Number of Vending machines installed	VKLM(Finance)	VKLM	200 000	200 000	200 000

7.7.3 Issues 24: Supply chain

7.7.3.1 Problem Statement

Supply chain management (SCM) is the oversight of materials, information, and finances as they move in a process from supplier to manufacturer to wholesaler to retailer to consumer. Supply chain management involves coordinating and integrating these flows both within and among

companies. It is said that the ultimate goal of any effective supply chain management system is to reduce inventory (with the assumption that products are available when needed).

7.7.3.2 Strategic objectives

- ✓ Increase compliance to supply chain management strategy.

7.7.3.3 Projects

Table 82: Supply chain

Project Name	Project Number	Indicator	Responsible department	Funding Sources	Budget 2011/12 R	Budget 2012/13 R	Budget 2013/14 R
Number of days taken to process received departmental request	SC01-2013	Number of days taken to process the request	VKLM(Finance)	VKLM	N/A	N/A	N/A
Number of days to evaluate and award projects	SC01-2013	Evaluation and award of tenders	VKLM(Finance)	VKLM	N/A	N/A	N/A
Percentage of contract awarded to BBBEEE	SC01-2013	78% of contract awarded to previously disadvantaged	VKLM(Finance)	VKLM	N/A	N/A	N/A
Increase the capacitation of the supply chain management officials	SC01-2013	Number of SCM Officials capacitated	VKLM(Finance)	100 000	100 000	100 000	100 000