MIDVAAL LOCAL MUNICIPALITY

Final 2023/2024 Integrated Development Plan (IDP) Review

May 2023

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Acronyms and Abbreviations

COGTA	Department of Corporate Governance and Traditional Affairs
CPI	Consumer price index
CWP	Community Work Programme
DDM	District development model
DoRA	Division of Revenue Act
EAP	Employee Assistance Programme
ECD	Early Childhood Development
EPWP	Extended Public Works Programme
GDS3	Sedibeng Integrated Development Plan & Growth & Development Strategy
GGT 2030	Growing Gauteng Together
GRAP	Generally Recognised Accounting Practice
GVA	Gross Value Added
HR	Human resources
HSP	Human Settlement Plan
ICT	Information and Communications Technology
IDP	Integrated Development Plan
IUDF	Integrated Urban Development Framework
IWMP-	Integrated Waste Management Plan
KFA	Key focus area
KPA	Key performance area
KPI	Key performance indicator
LED	Local Economic Development
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MMC	Member of the Mayoral Committee
MLM	Midvaal Local Municipality

MPAC	Municipal Public Accounts Committee
mSCOA	Municipal Standard Chart of Accounts
MSTF	Medium Term Strategic Framework
MTREF	Medium Term Revenue and Expenditure Framework
NDP 2030	National Development Plan
NERSA	National Energy Regulator of South Africa
NKPA	National KPA
PCF	Premier's Co-ordinating Forum
PDO	Predetermined development objectives
PMS	Performance management system
PoE	Portfolio of evidence
SALGA	South African Local Government Association
SAPS	South African Police Service
SDF	Spatial Development Framework
SDGs	Sustainable Development Goals
SHEQ	Safety, health, environment and quality
SMME	Small, medium and micro enterprise
SOE	State-owned Enterprise
SPLUMA	Spatial Planning and Land Use Management Act
SWOT	Strengths, Weaknesses, Opportunities, Threats
TER	Township Economic Revitalisation

Message from the Executive Mayor

"Collectively, we continue to find solutions to some of the developmental challenges faced by our municipality."

"In all our interactions, we will ensure that Midvaal Local Municipality remains a people-centred, compassionate institution."

It gives me great pleasure to present the Midvaal Local Municipality's Integrated Development Plan (IDP). I take the responsibility of leading the delivery of basic services and the improvement of our resident's livelihoods, seriously.

The municipality's IDP process enabled consultation with all 15 of our wards across different communities. Through this process, our residents were given the opportunity to reflect on the municipalities performance and effectiveness and encourage extensive participation in planning its strategy. Collectively, we continue to find solutions to some of the developmental challenges faced by our municipality.

As a responsive and accountable government, the municipality proactively reprioritised its budget to address the significant damage to infrastructure due to the heavy rains and flooding brought on by climate change.

Midvaal continues to apply sound financial discipline and good governance practices. This allows us to provide quality services despite the constraints in resources and budget limitations.

Our financial viability empowers our ability to

- Pursue the renewable energy path.
- Align all municipal infrastructure implementation plans.
- Improve our current road networks.
- Pro-actively manage disastrous events (further exacerbated by erratic climate change).
- Drive our own institutional development and transformation.

For Midvaal Local Municipality to succeed, we need to enhance service delivery through innovative technologies, enable a safe, healthy community and environment, promote local economic development and tourism.

The council must adopt clean, renewable energy and investigate alternative sources of energy.

We will continue to build strong partnerships with various stakeholders. In all our interactions, we will ensure that Midvaal Local Municipality remains a people-centred, compassionate institution.

I want to thank our public representatives who play a crucial role in ensuring that IDP consultations were well attended. I wish to also extent our gratitude to our residents for their robust and valuable inputs that have contributed to the formulation of this IDP document.

Yours in Service Excellence

Executive Mayor

Alderman Peter J Teixira

Message from the Municipal Manager

"Midvaal Local Municipality remains committed to maintaining clean audits, effective and efficient service delivery."

This constitutes my first IDP in MIDVAAL as the newly appointed Municipal Manager. This new IDP takes place against a backdrop of the worst power outages and load shedding by ESKOM, an escalating interest rate, an increasing unemployment rate and generally greater pressure on households to sustain themselves. This is especially hard on poorer communities and households. There is also an increase in economic pressure on the potentially declining middle-income households.

While these pressures mount there is an ever-increasing expectation of local government to do more, provide more and offer more while essentially having less resources to do so. There are four pressure points on the Municipal Budget. The largest remains the Eskom/Electricity increases. It is an important reminder that NERSA allocates a larger increase to ESKOM than it does to Municipalities. This results in a squeeze on electricity surpluses which account for more than half of the annually surpluses.

Municipalities are generally advised to ensure that annual rates and services increases do not exceed inflation. This means that services and rates are generally increased by between 4% and 7%. This is not cost reflective of costs in the market and in general. This results in less resources being used to buy the same services year on year. Municipalities are price takers from the market because of the way procurement is designed.

The third pressure point is that it is increasingly harder to collect revenues as greater number of households apply for indigent status. The pressure to provide a basket of social relief means that approximately R 900 a month in subsidies is made available to assist poor and indigent households.

The last pressure point is the increasing vandalism, theft of municipal resources whether water or electricity. As much as 20% to 30% in losses are incurred whether technical or non-technical losses. If we add vandalism, theft and illegal dumping then this amounts to several million rand per annum. These are losses due to human behaviour.

Notwithstanding these challenges this budget and IDP presents a capital budget of more than R 500 million over the next three years. This will primarily be spent on managing and maintaining the current asset levels. It is largely being spent in response to the demand for services in the new towns and suburbs that are being created. As well as sustaining the existing infrastructure. This capital budget remains insufficient to address the ongoing demands for better roads, streets, stormwater, streetlights, public open spaces, parks and recreational spaces and more. It simply requires a prioritisation which results in some having to wait for longer. It is a challenge which cannot be addressed in any other way.

The operating budget for the next three years is more than R 3billion. A significant amount of money by any estimation. However, ESKOM's annual bill is more than R 1,5 billion for the next 3 years. Randwater's annual bill is more than R 300m per annum which means that almost R 1 billion is spent on Randwater and Eskom. The third largest item is the salary bill of the municipal. The salary bill is 25% of the operating costs and well below the national norm of 40%. This is an element for which we receive constant complaints of inefficiency and ineffectiveness. However, we have 900 staff serving more than 150 000 residents. This means a ratio of more than 16000 residents per municipal worker. This too is an unsustainable ratio. Notwithstanding these challenges and circumstances Midvaal Local Municipality remains committed to maintaining clean audits, effective and efficient service delivery. We can do if we work together to eliminate waste, reduce theft, vandalism and illegal dumping. If we remove these social and community ills, we could use the more than R 25 million in savings to do so much more.

Municipal Manager

Mr Anton M Groenewald

Chapter 1: Introduction

1.1 Background, Legislative Framework & Mandate

A municipality is compelled by legislation, the Local Government: Municipal Systems Act (No. 32 of 2000), to prepare an Integrated Development Plan (IDP) after the establishment of a newly elected Council for a five-year electoral term. Midvaal Local Municipality (MLM) adopted a 5-year IDP in May 2022 that provided detail on how it will manage and administer its affairs to meet the service delivery needs of its communities during the 2022-2027 term. The Act further stipulates that the municipality shall review the IDP on an annual basis as changing circumstances deem necessary. Therefore, this version of the IDP culminates in the 2023/2024 IDP review.

The 2022-2027 IDP was formulated within the difficult state that the country finds itself. The triple challenges of unemployment, poverty and inequality continue to direct the economic development trajectory and compromise the gains made to build a sustainable economy. Covid-19 and its negative impacts have exacerbated the socioeconomic conditions due to strict lockdown restrictions which closed some sectors of the economy and restricted movement of goods and people. These impacts have resulted in unemployment and the closing of offices, industries and retail facilities. South Africa continues to be a dual economy with deeper inequality measured at a Gini coefficient of 0.63. It is important to note that the high inequality and poverty are the consequences of the structural colonial legacy of segregation and exclusion.

Communities have lost hope in the ability of municipalities to deliver services due to poor governance, corruption and maladministration. The Auditor-General of South Africa highlights these challenges on an annual basis but the situation has deteriorated with some municipalities indebted, unable to render services, owing service providers and unable to pay salaries. In recent years, the number of protest actions for municipal services has increased across the country. Property developers are exploring developments that will independently provide and maintain their own infrastructure without the involvement of municipalities.

It is within this context and status quo that the 5th Generation IDP should be a beacon of hope to disgruntled and destitute communities. The IDP needs to introduce innovative and creative means and ways to render service delivery while improving the living conditions of these communities. The programmes and projects introduced should be labour-intensive and create job opportunities while also intensifying employment efforts of the Expanded Public Works Programme (EPWP) and Community Work Programme (CWP). The 4th Industrial Revolution presents the opportunity to take advantage of technology to improve service delivery, communication and digitisation of systems and processes. MLM needs to ensure that it creates an environment conducive for business to thrive by reducing red tape and improving the ease of doing business. To leverage partnership and collaboration, the municipality should build strong stakeholder relationships and interventions to attract new investments and retain existing investments. It is important for the municipality to remain people-centred, ensure continuous communication and further involve communities in decision-making.

Given the challenges above, it is important that the 5th Generation IDP give hope and instil confidence in the communities that municipalities can improve their socioeconomic conditions, grow the economy and create jobs.

1.2 Political Vision

The political vision is derived from the six electoral promises made by the Executive Mayor to the Midvaal community during elections campaign. They are outlined as follows:

Promise 1: Investing in Safety and Security

Our administration is committed to fully implementing the 'Outside-In Community Safety Plan' which will have two components: a policing strategy and a social empowerment plan. This means we will be tough on crime and tougher on the causes of crime. We will strengthen relations with the South African Police Service (SAPS) and providing them with the data, information and intelligence resources to keep our residents safe.

Promise 2: Housing, Land Invasions and By-Law Enforcement

The provision of housing is not our competency; however, the need for safe, structured and fairly allocated housing with formal services is a reality in Midvaal. We will work with the Department of Human Settlements to complete the housing development established in the area.

Promise 3: Create Opportunities for all the People of Midvaal

Our administration is committed to leading Midvaal's recovery from the front by focusing on the following:

- *Protecting existing jobs.*

- *Driving and facilitating an enabling environment for the creation of new jobs.*
- *Creating opportunities for skills development for all Midvaal's people.*

Promise 4: Providing Excellent Service Delivery

Getting the basics right is non-negotiable and it is the biggest contribution we can make to growing the local economy.

Promise 5: Solving Challenges Through Creativity and Innovation

New challenges require thinking differently and adapting quickly. We pledge to:

- *support and grow our agricultural sector to its former glory,*
- *drive agroprocessing partnerships and agribusinesses, which expand agricultural opportunities while promoting sustainable environmental protection,*
- *embrace new technologies to significantly lower our reliance on Eskom, and make load reduction a thing of the past, and*
- *investigate alternative methods of supplying reliable energy to all areas of Midvaal.*

Promise 6: Listening to the People We Serve

We want to improve our communication networks and accessibility. We also want to capacitate and resource our ward councillors to be our eyes and ears in our communities. In this way, we will

- *bring services to all communities, including those on the outermost boundaries of this municipality, and*
- *continually monitor the performance of our ward councillors, by measuring their responsiveness and issue driving impact.*

It is evident that there is an urgent need to focus efforts and thoughts on economic recovery, job creation and economic growth. It will be this administration's vision and objective to render services in an efficient manner to communities while we also introduce interventions to improve their socioeconomic conditions.

1.3 Governance and Council Structure

In terms of the provisions of the Local Government: Municipal Structures Act (No. 117 of 1998) and the Local Government: Municipal Systems Act (No. 32 of 2000), the council performs both legislative and executive functions. The council focuses on legislative, oversight, decision-making (policies and by-laws), budget and participatory roles and has delegated other matters regarding the executive function to the Executive Mayor. Its primary role is to debate issues publicly and to facilitate political debates and discussions. Apart from their functions as decision-makers, councillors are also actively involved in community development programmes and various social programmes in the municipal area. They are the interface between the municipality and its communities. The council comprises 30 councillors. Councillors per political party are listed in the table that follows.

Table 1: Councillors per political party

Political Party	Number of Councillors
Democratic Alliance (DA)	19
African National Congress (ANC)	6
Economic Freedom Fighters (EFF)	2
Freedom Front Plus (FF+)	2
Transformative Youth Movement (TYM)	1

The Municipal Manager is the Chief Accounting Officer of MLM. As the head of the administration, the Municipal Manager primarily serves as chief custodian of service delivery and implementation of political priorities assisted by executive directors reporting directly to the Municipal Manager. The figure that follows, illustrates the structure of the Mayoral Committee and the Administration.

Figure 1: Governance & Council Structure

1.4 Process Plan

Section 28 of the Local Government: Municipal Systems Act (No. 32 of 2000), requires that each municipal council, within a prescribed period after the start of its elected term, adopts a process plan that would guide the planning, drafting, adoption and review of the IDP. The process plan should have clear and established mechanisms, procedures and processes to ensure proper consultation with the local communities.

In August 2022, after a period of public consultation, the municipality adopted the 2023/2024 IDP Process Plan. The process plan indicates how the IDP will be implemented, the roles and responsibilities of all stakeholders, timeframes, milestones to be achieved and alignment with the budget processes.

The following table highlights the key deadlines listed in the process plan:

Table 2: Process Plan

Proposed Date	Activity
25 August 2022	Final Virements for the 2021/2022 financial year to be approved by the Mayoral Committee.
25 August 2022	Council approval of the Annual Financial Statements and Draft Annual Report for the 2021/2022 financial year.
25 August 2022	Approval of Key Deadlines as required by Section 21 of the MFMA as well as the IDP Process Plan as required by the Municipal Systems Act.
31 August 2022	Submission of Annual Financial Statements and Draft Annual Report for the 2021/2022 financial year to the Auditor General for auditing.
18 October 2022	Finance department to submit Draft Budget for 2023/2024 to departments for comments (including proposed tariffs) including Draft Capital budget
October 2022	Departments to prepare draft mSCOA compliant operating budgets – particular focus on Fund, Project and Item. Projects to be derived from IDP and a clear link to be established.
11 November 2022	Departmental submissions of Draft Capital Budget for 2023/2024: - Compilation of project plans (including outputs and outcomes to be achieved) - Motivations for new projects - Analysis of impact on the operating budget. - mSCOA compliant, particular focus on Region and Project.

	Departmental submissions on the Draft Operational Budget for 2023/2024
18 November 2022	Departmental submissions of Adjustments Budget for 2022/2023.
29 November 2022	MM / HOD's meeting to discuss Adjustments Budget for 2022/2023 financial year.
6 December 2022	Budget Steering Committee to review Adjustment budget submissions as well as the approval of parameters for the compilation of the 2023/2024 budget.
10 January 2023	Budget Steering Committee to consider Draft Adjustments Budget for 2022/2023
January - February 2023	Public Engagement in terms of sections 28 and 29 of the Municipal Systems Act.
January 2023	Accounting Officer to assess the performance of the municipality during the first half of the financial year and make recommendations as to whether an adjustments budget is necessary and recommend revised projections for revenue and expenditure to the extent that this may be necessary.
25 January 2023	Council to approve 2022/2023 mid-year review.
25 January 2023	Council to approve main adjustments budget for the 2022/2023 financial year.
25 January 2023	The tabling of Annual Report (inclusive of Final AFS and AG report) and MPAC Report for the 2021/2022 financial year to Council: - Tabling of Annual report to Council - Annual report made public - Oversight report made public.
January 2023	Corporate Services to confirm all tariff submissions and by-laws for legal compliance.
07 February 2023	Budget Steering Committee to consider Draft Operating Budget for 2023/2024 (inclusive of tariff increases) & Draft Capital Budget
14 March 2023	Budget Steering Committee to consider final balanced budget and budget-related policies, IDP and SDBIP (final consideration, weekly meetings).
30 March 2023	Formal tabling of Draft IDP, Budget and SDBIP to Council in terms of the MFMA and the Municipal Systems Act.
April 2023	Advertise and publish the final draft of IDP and Budget for public comment and submit to the National and

	Provincial Treasury and others as prescribed by the MFMA and Municipal Systems Act. Submission of IDP to MEC for Comments. Submission of Budget to NT for Comments (Including upload files in printed and electronic format). Submission of draft IDP / Budget to organs of state.
April 2023	Engagements with National and Provincial Treasury regarding the tabled IDP, Budget and SDBIP.
April 2023	Workshop with all councillors regarding the IDP and Budget.
April 2023 **(Detailed dates to be determined by the Office of the Speaker)**	IDP and Budget Hearings in terms of section 16 of the Municipal Systems Act and section 23 of the MFMA: - Conduct IDP/Corporate Scorecard / Budget Public Hearings to obtain public comment and inputs from communities, the provincial government and other relevant stakeholders (performed through ward councillors) - Comments to be provided in writing - Acknowledgement of comments received - Response to public comment i.r.o. Budget, tariffs and policies (to Budget Steering Committee).
16 May 2023	Budget Steering Committee to consider final IDP, Budget and SDBIP.
22 May 2023	Section 80 Committee to recommend final IDP, Budget and SDBIP.
23 May 2023	Mayoral Committee to recommend final IDP, Budget and SDBIP.
25 May 2023	Council to approve final IDP and Budget. SDBIP to be noted by Council. Council must give final approval of the IDP/Corporate Scorecard and Budget document by resolution, setting taxes and tariffs, approving changes to the IDP and budget-related policies, and approve measurable performance objectives for revenue by source and expenditure by vote before the start of the financial year as required by sections 23 and 24 of the MFMA and section 25 of the MSA.
June 2023	Making public of approved IDP / Budget as per the MFMA and MSA requirements.

	Tariff and By-law Promulgation. Submission of approved IDP to MEC for Local Government and Housing. Submission of approved IDP and Budget to NT (Including upload files in printed and electronic format).
June 2023	Submission of Draft SDBIP to Executive Mayor: - Executive Mayor to receive Draft Municipal SDBIP within 14 days after approval of the budget.
June 2023	Approval of SDBIP by Executive Mayor: - Executive Mayor to approve Municipal SDBIP within 28 days after approval of the budget. - Place all Directorate Executive Summaries and SDBIPs and Department Business Plans and SDBIPs on the website.
June 2023	Section 57 (MSA) Performance Agreements: - Submit performance agreements to the Executive Mayor within a month after the beginning of the financial year. - Council to note New Section 57 Scorecards. - Performance agreements of Municipal Manager and senior managers to be made public no later than 14 days after the approval of the SDBIP.

Chapter 2: Situational Analysis

2.1 Spatial Analysis

MLM (GT422) is a Category B municipality as defined in the Municipal Structures Act (No. 117 of 1998). It comprises 15 wards and is one of three local municipalities which constitute the Sedibeng District Municipality. The other two are the Emfuleni Local Municipality (GT421) and the Lesedi Local Municipality (GT423).

Figure 2: Regional Context

MLM covers an area of approximately 1 722 km2 compared to approximately 966 km2 and 1484 km2 respectively for the neighbouring Emfuleni and Lesedi municipalities. MLM is characterised by the following spatial structures.

Table 3: Spatial Structure (Midvaal GIS 2022)

Areas	Total number
Townships	45 (26 169 stands)
Farms	80 (3 652 portions)
Agricultural/small holdings	33 (3 943 small/agricultural holdings)
Informal settlements	29
Nature reserves	1
Conservancies	10

The heat map that follows is derived from all the rates and taxes accounts applicable to MLM. The purpose of this map is to indicate where these accounts are concentrated spatially. The areas with the highest concentrations are within the townships (urban areas) and include suburbs such as Meyerton, Eye of Africa, Savanna City, Henley on Klip, Lakeside Estates, Vaal Marina, Kliprivier, among others. This is, however, to be expected, considering that urban areas feature higher densities. This also provides an indication of where services, people and activities are concentrated in comparison to Midvaal as a whole.

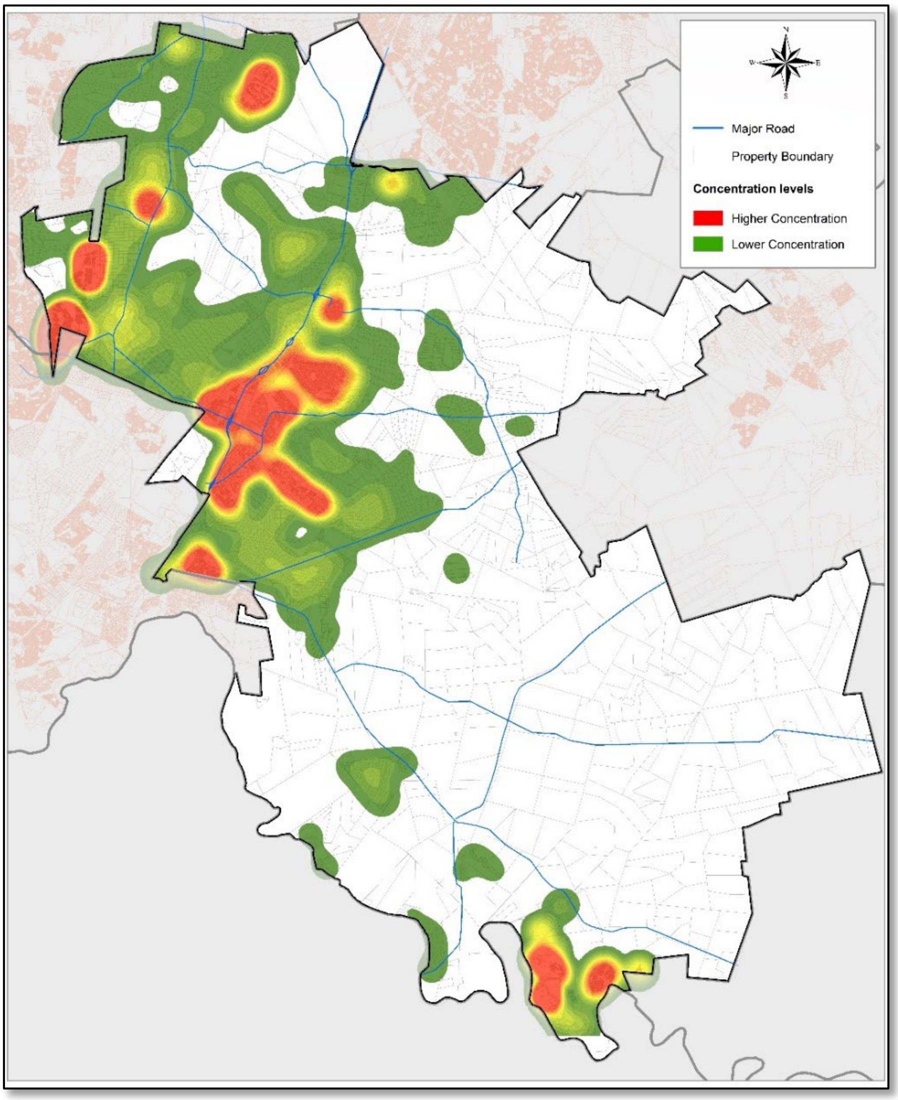

Figure 3: Heat Map of Municipal Accounts (Midvaal GIS 2022)

Environmental Features

- Natural Features

Midvaal encompasses various natural features such as rivers, spruits, dams, ridges and wetlands. The Klip River is one of the main tributaries to the Vaal River in Gauteng. The municipality has ten formalised conservancies and includes the Suikerbosrand Nature Reserve. The area is predominantly rural in nature with the majority of land dedicated to farming. The municipality is guided by the Gauteng Province Environmental Management Framework in terms of development requirements based on the Environmental Management Zones.

- Air Quality

Midvaal forms part of the Vaal Triangle Air Priority Area. The National Environment Management: Air Quality Act (No. 39 of 2004) determines metropolitan and district municipalities to be the licensing authority for all listed activities. The Sedibeng District Municipality is therefore responsible to ensure that companies comply with licence conditions in their atmospheric emissions licences and that pollution reduction strategies are implemented by all such listed industries.

The control of dust, noise, offensive odours and indoor air pollution is managed and controlled by MLM. All related complaints are handled and resolved by the municipality. All non-compliance issues and complaints in relation to the listed activities are referred to the Air Quality Officer at the Sedibeng District Municipality for investigation. The current complaint system of MLM allows for all air pollution complaints to be registered with the municipality.

- Dolomite

The majority of the built-up areas in Midvaal are underlain by dolomite soil conditions. Dolomite land is defined as land underlain by dolomite at depths of no more than:

- 60 m in areas where no dewatering has taken place and the local authority has jurisdiction, is monitoring and has control over the groundwater levels in the areas under consideration; or
- 100 m in areas where dewatering has taken place or where the local authority has no jurisdiction or control over groundwater levels.

Dolomite land is susceptible to sinkhole and subsidence formation, primarily through groundwater level drawdown and ingress of water. The draft Dolomite Risk Management Policy and By-law outlines MLM’s approach to dolomite risk management and gives effect to the associated procedural requirements as outlined in the South African National Standard, SANS 1936, titled *Development of dolomite land, Parts 1 to 4*, published on 12 October 2012.

MLM has developed guidelines to building on dolomite land and has also entered into a Memorandum of Understanding with the Council for Geoscience to further engage in studies to ensure the safety of developments on dolomite land. Discussions and consultations are ongoing to implement affordable and cost-effective dolomite studies.

- Waste Management

MLM has adopted an Integrated Waste Management Plan (IWMP) and is awaiting endorsement by Gauteng Department of Agriculture and Rural Development. A total of seven goals to be achieved were identified as:

1. Effective waste information management and reporting
2. Improved waste education and awareness
3. Improved institutional functioning and capacity
4. Provision of efficient and financially viable waste management services
5. Increased waste minimisation and recycling
6. Improved compliance and enforcement
7. Improved future planning.

Transport & Mobility Routes

The R59 and R82 are the main transport corridors within Midvaal. The R59 is earmarked as a development corridor linking the City Deep logistics hub and OR Tambo International Airport in the north to the Vereeniging-Vanderbijlpark complex in the south. The R82 is a mobility corridor connecting Johannesburg in the north via Tedderfield AH, Walkerville and De Deur from Johannesburg to Vereeniging in the south.

The main railway line, running parallel to the R59, is a freight line connecting Vereeniging to Germiston. Along the eastern boundary of Midvaal lies a commuter railway line from Emfuleni to the City of Johannesburg.

The Gauteng Department of Transport will be commencing with the construction of the R59 bridge in Meyerton Farms and the extension of the R82 in De Deur.

Economic Growth

MLM's Central Business District (CBD) is Meyerton which is surrounded by residential developments. Smaller service centres are found in in De Deur and Walkerville.

Several industrial townships have been established historically, of which Sybrand Van Niekerkpark, Noldick and Witkop Industrial are the most prominent. Graceview Extensions and Klipriver Business Park have been established more recently. The farm Kookfontein, referred to as Meydustria, is the only area in Midvaal where noxious industrial activities take place.

Development along the R82 has increased rapidly over the past decade with areas such as De Deur becoming the second largest economic centre in Midvaal.

Residential Development

Historically residential settlements have been established along the major transport routes. The railway line between Germiston and Vereeniging as well as the R59 has resulted in the development of Meyerton, Rothdene, Meyerton Farms, Sicelo, Klipriviersdorp (Kookrus), Golfpark, Henley on Klip, Witkop (Daleside) and Klipwater.

Similarly, the R82 has been the main arterial route between De Deur, Vereeniging and Johannesburg. This road has given rise to residential developments such as De Deur Estates, Ohenimuri, Walkerville and Tedderfield.

Other notable residential settlements in Midvaal are Risiville. Riversdale, Vaal Marina, Eye of Africa and Savanna City.

Spatial Transformation

In the urban environment, economic and social inequities manifest in embedded spatial imbalances, characterised by labour living far from work, suffering long and expensive commutes; racially and class-distinct neighbourhoods; black peripheries and inner cities characterised by poor and informal housing and environments; and economies that follow historical patterns and are concentrated far from the poor majority. In response to these imbalances, the mantra has been 'spatial transformation'.

The National Development Plan (NDP 2030) acknowledges quite explicitly that a fundamental reshaping of the colonial and apartheid geography may take decades. For this to happen, the country must:

- clarify and relentlessly pursue a national vision for spatial development,
- sharpen the instruments for achieving this vision, and
- build the required capabilities in the state and among citizens. (NPC 2011: 260)

Spatial transformation in Midvaal is guided by a variety of policies such as the various Precinct Plans and the Midvaal Human Settlement Plan. Development pressures resulting in spatial transformation are internal and external. External development pressure is exerted from the north and the west from the cities of Johannesburg and Ekurhuleni and Emfuleni Local Municipality.

Tourism Development

Midvaal is blessed with an abundance of physical features, such as rivers, dams and ridges, which lends itself to tourism. Key tourism sites include the Suikerbosrand Nature Reserve (the highest point above sea level in Gauteng), the Vaal Dam, Vaal River, Suikerbos River and the Klip River. Added to this is a number of cultural sites such as the Block House near Witkop (Daleside). Other tourism activities include birding, fishing, water sports, cycling (road and mountain biking), hiking, game viewing, scuba diving and business tourism (conference venues and business hotels, to name a few. Food and beverage outlets and entertainment are other key contributors to the tourism value offering.

Midvaal also attracts motor sport through the facilities such as the Midvaal Racecourse and the Oval Track at the Walkerville Show Grounds. Due to its close proximity to Johannesburg and Ekurhuleni, Midvaal is the ideal venue for music and arts festivals.

Industrial/Commercial Development

Growing Gauteng Together identified Sedibeng District Municipality, which includes MLM, as the Southern Development Corridor. One of the overarching themes of the corridor is the ‘Reindustrialisation of the South’. The R59 Development Corridor has since 2000 been the premier industrial corridor of the municipality.

The corridor is anchored in the north by the Klipriver Business Park, and Graceview and by the Meydustria Industrial Park in the south. The corridor has seen significant growth on the eastern side of the corridor over the past two decades. The western side of the corridor has excellent prospects for development due to the saturation levels experienced on the eastern side.

The future growth of the municipality is dependent on its ability to attract new investment in the industrial and commercial sector as this will create sustainable employment opportunities in the entire value chain.

Agricultural Development

MLM is one of the largest municipalities in Gauteng covering approximately 1 722 km^2, but with a population density of only 64 people per km^2. This low population density indicates that there are extensive tracts of land, which are undeveloped. Linked to the good soil conditions, the moderate rainfall and gentle gradient means that there are large portions of the municipality that lends itself to agricultural production.

The bulk of this land lies to the east of the R59. Of this, roughly 50% is arable and suitable for crop production. The balance is better suited for livestock and game farming. Midvaal is also characterised by a high number of agricultural holdings. Although less suitable for commercial farming, these holdings do play a role in food security. At the entry level, these holdings are ideal for subsistence farming. These holdings are also well suited for intensive agricultural practices such as green house and tunnel farming and hydroponics.

The close proximity of these small holdings to residential areas means that they enjoy potential markets in close proximity.

2.2 Demographic Analysis

MLM is predominantly rural in nature with extensive farming constituting approximately 90% of the total area of jurisdiction. The municipality does not conduct demography surveys and relies on Stats SA as the official source of demographic data. The demographic data outlined in the Figure below are derived from the 2011 Census and 2016 Community Survey provided by Stats SA. The municipality acknowledges that the data are outdated and commits to providing updated demographic figures once the 2022 Census information is made available by Stats SA.

Population & Household Profile

As of 2016, Midvaal has a population of 111 612, from a base of 95 301 in 2011. The number of households has also grown significantly from a base of 29 964 to 38 046 as of 2016.

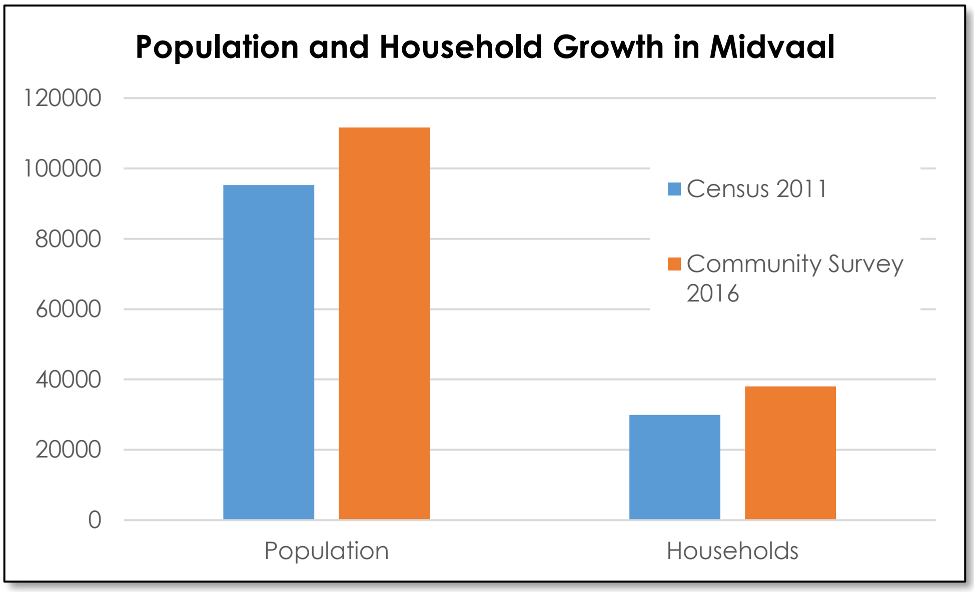

Figure 4: Population and Households in Midvaal (StatsSA Census 2011 & Community Survey 2016)

Racial Profile

The racial profile of the Midvaal population is largely dominated by African black and white populations, together making up more than 90% of the population.

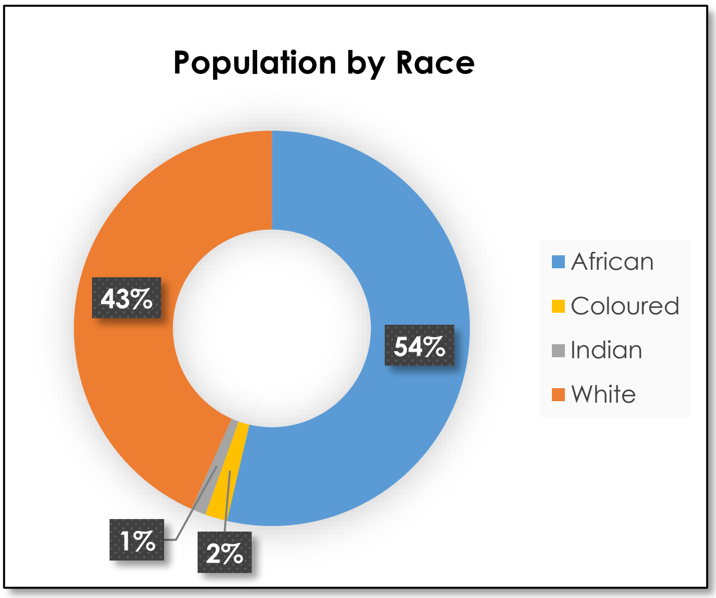

Figure 5: Racial Profile of Midvaal Population (StatsSA Community Survey 2016)

Age Profile

The age profile of the population falls largely within the youth group which is approximately 58% of the total population. In addition, approximately 70% of the population falls within the working age group (people aged between 15 and 64).

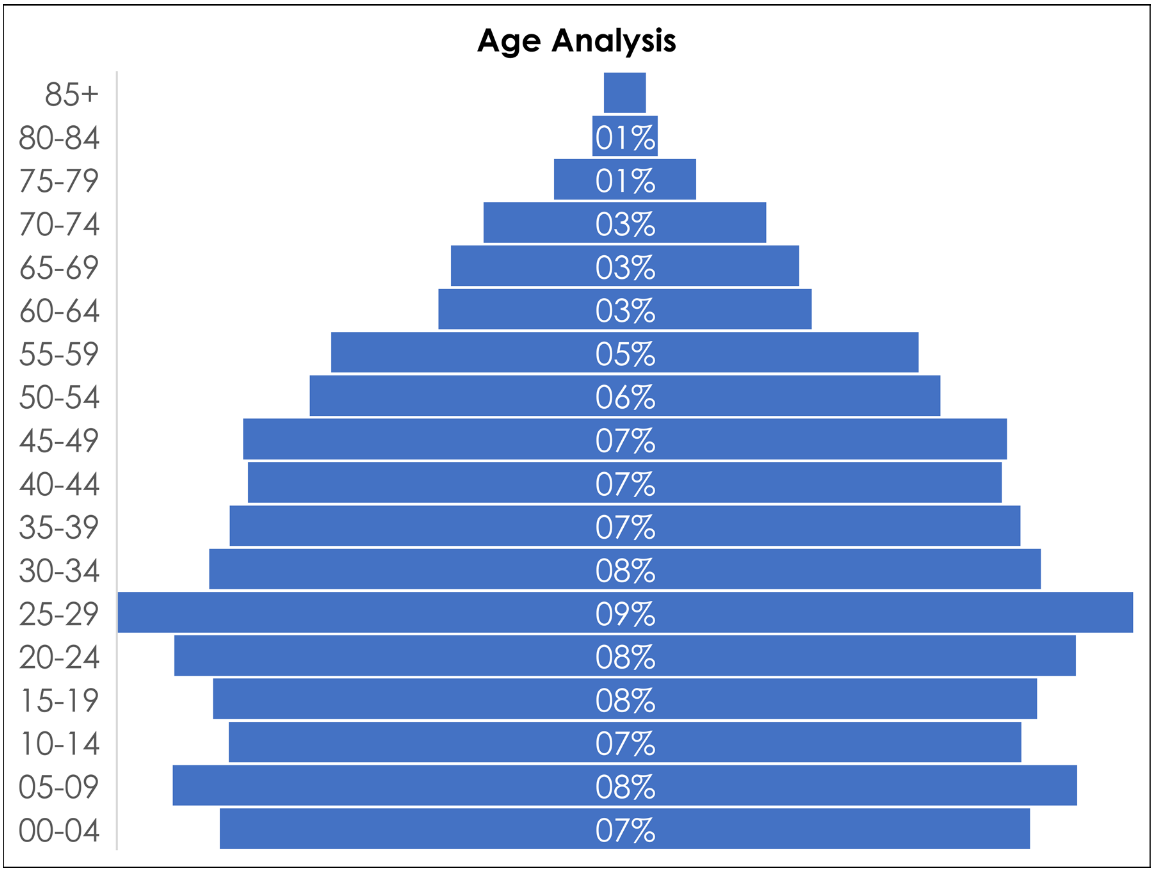

Figure 6: Midvaal Age Profile (Source: StatsSA Community Survey 2016)

Gender Profile

The gender profile of Midvaal marginally favours males over females; 52% of the population is male and only 48% is female (as per 2016). This is consistent with the profile as per 2016 with less than 1% shift in profile since 2011.

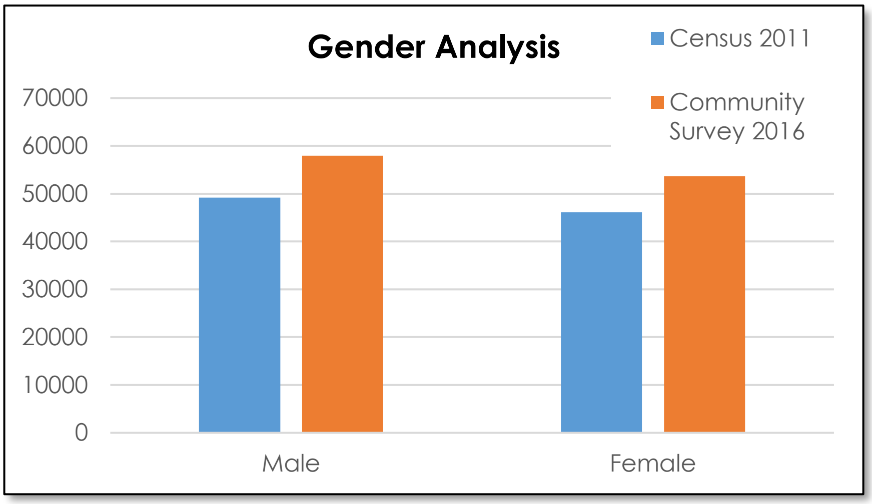

Figure 7: Gender Profile of Midvaal (Stats SA Census 2011 & Community Survey 2016)

Educational Profile

The educational profile of the Midvaal area is biased largely towards those who have had some form of secondary education and upwards, amounting to 82% of the total population, with 9.1% of the population having attended higher learning.

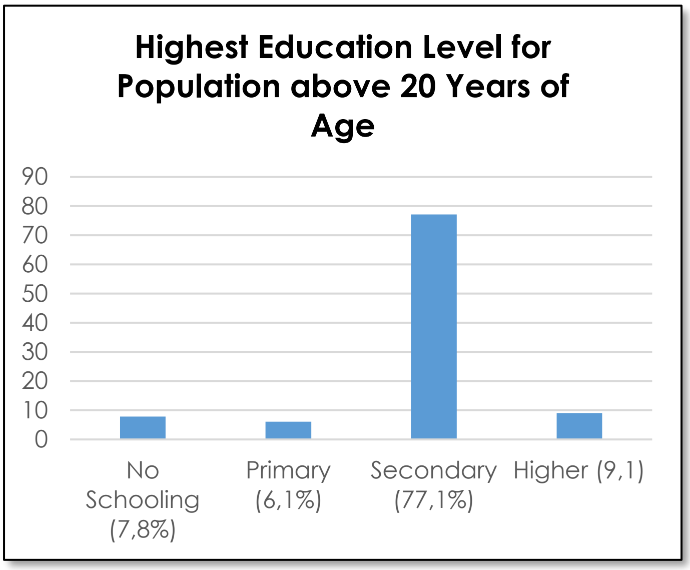

Figure 8: Educational Profile of Midvaal (Stats SA Community Survey 2016)

Household Income Profile

There is a broad distribution of incomes across the households in Midvaal with the largest portion of household in the R21 350–R42 698 per annum bracket. Significantly, 13,9% of all households earn no income.

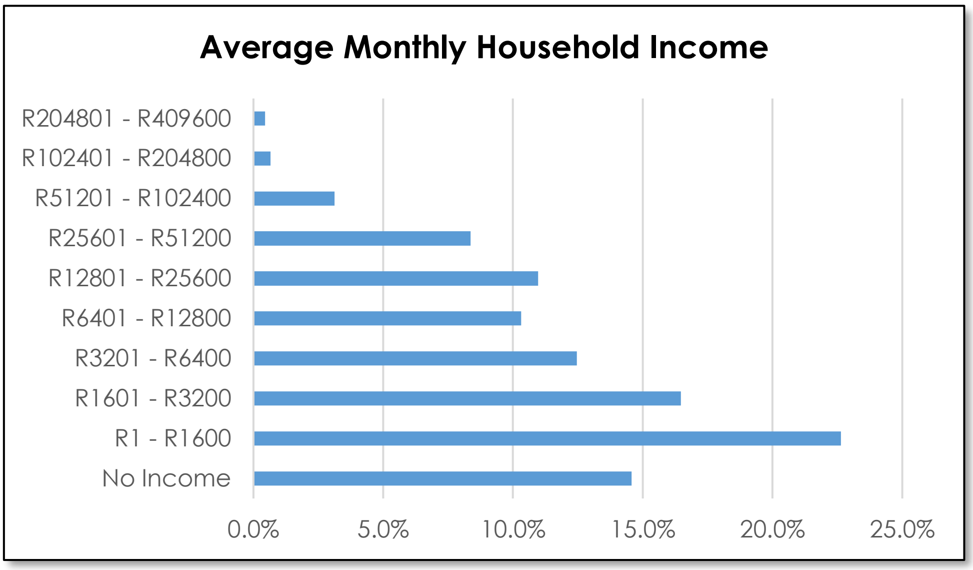

Figure 9: Educational Profile of Midvaal (Stats SA Census 2011)

2.3 Economic Analysis

The economic indicators of an area form the basis for current demand for residential and commercial product offering and also serve as the drivers for future growth in demand. An improving economy has positive implications for disposable income growth and thus residential purchasing power in the short term.

Economic Growth

MLM falls within the Sedibeng District alongside two other municipalities, Emfuleni and Lesedi. Emfuleni is the largest municipality within the district, contributing 72.81% to its Gross Value Added (GVA), while Midvaal and Lesedi contributed 14.98% and 12.21%, respectively. GVA measures output (total production) of a region in terms of the value that was created within that region. GVA indicates the level of economic activity within a region.

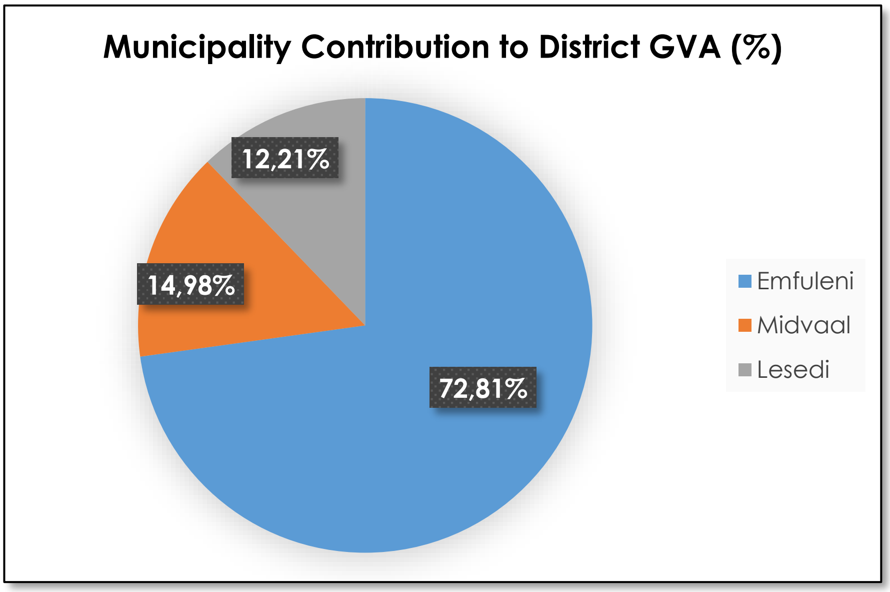

Figure 10: Municipality contribution to district GVA (Midvaal Economic Analysis 2021)

According to the Midvaal Economic Analysis (2021), the total GVA for Sedibeng was R49 billion in 2018, of which Midvaal contributed R7 billion, Lesedi R6 billion and Emfuleni 36 billion. Midvaal had the second highest GVA growth rate of 2.79% between 2001 and 2018. Lesedi's growth in GVA was 3.07%, and Emfuleni's 2.03%.

Table 4: GVA - Local municipalities of Sedibeng District Municipality, 2001 to 2018, share and growth (Midvaal Economic Analysis 2021)

District	GVA (2001–2018) (R '000)	Share of district municipality	Average annual growth rate
Emfuleni	36.025	72.81%	2.03%
Midvaal	7.141	14.98%	2.79%
Lesedi	6.042	12.21%	3.07%
Sedibeng	49.626	100%	

Economic Activity by Sector

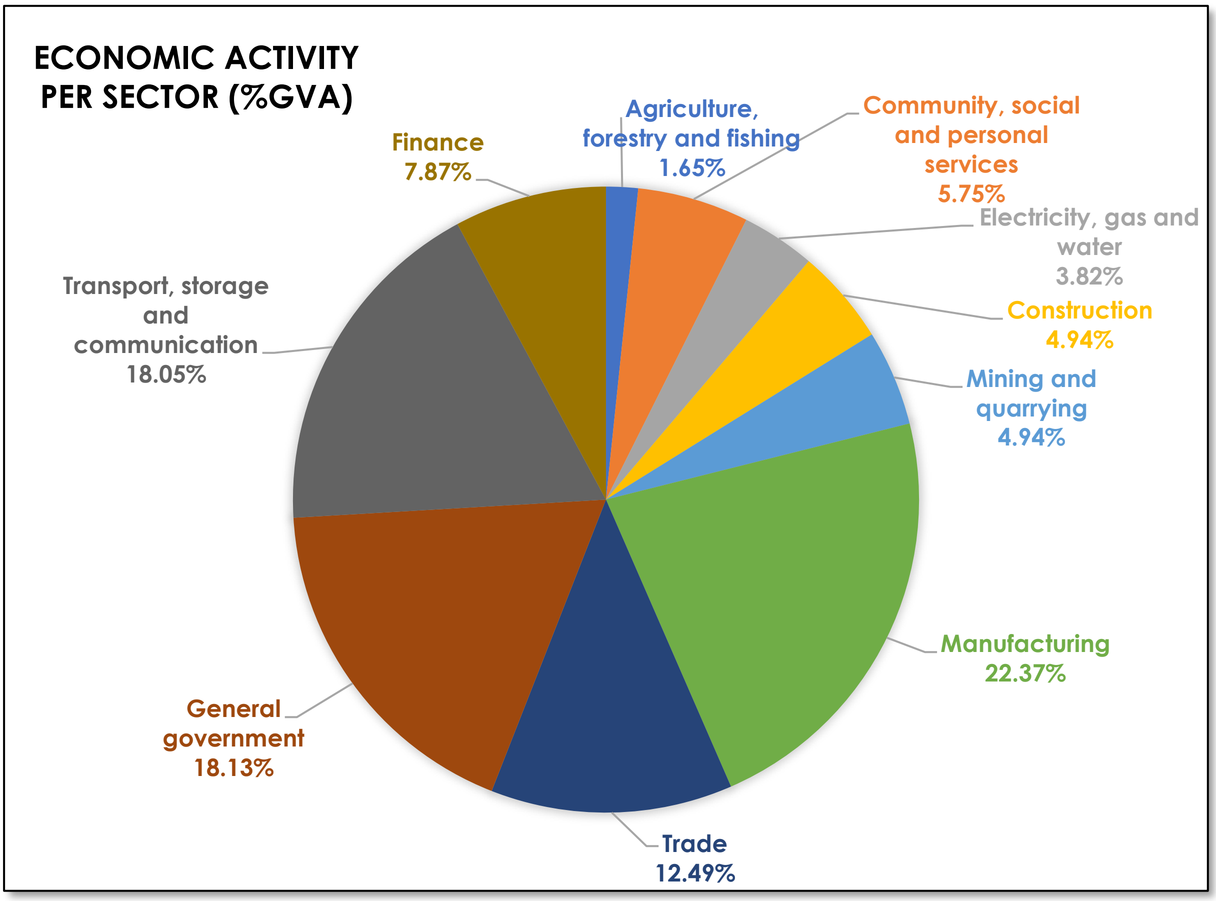

Figure 11: Economic activity by sector (Midvaal Economic Analysis 2021)

As seen in Figure 11, the pillars of the local economy are manufacturing, general government, transport, storage and communication and trade. These sectors contribute cumulatively 71.04% of GVA to the local economy.

The following list ranks the sectors from highest to lowest:

1. Manufacturing 22,37%
2. General government 18,13%
3. Transport, storage and communication 18,05%
4. Trade 12,49%
5. Finance 7,87%
6. Community, social and personal services 5,75%
7. Construction 4,94%
8. Mining and quarrying 4,94%
9. Electricity, gas and water 3,82%
10. Agriculture, forestry and fishing 1,65%

In terms of average sectoral growth, Midvaal's strongest sectors included mining and quarrying (6,88%), construction (5,31%) and transport and logistics

(4,43%). Both Emfuleni and Lesedi had similar sector growth trends, with mining and quarrying and construction exceeding the 5% average annual growth.

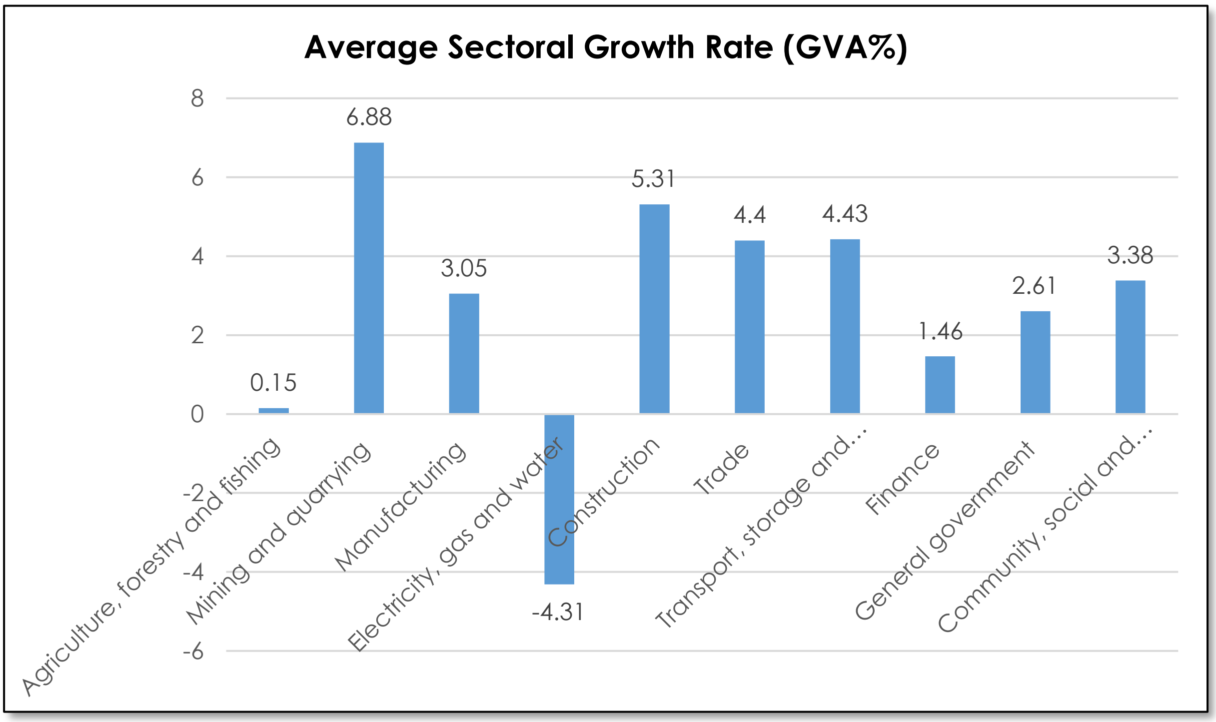

Figure 12: Average Sectoral Growth Rate

Due to the stagnation in economic activity and the rising unemployment facing South Africa and its provincial, district and local economies, interventions are needed for MLM to industrialise, create jobs and grow the economy.

Midvaal has mainly agricultural and rural/township land with important natural structures and conservation areas. The area along the R59 Development Corridor has a competitive advantage and offers transport and distribution opportunities.

The manufacturing sector is the best-performing sector and has a relatively high comparative advantage; however, the sector's vulnerability to external factors and global pressures must be considered in future development. This is one of the reasons why MLM must focus on diversifying its economy. Other potential sectors and activities identified for development include the following:

- Those which are labour-intensive (specifically those that can grow by drawing on unskilled and semiskilled workers) with strong backward and forward linkages
- Those with rapidly growing comparative advantage (e.g., mining) and investor interest

- Those which the broader economy is moving towards, such as green industries.

Agricultural activities could be increased significantly by promoting the efficient use of vast arable land. This sector could further stimulate other high-growth and job-generating industrial activities, particularly agroprocessing. Agroprocessing has the potential to enhance agricultural production and create markets for farmers.

Industrialisation remain a key intervention to transition the Midvaal economy towards higher value-added activities and technological innovation, particularly for advanced manufacturing activities. Clustering of industrial activities and building value chains are crucial as suppliers can leverage their proximity to one another to partner and collaborate to achieve cost reductions. However, the economic conditions and the required time and effort must be recognised as increased industrialisation cannot be attained merely with the existing industrial structure. Thus, proper planning is essential to ensure that industrialisation strategies are realised and impacts are maximised.

2.4 Institutional Analysis

MLM is dedicated to improving as an institution by ensuring alignment and adherence to legislation as well as using innovation and technology to enhance operations. The following section highlights operational structures and institutional achievements.

2.4.1 Committees

The Council has the following committees that assist in its legislative functions:

- **Section 80 Committees**

Section 80 committees are established to assist the Executive Mayor and Mayoral Committee. The Executive Mayor appoints the chairperson and may delegate power to these committees. The Mayoral Committee may vary or cancel any decisions taken by these committees. All Section 80 committees report to the Mayoral Committee. MLM has five Mayoral Committee Members and thus five Section 80 portfolio committees: Corporate and Finance Services, Engineering Services, Community Services and Development and Planning.

- **Mayoral Committee**

The Mayoral Committee is the committee of the Executive Mayor and members of the Mayoral Committee. Council may delegate certain functions to the Mayoral Committee, through the system of delegations. The Mayoral Committee must report all decisions taken to Council. The functions that are not delegated, must then be recommended to the full Council.

- **Council**

Council is represented by all councillors in the municipality. It is chaired by the Speaker of Council.

- **Municipal Public Accounts Committee**

The Section 79 the Municipal Public Accounts Committee (MPAC) was established with specific terms of reference to assist Council with its oversight function. The MPAC functions as the oversight committee of Council in respect of the Annual Report, and its oversight report is submitted and published in accordance with the MFMA requirements and guidance. The MPAC consists of members of the majority and opposition parties and is chaired by a member of the opposition.

- **Performance & Audit Committee**

This committee is established in terms of Section 166 of the MFMA. Council approved the establishment of the committee per Council Resolution M/155/09/2001 dated 30 Aug 2001.

- **Bid Adjudication Committee**

The Bid Adjudication Committee's input concludes the procedure for dealing with bids of the MLM; the committee is responsible for the final decisions regarding the adjudication of a bid.

Proposals regarding the applicable and qualifying bids for each tender are submitted by the Bid Evaluation Committee to the Bid Adjudication Committee, where the adjudication is finalised. The chairperson of the Bid Adjudication Committee is appointed by the Municipal Manager who is not allowed to serve on or be involved in the Bid Evaluation Committee at any stage.

- **ICT Steering Committee**

This committee is chaired by the Municipal Manager and consists the Heads of Department. This committee manages the purchase of information and communications technology (ICT) equipment and is also a channel for resolving ICT issues within the departments.

- **Section 79 Place Name Committee**

This committee was established to deal with changing of street names.

- **Section 79 Petitions Committee**

This committee was established to deal with petitions.

- **Section 79 Ethics Committee**

The Section 79 Ethics & Disciplinary Committee was established to assist the Speaker with the performance of the delegated functions, particularly relating to investigating misconduct of councillors, and with enforcing the Code of Conduct for Councillors and the Standing Orders of Council

2.4.2 Management and Operational Systems

The Council has the following operational and management systems in place:

Risk Management

Enterprise-wide risk management is a priority of the municipality and as such, it is a standing item on the weekly management agenda. This creates the opportunity for the early identification and mitigation of risks.

Integrity Management – Anti-fraud and Anti-corruption Strategy

MLM subscribes to the principles of good corporate governance, which requires conducting business in an honest and transparent fashion. Consequently, MLM is committed to fighting fraudulent behaviour at all levels within the organisation.

In addition to promoting ethical conduct within MLM, the Anti-Fraud and Anti-Corruption Policy and Plan is intended to assist in preventing, detecting, investigating and sanctioning fraud and corruption. This dynamic policy and plan details the steps that have been and will continually be taken by MLM to promote ethical conduct and address fraud and corruption.

The efficient application of instructions contained in the policies and procedures of MLM is one of the most important duties of every employee in the execution of daily tasks.

Issues raised by employees, ratepayers, members of the public or providers of goods and/or services, and the action taken, will depend on the nature of the concern.

Council's stance on fraud and corruption is one of zero tolerance.

Apart from other mechanisms in place for the reporting of any unethical, fraudulent or corrupt activities, the outsourced fraud reporting hotline can be contacted at 0860-268-624.

Change Management

The municipality has implemented the following automated systems**:**

- Automated/Electronic Recruitment Functions, replacing the manual application process
- Automated/Electronic Employee Self-Service Function, replacing the manual leave application process
- Biometric Time & Attendance Clocking system.

Customer Service (Call Centre)

The Call Centre facilitates and fulfils the role of accurate information distribution from the public to the relevant internal service departments.

A high level of service and professionalism is required when dealing with two-way inbound and outbound communication between various stakeholders for the purpose of complaints resolution. Customer satisfaction surveys to measure satisfaction levels are important, as is continuous staff training on how to conduct professional service which adheres to Batho Pele principles.

All complaints logged via the MLM Call Centre, email, and My Midvaal App, notwithstanding those processed through the Smart Field Application, will be subject to the turnaround escalation times approved by relevant service departments.

The Call Centre is operational between 06:00 and 22:00, seven days a week. Customer complaints are dealt with as follows:

- Verbal customer complaints shall be responded to within the time stipulated by each service delivery department in line with their turnaround times.
- Written customer complaints shall be acknowledged within three working days, with a detailed written response within ten working days, inclusive of proof of escalation to the appropriate level of management for a decision.
- Service delivery complaints needing immediate attention (such as a burst pipe) are to be channelled through the Call Centre.

My Midvaal App

The My Midvaal App is a digital platform that brings municipal services to communities through mobile technology. The app provides a tool to enable improved interaction and communication between the municipality and communities. The My Midvaal App can be downloaded on the Google Play Store and Apple App Store.

2.4.3 Institutional Achievements

MLM is proud to highlight the following achievements:

- An unqualified clean audit report for the ninth consecutive year.
- The Golden Arrow award by PMR Africa is awarded to municipalities and public entities that do the most to achieve the following:
    - Combat crime
    - Job creation
    - Clean environment
    - Infrastructure development
    - Attract investment
    - Social Upliftment.
- MLM is ranked in fifth position out of 278 municipalities in South Africa according to Ratings Africa.
- It is the best performing municipality in Gauteng.
- MLM's human resources (HR) department is the best performing department, meeting the requirements of the National Human Resources Management System Standard following the SA Board for People Practices Audit; the initiative was co-ordinated by the Department of Cooperative Governance and Traditional Affairs (COGTA):
    - Overall Winner within the Public Sector
    - Overall Winner of the Year
- MLM's HR management system was successfully audited, and it was certified as meeting the requirements of the National Human Resources Management System Standard in the following categories:
    - Workforce planning
    - Employment relations management
    - HR technology
    - HR measurement.

2.5 Assessment of Existing Level of Development and Service Delivery

An assessment of the existing level of development was conducted across the eight key performance areas (KPAs) to inform the current performance and status quo of MLM. The performance analysis is presented as a rating system with three evaluation criteria as follows:

1.	😊	Good performance / implementation / standard
2.	😐	Average performance / standard or policy in place with average implementation
3.	☹	Poor performance / standard or no performance / function

The key benefit of this performance review framework is the ability to rapidly monitor the current areas of strengths and weaknesses of the municipality. Moreover, it provides the ability to evaluate trends, and allows decisions to be made on areas which require immediate attention. Below is the current performance of the municipality bases on Key Performance Areas (KPA) and Key Focus Areas (KFA).

KPA 1: Good Governance

KFA 1: Governance Structures

Description	21/22	22/23	23/24
1. Council has been duly elected and is fully functional	😊	😊	😊
2. Executive Mayor and Mayoral Committee	😊	😊	😊
3. Section 80 Committees	😊	😊	😊
4. Section 79 Ethics Committee	😊	😊	😊
5. Section 79 Municipal Public Accounts Committee (MPAC)	😊	😊	😊
6. Section 79 Naming Committee	😊	😊	😊
7. Section 79 Petitions Committee	😊	😊	😊
8. Section 79 Gender Committee	😊	😊	😊
9. Performance & Audit Committee	😊	😊	😊
10. IDP Representative Forum	😊	😊	😊
11. Office of the Speaker	😐	☹	☹
12. Ward committees in all 15 wards	😊	😊	😊
13. Office of the Chief Whip	😊	😊	😊
14. Municipal Planning Tribunal	😊	😊	😊

15. Appeals Planning Tribunal	-	😊	😊
16. Budget Steering Committee	😊	😊	😐
17. Ethics & Risk Management Committee	😊	😊	😊

KFA 2: Risk Management

Description	21/22	22/23	23/24
1. Integrity Management (Anti-fraud and Anti-corruption)	😊	😊	😊
2. Risk Matrix	😊	😊	😊
3. Risk Management Policy	😊	😊	😊
4. Risk Register (Strategic & Operational)	😊	😊	😊
5. Risk Management Committee	😊	😊	😊
6. Incident Register	😊	😊	😊
7. Disaster Management Plan / Risk Management Plan / Business Continuity Plan	😊	😐	😐

KFA 3: Stakeholder Participation

Description	21/22	22/23	23/24
1. Petitions Policy	😊	😊	😊
2. Petitions Committee	😊	😊	😊
3. Resources and Procedures	😊	😊	😊
4. Functional ward committees in all 15 wards	😊	😊	😊
5. Participation in IDP and Budget Process	😐	😐	😐
6. Annual People's Assembly/ SOMA	😊	😊	😊
7 Stakeholder Engagements	😊	😊	😊

KFA 4: Intergovernmental Relations

Description	21/22	22/23	23/24
1. Premier's Co-ordinating Forum (PCF)	😊	😊	😊
2. Technical PCF	😊	😊	😊
3. MEC/MMC Fora	😊	😊	😊
4. SALGA	😊	😊	😊
5. District Fora	😐	😐	😐
6. Premiers Co-ordinating Forum (PCF)	😊	😊	😊

KPA 2: Safe & Healthy Environments

KFA 5: Safety and Security

Description	21/22	22/23	23/24
1. Traffic Administration	😊	😊	😊
2. Community Training/ Projects	😊	😊	😊
3. Community Policing Forum (Expansion of the coverage and operation of CCTV cameras & enhanced communication, between all sector policing forums)	😊	😊	😊
4. CCTV Project	😊	😊	😊
5. Crime Prevention	😊	😊	😊
6. Fire By-law Enforcement	😐	😐	😐
7. Traffic Law Enforcement	😊	😊	😊
8. Speed Law Enforcement	😊	😊	😊

KFA 6: Emergency Services

Description	21/22	22/23	23/24
1. Meyerton Fire Station SANS 090-Standard	😊	😊	😊
2. Vaal Marina Fire Station SANS 090-Standard	😐	😐	😊
3. Fire Prevention	😊	😊	😊
4. Community Training /Projects	😊	😊	😊

KFA 7: Disaster Management

Description	21/22	22/23	23/24
1. Disaster Management Plan	😊	😊	😊
2. Disaster Management Centre (District Function)	☹	☹	😐

KFA 8: Environmental Heath

Description	21/22	22/23	23/24
1. Environmental Management Framework	😐	😐	😊

KPA 3: Community Development

KFA 9: Parks and Sports & Recreation

Description	21/22	22/23	23/24
1. Sicelo community facility, Sport Hall with ablutions and kitchen & Basketball & Netball court, Soccer field with ablutions office rooms and kitchen. Caretaker house	😐	😐	😐
2. Bantu Bonke community facility, Hall with ablution and kitchen & Soccer field with ablutions	😐	😐	😐
3. Meyerton Swimming Pool office and ablutions & Caretaker house	😊	😊	😊
4. Meyerton Sports Club, Cricket field with ablutions, Soccer & Rugby field with ablutions, Ring Ball Courts & Clubhouse with ablutions, Bowling greens & Clubhouse	😊	😊	😊
5. Lakeside Estate Park, Lakeside Estate	😐	😐	😐
6. Ohenimuri Park, Ohenimuri	😊	😐	😐
7. Riversdale Park, Riversdale	😐	😐	😐
8. Danie Mclean Park, Rothdene	😊	😐	😐
9. Park in Pierneef Street , Meyerton Town	😊	😐	😐
10. Park at cnr Pierneef and Shippard Str, Meyerton	😊	😐	😐
11. Japonica Str. Park Golf Park	😊	😐	😐
12. Oval Park Henley on Klip	😐	😐	😐
13. Frasier Park Henley On Klip	😊	😐	😐
14. Henry Str. Park Risiville	😊	😐	😐
15. Annet Str. Park Risiville	😊	😐	😐
16. Cypress str. Park Noldick	☹	😐	😐

KFA 10: Libraries, Arts & Culture and Special Programmes

Description	21/22	22/23	23/24
1. Meyerton	😊	😊	😊
2. Henley on Klip	😊	😊	😊
3. Randvaal	😊	😊	😊
4. Sicelo	😊	😊	😊
5. De Deur	😊	😊	😊
6. Lakeside	😊	😊	😊

7. Mamello	☹	☹	😐
8. Savanna City	☹	☹	😐
9. Required Additional Libraries	😐	😐	😐

KFA 11: Heath, ECD and Social Programmes

Description	21/22	22/23	23/24
1. Meyerton Clinic	☺	☺	☺
2. Randvaal Clinic	☺	☺	☺
3. Kookrus Clinic	☺	☺	☺
4. Gender programmes	☺	☺	☺
5. Elderly programmes	☺	☺	☺
6. Youth programmes	☺	☺	☺
7. Disabled programmes	☺	☺	☺
8. ECD Facilities (46) Formalised	☺	☺	☺
9. Day Mothers (80)	😐	😐	☺

KFA 12: Cemeteries

Description	21/22	22/23	23/24
1. Meyerton	☺	☺	☺
2. Kookrus	☺	☺	☺
3. Riversdale	☺	☺	☺
4. Required Additional Cemeteries/Crematoria	😐	😐	😐
5. Cemetery Master Plan	☺	☹	☹

KPA 4 Institutional Development

KFA 13: Human Resources & Skills Development

Description	21/22	22/23	23/24
Organisational Structure			
1. Functional Organisational Structure (Organogram)	☺	☺	☺
2. Number of Vacancies	☺	☺	☺
3. Staff Turn-over	😐	☺	☺
4. Employment Equity	😐	☺	☺
5. Vetting	😐	☺	☺

Human Capital and Skills Development			
6. Submission of Workplace Skills Plan (WSP) and Annual Training Report (ATR) to Department of Labour	😊	😊	😊
7. Succession Plan	😐	😐	😐
8. Study Assistance Scheme	😊	😊	😊
9. Implementation of Annual Training Plan (ATP)	😊	😊	😊
10. Staff Morale	☹️	😐	😐

KFA 14: Monitoring & Evaluation and Performance Management

Description	21/22	22/23	23/24
1. Performance Management Policy	😊	😊	😊
2. Performance Management System	😐	😐	😐
3. Cascading of Performance Management System	😐	😐	😐
4. Regular review of institution	😊	😊	😊
5. Regular review of service providers and contractors	😊	😊	😐

KFA 15: Information Communications Technology (ICT)

Description	21/22	22/23	23/24
1. Strategic Capability	😊	😊	😊
2. Resources (Budget, Staff & Equipment)	😐	😐	😐
3. ICT Strategy	😊	😊	😊
4. ICT Helpdesk and Technical Support	😊	😊	😊
5. Financial Management System	😊	😊	😊
6. Human Resources Management Plan	😊	😊	😊
7. Consumer Account Management (Printing & Distribution)	😊	😊	😊

KFA 16: Policies, Processes and Procedures

Description	21/22	22/23	23/24
1. Regular internal management meetings	😊	😊	😊
2. Departmental meetings	😊	😊	😊
3. Regular Mayoral Strategic Sessions	😊	😊	😊

4. Processes and procedures are in place to address and implement Council policies	😊	😐	😐
5. Processes and procedures are reviewed or developed departmentally as and when required based on changed circumstances	😊	😐	😐
6. Policy Register	😊	😐	😐
7. Regular review of policies & by-laws	😊	😐	😐
8. System of Delegations	😊	😐	😐
9. Municipal By-Laws	😊	😐	😐

KPA 5 Financial Stability

KFA 17: Financial Management (Expenditure, Budget & Reporting)

Description	21/22	22/23	23/24
Financial Management			
1. Capital Expenditure	😊	😊	😊
2. Operating Expenditure	😊	😊	😊
3. Cost Containment	😊	😊	😊
Financial Reporting			
1. Section 71-monthly reporting	😊	😊	😊
2. Section 52-quarterly reporting	😊	😊	😊
3. Mid-year Performance Reporting	😊	😊	😊
4. Annual Report	😊	😊	😊
5. Annual Financial Statements	😊	😊	😊
Budgeting			
1. Budget Policy	😊	😊	😊
2. Budget Steering Committee	😊	😊	😊
3. Operational Budget	😊	😊	😊
4. Capital Budget	😊	😊	😊
Funding			
1. Own Funding	😊	😊	😊
2. Grant Funding	😊	😊	😊
3. External Loans	😊	😊	😊

KFA 18: Revenue Management

Description	21/22	22/23	23/24
1. Outstanding Debt	😐	😐	😐

2. Registered Indigents	😐	😐	😐
3. Revenue Collection	😐	😐	😊

KFA 19: Supply Change Management

Description	21/22	22/23	23/24
1. Supply Chain Management	😊	😊	😊

KFA 20: Asset, Equipment & Fleet Management

Description	21/22	22/23	23/24
Assets			
1. Movable Assets	😐	😐	😐
2. Infrastructure Assets	😐	😐	😐
Fleet			
Total of the Midvaal LM Fleet: 236 vehicles, excluding trailers and equipment			
Average age of the Council's vehicles: 9 years			
1. Condition of fleet - 75%	😊	😊	😊
2. Condition of fleet - 14%	😐	😐	😐
3. Condition of fleet - 11%	☹	☹	☹
Equipment			
1. Slashers	😊	☹	😐
2. Bush-cutters	😊	😐	😐
3. Kudu's /Ride on Mowers	😊	😐	😊
4. Chainsaw	😊	😐	😊
5. Pole Pruners	😊	😐	😊
6. Water Carts	😊	☹	😐
7. Firearms (Traffic)	😊	😊	😊
8. Computers	😊	😊	😐
9. Laptops	😊	😊	😐
10. Printers	😊	😊	😊
11. Switches	😊	😊	😊
12. Software	😊	😊	😊

KPA 6 Infrastructure & Sustainable Living Environments

KFA 21: Electricity, Energy Efficiency and Renewable Energy

Description	21/22	22/23	23/24
1. Energy Efficiency	☹	☹	😐

The MLM supply area as approved by National Energy Regulator of South Africa (NERSA) consists of the following major areas:

- Blue Rose City Development
- Vaal Marina area
- Farm Doornkuil
- R59 corridor
- Meyerton
- Kookrus
- Riversdale
- Golf Park
- Risiville
- McKay Estates
- Risiville Small Farms (Waldrift).

Description	22/23		23/24	
	CAP	CON	CAP	CON
Substation				
1. M1-main Sub-station (60 MVA-capacity)	😊	😊	😊	☹
2. Eye of Africa (Main Sub-station 80 MVA)	😊	😊	😊	😐
3. The Grace Sub-station	☹	☹	😊	😐
4. Risiville Eskom 4 Emfuleni Sub-station (5 000 kVA)	😊	😊	😊	😊
5. Sybrand Van Niekerk Switching Sub-station (10000kVA)	😐	😐	😐	😐
6. Riversdale R1 Switching Station	😊	😊	😊	😐
7. Riversdale RI 3 Switching Station	😊	😊	😊	☹
8. Switching Sub-stations in Kookrus	😐	😐	😐	☹
9. Switching Station Vaal Marina	😐	😐	😐	☹
10. Switching Stations Golf Park	😊	😊	😊	☹
11. Switching Stations Sicelo and Meyerton farms	😐	😐	☹	☹
12. Switching Sub-stations Meyerton area	😐	😐	☹	☹
13. Switching Sub-stations Risiville area	😊	😐	😐	☹
14. Minor Sub-stations	😐	😐	😐	☹

Network				
1. Midvaal HV 88kV	☺	☺	☺	😐
2. Riversdale MV	😐	😐	😐	☹
3. Meyerton MV	☺	😐	☹	☹
4. Golf Park MV	☺	☺	😐	☹
5. Kookrus , Rothdene MV	☺	☺	☹	☹
6. Meyerton Farms MV	😐	😐	☹	☹
7. Sicelo MV	☹	☹	☹	☹
8. Valley Settlements MV	😐	☹	☹	☹
9. Risiville MV	☺	☺	😐	☹
10. McKay Estates MV	😐	😐	☹	☹
11. Vaal Marina MV	☺	😐	☹	☹
12. Glen Donald MV	☹	☹	☹	☹
13. Risiville Small Farms MV	😐	☺	☺	😐
14. Chrissiesfontein MV	☹	☹	☹	☹
15. Vaal Marina LV	😐	😐	☹	☹
16. Riversdale LV	😐	😐	😐	☹
17. Meyerton LV	😐	😐	☹	☹
18. Golf Park LV	☺	☺	😐	☹
19. Kookrus, Rothdene LV	☹	☹	😐	☹
20. Meyerton Farms LV	😐	😐	☹	☹
21. Sicelo LV	😐	☹	☹	☹
22. Valley Settlements LV	😐	☹	☹	☹
23. Risiville LV	😐	😐	😐	☹
24. McKay Estates LV	😐	☹	☹	☹

Electricity for the area is purchased in bulk by the Midvaal Local Municipality from Eskom and reticulated throughout the licensed area. Some backlogs exist in the Mamello and Sicelo areas which will only be reticulated once they are formalised. In the following areas the internal reticulation is provided directly by Eskom:

- Ironsyde Agricultural Holdings;
- Homestead Apple Orchards;
- Blue Saddle Ranches;
- Blignautsrus;
- De Deur;
- Golfview;
- Hartzenbergfontein;

- Henley-on-Klip;
- Highbury;
- Kliprivier;
- Parts of Walkerville.

Description	Number		Rating	
	22/23	23/24	22/23	23/24
Substation				
1. Households without electricity connections	4500	4500	😐	😐
Network				
1. Electricity (Paid)	12444	12444	😊	😊
2. Electricity (Free)	1040	1040	😊	😊

KFA 22: Roads & Stormwater Infrastructure

Description	21/22	22/23	23/24
Roads			
1. National Roads - None			
2. Provincial Roads - General in poor condition and require upgrading. Freight transport and lack of maintenance contribute to deterioration of infrastructure. Gautrans busy with upgrading of R82.	☹	☹	☹
3. Municipal Roads – Paved 637.4km	😐	😐	😐
4. Municipal Roads – Unpaved 556.8km	😐	😐	😐
Stormwater			
1. Limited storm-water infrastructure exists. Stormwater is mainly drained in surface drains and channels which are cleaned on an annual basis.	😐	😐	😐

KFA 23: Water & Sanitation Infrastructure

Description	22/23		23/24	
	CAP	CON	CAP	CON
Water Service infrastructure Network				
1. The bulk network (asbestos cement pipes) total length of 640.59km	😐	😐	😐	😐
Reservoirs				
1. Blue Saddles High Level	😊	😊	😊	😊
2. Drumblade	😊	😊	😊	😊

3. Eye of Africa	😐	😐	😐	😐
4. Kliprivier Reservoir (Heineken)	😊	😊	😊	😊
5. Meyerton Reservoir (X2)	😊	😊	😊	😊
6. Randvaal Reservoir (Valley Settlements)	😊	😊	😊	😊
7. Vaal Marina Reservoir (X2)	😊	😊	😊	😊
8. Foothill Road Reservoir (NEW)			😐	😐
Sanitation Infrastructure				
The network consists of 391.41 km pipe in a fair condition	😐	😐	😐	😐
Sewer Pump Stations				
1. Pilkington	😐	😐	😊	😐
2. Kliprivier No5	😊	😐	😊	😊
3. Kliprivier No6	😊	😐	😊	😐
4. Leeuw Street	😊	😐	😊	😐
5. Adelaar Street	😊	😊	😐	😊
6. Varty Street	😐	😐	😐	😐
7. Brockett Street	😐	😊	😊	😐
8. Gordon Street	😊	😊	😊	😊
9. Bekker Street	☹	😐	😊	😊
10. Rothdene	😊	😊	😊	😐
11. Van Riebeeck Street	😊	😊	😊	😐
12. Meyerton Sports Club	😐	😐	😐	😐
13. Ribbok Street	😐	😐	😐	😐
14. Keurboom Street	😐	😊	😊	😊
15. Ewelme Street	☹	😊	😐	😐
16. Church Street	😐	😐	😊	😐
17. Assemblies of God Street	😐	😐	😊	😐
18. Regatta Street	😐	😐	😊	😐
19. Heineken Pump Station	😊	☹	😊	😐
20. Roshnee/Rus-ter-vaal	😊	😐	😐	😐
21. Anchovy Street	😊	😊	😐	😐
22. Cormorant Bay	😐	😐	😊	😊
23. Harbour Town	😐	😊	😊	😊
24. Marina Letata	😐	😊	😐	😊
25. Perlemoen Pump Station	😐	😊	😐	😊
26. Port O'Call Pump Station	😐	😐	😊	😊
27. Sunset Cove Pump Station	😐	😐	😊	😊

28. Misty Bay Pump Station	😐	😐	😊	😐
29. Banana Bay Pump Station	😐	😐	😊	😊
30. Sewer Plant Pump Station	😐	😐	😊	😊
Treatment Works				
1. Ohenimuri Treatment Plant	😊	😊	😊	😊
2. Vaal Marina Treatment Plant	😊	😊	😐	😐
3. Bantu Bonke Treatment Plant	😊	😊	😐	😐
4. Ohenimuri Treatment Plant	😊	😊	😊	😊
5. Meyerton Treatment Plant	☹	😊	😐	☹
Water & Sanitation Services	**21/22**	**22/23**		**23/24**
1. Water Services Development Plan	😐	😐		😐
2. Water: Blue Drop (84,1 %)	😊	😊		😊
3. Sewer: Green Drop (53,5 %)	☹	😐		😐
4. Households without formal housing	☹	😐		😐
5. Households without hygienic toilets	😐	😐		😐
6. Households without piped water at or above RDP level	😐	😐		😐

KFA 24: Solid Waste Management

Description	**21/22**	**22/23**	**23/24**
Landfill sites			
1. Walkerville Landfill Site	☹	😐	☹
2. Henley-on-Klip Landfill Site	😊	😊	☹
3. Vaal Marina Landfill Site	😊	😊	😊
Transfer Station			
1. Galloway Transfer Station	😊	😊	😊
2. Kliprivier Transfer Station	😊	😊	😊
3. Blackwood Transfer Station	☹	😐	😐
Solid Waste Removal			
1. Townships	😊	😐	😐
2. Agricultural and other settlements	😊	😐	😐
3. Farms	😊	😐	😐
4. Business and Industrial	☹	😐	😐

KFA 25: Project Management and Public Facilities

Description	21/22	22/23	23/24
1. Civic Centre (Administrative Buildings)	😊	😊	😊
2. Vaal Marina Municipal Buildings	😊	😊	😊
3. Randvaal Engineering Offices	😐	😐	😐
4. De Deur Administrative Offices	😐	😐	😐
5. Depot & Stand-by Quarters (Galloway Street – Engineering & Community Services)	😐	😐	😐
6. Meyerton Fire Station	😊	😊	😊
7. Mechanical & Electrical Workshop	😐	😐	😐
8. Vaal Marina Fire Station (New)	😊	😊	😊
9. Project Management Unit	😊	😊	😊

KFA 26: Climate Change Adaptation and Mitigation

Description	21/22	22/23	23/24
1. Climate Change Adaptation and Mitigation Strategy	-	☹	😐

KPA 7 Communication & Customer Care

KFA 27: Communications & Marketing

Description	21/22	22/23	23/24
1. Communications Policy	😊	😐	😐
2. Communications Plan	😊	😐	😐
3. Marketing Plan	😊	😐	😐
4. Communications and Marketing Unit	😊	☹	😊
5. Budget and Resources (PR & Marketing)	😐	☹	😐
6. Internal Newsletter	😊	😊	😊
7. External Newsletter	😊	😊	😊
8. Media Releases	😊	😊	😊
9. Branding	😊	😊	😊
10. Corporate Identity Manual	😊	😊	😊
11. Advertising and Marketing	😊	😊	😊
12. Events	😊	😐	😊
13. Functional Website and Compliance with Section 75 of the MFMA	😊	😊	😊

14. Internal Communications Email	😊	😊	😊
15. Social Media Accounts	-	😊	😊
16 People's Assembly/SOMA	😊	😊	😊

KFA 28: Customer Relations

Description	21/22	22/23	23/24
1. Customer Service System	😊	😊	😊
2. Internal Toll-free complaints hotline	😊	😊	😊
3. Call Centre	😊	😊	😊
4. My Midvaal App	-	😊	😊

KPA 8 Economic Growth & Spatial Transformation

KFA 29: Municipal Planning & Built Environment

Description	21/22	22/23	23/24
1. Informal Trading By-Law Enforcement	😐	😊	😐
2. Poster Management	😊	😊	😊
3. Building and Land Use Enforcement	😐	😐	😐
4. Outdoor Advertising Enforcement	😐	😐	😐
5. Adherence to National Building Regulations	😊	😊	😊
6. SPLUMA Compliance	😊	😊	😊
Monitoring of attorney performance on matters handed over	😊	😊	😊
Land Use Management Scheme (SLUMS)	😐	😊	😊
Turn-around times on Land Use Applications	😊	😊	😊
Turn-around times on Building Plan Applications	😊	😊	😊
Turn-around times: Complaints received in respect of National Building Regulations, Land Use Scheme and Outdoor Adverting	😊	😊	😊
Electronic Application Tracking and Processing System (City Solve)	😊	😊	😊
Electronic Building Plan Tracking and Processing System (City Solve)	😊	😊	😊
Dolomite Risk Management Plan	😐	😐	😐

Description	21/22	22/23	23/24
1. Informal Trading By-Law Enforcement	😐	😐	😊

2. Poster Management	😊	😊	😊
3. Building and Land Use Enforcement	😐	😐	😐
4. Outdoor Advertising Enforcement	😐	😐	😐
5. Adherence to National Building Regulations	😊	😊	😊
6. SPLUMA Compliance	😊	😊	😊
7. Monitoring of attorney performance on matters handed over	😊	😊	😊
8. Land Use Management Scheme	😐	😐	😊
9. Turnaround times on Land Use Applications	😊	😊	😊
10. Turnaround times on Building Plan Applications	😊	😊	😊
11. Turnaround times: Complaints received in respect of NBR, TPS, OA	😊	😊	😊
12. Electronic Application Tracking and Processing System (City Solve)	😊	😊	😊
13. Electronic Building Plan Tracking and Processing System (City Solve)	😊	😊	😊
14. Dolomite Risk Management Plan	😐	😐	😐

KFA 30: Spatial Planning and Investment

Description	21/22	22/23	23/24
1. Comprehensive Rural Development Programme	😐	😐	😊
2. Spatial Development Framework	😊	😊	😊
3. Annual revision of SDF	😊	😊	😊
4. Precinct Plans	😊	😐	😐
5. Development & Planning Policies	😐	😐	😐
6. Regular revision of precinct plans and policies	😊	😐	😐
7. Geographic Information System	😊	😊	😊
8. Integrated Sustainable Human Settlement Plan (HSP)	😊	😊	😊
9. Monitoring of Land Invasions	😊	😊	😊
10. CBD Revitalisation Programme	😐	😐	😊

KFA 31: Local Economic Development

Description	21/22	22/23	23/24
1. LED Strategy	😊	😊	😊
2. Food Security Programmes	😊	😐	😐

3. Improved IGR with other Provincial and National Sector Departments	😊	😊	😊
4. SMME Database	😊	😊	😊
5. Midvaal Economic Analysis	😊	😊	😊
6. LED Projects	😊	😊	😊
7. Agriculture	😊	😊	😊
8. Farmers Support (Access to Municipal Owned Land)	😊	😐	😐
9. Capacity Building Programmes for Job Creation	😊	😐	😐
10. Expanded Public Works Programme (EPWP)	😊	😊	😊
11. SMME development	😊	😊	😊

2.6 SWOT Analysis

Table 5: SWOT Analysis

Strengths	Weaknesses
• Clean Audit for nine consecutive financial years 2013/14 to 2021/2022 • Good governance and strategic political leadership • Financial stability • Ranked as the top performing municipality in Gauteng • Large youth population • Lowest unemployment rate in Gauteng • Enabling and conducive workplace environment	• Funding and finance constraints • Retention of skilled staff and high staff turnover • Lack of effective supervision and performance monitoring of lower levels • Low staff morale • Working in silos • Feedback on complaints • Currently at a tipping point to provide service based on current resources • Poor internal efficiencies • Poor internal and external communication • Inequality in socioeconomic conditions within the municipality • Limited mandate as a local municipality
Opportunities	**Threats**
• Innovation and adaptability • Industrial and business investments • Good service delivery to our community • Growth in a diversification of sectors, incl. manufacturing, agriculture, and tourism • Improve the image of MLM • Large portion of undeveloped land	• Grading of the municipality • Demand for overtime remuneration (staff relying on overtime) • Less revenue collection from Savanna City • Land invasion threats • Slow economic growth • Illegal build and land uses • In-migration from neighbouring municipalities • Cross-border service delivery charges

• Tourism and agricultural potential • Moving off the Eskom grid	• Telecommunications connectivity • Electrical cable theft

2.7 Legislative Analysis

Section 40 of the Constitution of the Republic of South Africa, 1997, states that the three spheres of government are distinctive, interdependent and interrelated. They are autonomous but must co-exist and have to co-operate on decision-making, and co-ordinate budgets, policies and activities, particularly for those functions that cut across the government spheres.

Co-operative governance means that national, provincial, and local government should work together to provide citizens with a comprehensive package of services. They have to assist and support one another, share information and co-ordinate their efforts. Implementation of policies and government programmes particularly require close co-operation between the three spheres of government.

A number of policies, strategies and development indicators have been developed in line with the prescriptions of legislation to ensure that all government activities are aimed at meeting the developmental needs of local government.

The following sections outline the national, provincial and district policy directives, sector plans and legislation, which set the strategic direction to which MLM must align for coherent planning, budgeting and implementation of programmes and projects.

2.7.1 The 2030 Agenda for Sustainable Development - Sustainable Development Goals

In 2015 all member states of the United Nations adopted the 2030 Agenda for Sustainable Development. The 17 Sustainable Development Goals (SDGs) are a call for action by all countries developed and developing in a global partnership. The SDGs recognise that ending poverty and other deprivations must go hand in hand with strategies that improve health and education, reduce inequality, and spur economic growth including addressing the effects of climate change and working to preserve our natural assets. The figure that follows highlights the SDGs that must be used as a guideline for all planning directives in South Africa.

Figure 13: Sustainable Development Goals

2.7.2 Agenda 2063: The Africa We Want

The African Union, in its effort to transform Africa into a global powerhouse, has developed the Agenda 2063. The Agenda 2063 is a strategic framework for the continent to achieve inclusive and sustainable development and a pan-African drive for unity, self-determination, freedom, progress, and collective prosperity pursued under Pan-Africanism and the African Renaissance. The Agenda 2063 encompasses aspirations for the Africa we want, which are:

1. A prosperous Africa based on inclusive growth and sustainable development.
2. An integrated continent, politically united and based on the ideals of Pan-Africanism and the vision of Africa's Renaissance.
3. An Africa of good governance, democracy, respect for human rights, justice, and the rule of law.
4. A peaceful and secure Africa.
5. An Africa with a strong cultural identity, common heritage, shared values, and ethics.
6. An Africa whose development is people-driven, relying on the potential of African people, especially its women and youth and caring for children.
7. Africa as a strong, united and influential global player and partner.

The Agenda 2063 captures Africa's aspirations for the future and identifies key flagship programmes which can boost Africa's economic growth and lead to the rapid transformation of the continent. Agenda 2063 outlines key activities to be undertaken in its ten-year implementation plans which will ensure that Agenda 2063 delivers both quantitative and qualitative transformational outcomes for Africa's people.

2.7.3 National Development Plan

The South African Government through the Presidency published the NDP 2030 in 2012. The plan aims to eliminate poverty and reduce inequality by 2030. The plan has the target of developing people's capabilities to improve their lives through education and skills development, healthcare, better access to public transport, jobs, social protection, rising income, housing and basic services, and safety. It proposes to the following strategies to address the above goals:

1. Creating jobs and improving livelihoods;
2. Expanding infrastructure;
3. Transition to a low-carbon economy;
4. Transforming urban and rural spaces;
5. Improving education and training;
6. Providing quality healthcare;
7. Fighting corruption and enhancing accountability; and
8. Transforming society and uniting the nation.

At the core of the plan is to eliminate poverty and reduce inequality and the special focus on the promotion of gender equity and addressing the pressing needs of the youth. More importantly for efficiency in local government, the NDP 2030 proposes eight targeted actions listed as follows:

1. Stabilise the political-administrative interface;
2. Make public service and local government careers of choice;
3. Develop technical and specialist professional skills;
4. Strengthen delegation, accountability and oversight;
5. Improve interdepartmental co-ordination;
6. Assume a proactive approach in improving national, provincial and local government relations;
7. Strengthen local government; and
8. Clarify the governance of state-owned enterprises (SOEs).

2.7.4 Medium Term Strategic Framework

The Medium Term Strategic Framework (MSTF 2019–2024) is the implementation plan for the NDP 2030, highlighting the national development priorities for the sixth administration. This is built on three fundamental pillars: a strong and inclusive economy, capable South Africans and a capable developmental state. The framework aims to address the triple challenges of poverty, inequality and unemployment through seven priorities highlighted as follows:

- Priority 1: Building a capable, ethical and developmental state
- Priority 2: Economic transformation and job creation

- Priority 3: Education, skills and health
- Priority 4: Consolidating the social wage through reliable and quality basic services
- Priority 5: Spatial integration, human settlements and local government
- Priority 6: Social cohesion and safe communities
- Priority 7: A better Africa and world

2.7.5 Integrated Urban Development Framework

The Integrated Urban Development Framework (IUDF) responds to the post-2015 SDGs, in particular to Goal 11: Making cities and human settlements inclusive, safe, resilient and sustainable. It also builds on various chapters of the NDP 2030 and extends Chapter 8: Transforming human settlements and the national space economy and its vision for urban South Africa. The vision, strategic goals and policy levers are listed in the figure that follows:

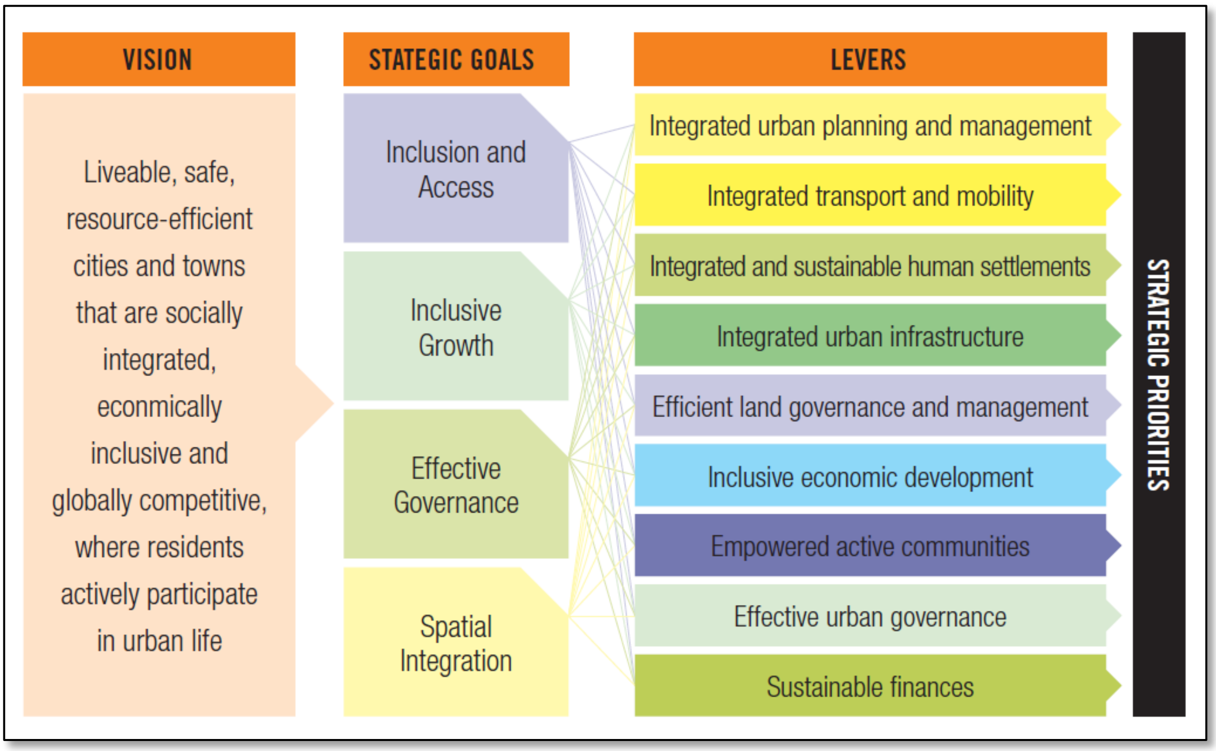

Figure 14: Integrated Urban Development Framework (IUDF) – Vision, Strategic Goals, and Policy Levers.

Three cross-cutting IUDF priorities are intended to be included in the conceptualisation and implementation of the IUDF policy levers.

- Rural-urban interdependency: This concept recognises the need for a more comprehensive integrated approach to urban development that responds to both the urban and the rural environments.

- Urban resilience: This describes urban environmental sustainability as well as disaster risk reduction and mitigation interventions in the planning and management of urban areas.
- Urban safety: This refers to the importance of people's safety in public spaces, which is an essential ingredient for creating liveable and prosperous cities.

2.7.6 Growing Gauteng Together

Growing Gauteng Together (GGT2030) (the Gauteng we want) uses the Indlulamithi Scenarios 2030 of Nayi Le Walk, rephrased as 'A province in step with itself and the Nation', to best describe the execution of the seven priorities and 162 interventions. The seven priorities are:

1. The economy, jobs and infrastructure
2. Education, skills revolution and health
3. Integrated human settlements and land release
4. Safety, social cohesion and food security
5. A capable, ethical and developmental state
6. Towards a better Africa and a better world
7. Sustainable development for future generations.

The GGT 2030 vision is to be implemented along five corridors within Gauteng. Midvaal is represented in the Southern Development Corridor described as Sedibeng, which has suffered significant deindustrialisation due to the collapse of the steel industry. The catalytic investment projects listed will unlock investment into the Vaal economy:

- Savanna City
- Vaal River City and the Vaal University Village precinct to include:
    - Cargo airport and logistics hub
    - Vaal Special Economic Zone
    - AB InBev investment project
    - Vaal Marina development and logistics and mining investments in Lesedi
    - Gauteng Highlands projects.

2.7.7 Sedibeng Integrated Development Plan & Growth & Development Strategy

The Sedibeng Integrated Development Plan & Growth & Development Strategy (GDS3) highlights seven key priority areas (KPAs) to achieve the district's vision.

- **KPA 1: Reinventing the economy** from an old to a new by consolidating existing sectors and exploring new sectors of growth and in this way, build local economies to create more employment and sustainable livelihoods.
- **KPA 2: Renewing our communities** from low to high quality through the provision of basic services, improving local public services and broadening access to them, and regenerating and property development to improve the quality of living.
- **KPA 3: Reviving a sustainable environment** from waste dumps to a green region, by increasing the focus on improving air, water, and soil quality and moving from being a producer and receiver of waste to a green city.
- **KPA 4: Reintegrating the region with the rest of Gauteng**, South Africa and southern Africa to move from an edge to a frontier region, through improving connectivity and transport links.
- **KPA 5: Releasing human potential**; from low to high skills and build social capital through building united, non-racial, integrated and safer communities.
- **KPA 6: Good and financially sustainable governance** through building accountable, effective and clean government, with sound financial management, functional and effective councils, and strong, visionary leadership. It is about compliance and competence.
- **KPA 7: Vibrant democracy** through enabling all South Africans to progressively exercise their constitutional rights and enjoy the full dignity of freedom. Promoting more active community participation in local government, including further strengthening the voice of communities and making sure that community-based structures such as ward committees, police forums, school governing bodies are legislatively supported to function effectively.

2.7.8 District Development Model & One Plan

The Sedibeng District One Plan is based on the District Development Model (DDM) Theory of Change which is supported by six transformation areas to change from the current, problematic situation to a desired, future state. The DDM guideline provides the standardised format that is aligned to the themes, analysed according to the impacted development areas. Some themes are cross-cutting which indicates a level of integration between themes. These six DDM transformation focal areas/goals are as follows:

Table 6: District Development Model Goals

DDM Six Goals	Brief Description
Demographics / People Development	• Assess the level of human capacity and development. • The main focus is the reduction of the triple challenge of poverty, unemployment and inequality, and uplifting the vulnerable members of society.
Economic Positioning	• Identify key economic drivers. • Identify barriers and constraints to unlocking opportunities and potentials.
Spatial Restructuring and Environment Development	• Assess land development, land release and land-use management systems. • Prioritise township development initiatives and incentives.
Infrastructure Development	• Assess the state and adequacy of infrastructure to support addressing current service backlogs and future growth of the district. • Identify alternative and innovative infrastructure programmes and project.
Integrated Service Provision	• Identify current state of service delivery across all sectors. • Improve quality and standardised service within the district.
Governance Development	• Assess state of governance regarding intergovernmental relations and co-ordination. • Assess state of financial governance and management. • Promote good governance and ethical leadership.

The Sedibeng District One Plan adopted the following vision for the plan: '*A leading and developmental metropolitan river city by 2030*'.

In preparing the Sedibeng District One Plan, the diagnostic assessment, vision setting, strategy formulation and implementation framework formulating exercises set the following strategic goals:

Table 7: Sedibeng District Strategic Goals

DDM Focal Area	Sedibeng District Strategic Goals
Demographics / People	• To maximise the impact of people development inclusive of business support on skills development for caring and self-reliant society

Development Goal	
Economic Positioning Goal	• To enhance sectoral support for agriculture, rural development, tourism, manufacturing and re-industrialisation • To promote township economic revitalisation with supporting infrastructure allocations • To promote sustainable development of industrial hubs, economic hubs and auto/digital hubs, focusing on access for the youth and vulnerable communities • To provide legal framing for commercial rapid land release initiative to release publicly owned land for best, most developmental use in township areas • To establish Special Economic Zone to ensure growth, revenue generation, job creation, attract foreign direct investment and foster international competitiveness • To augment sectoral support for agriculture, rural development, tourism and manufacturing towards reindustrialisation and rural development • To promote and develop economic hubs within townships: Review and revise legislation, policies and regulation that govern the township business • To enhance and promote socioeconomic stakeholder engagements and participation • To improve heritage potential of the district • To introduce development guidelines that reduces red tape and improves ease of doing business.
Spatial Restructuring and Environmental Goal	• To create a sustainable, interlinked urban and rural region through sustainable and well-located developments.
Infrastructure Engineering Goal	• To develop sustainable regional bulk infrastructure capacity. • To provide stable and sustainable infrastructure • To conduct research in innovative and alternative infrastructure delivery mechanism • To encourage partnership with private sector in the infrastructure provision.
Integrated Service Provisioning Goal	• To promote effective and Integrated service that addresses the socioeconomic and environmental development imperatives of the region • To harness the use of technology and artificial intelligence

	• To promote effective and integrated services that address the socioeconomic and environmental development imperatives of the region • To introduce the 'smart city' concept to optimise the district's functions and promote economic growth while also improving the quality of life for citizens by using smart technologies and data analysis.
Integrated Service Provisioning Goal	• To promote effective and Integrated service that addresses the socioeconomic and environmental development imperatives of the region • To harness the use of technology and artificial intelligence • To introduce the 'smart city' concept to optimise the District's functions and promote economic growth, while also improving the quality of life for citizens by using smart technologies and data analysis.
Governance Goal	• To ensure good financial management inclusive of stakeholder partnership • To promote ethical, accountable governance with integrity • To enhance and promote socioeconomic stakeholder engagements and participation • To implement a rigorous system of consequence management.

Emanating from the above, a number of catalytic projects were identified. Only the projects that affect MLM (directly and indirectly) are included as follows:

Regional Economic Vision: The Case for a Vaal Regional Master Plan

- The regional economy has suffered significant deindustrialisation due to the collapse of the steel industry.
- Thus, the government's goal will be to build a new economy in the Vaal, on both the Gauteng and Free State sides of the Vaal River.
- Southern Corridor's catalytic investment projects is to be supported by catalytic infrastructure:
    - Savanna City
    - Vaal River City and the Vaal University Village Precinct
    - A cargo airport and logistics hub
    - The Vaal Special Economic Zone
    - An AB InBev investment project
    - The Vaal Marina development
    - Logistics and mining investments in Lesedi

- The Gauteng Highlands projects
    - Sebokeng Precinct.
- Gauteng working with the national government, the private sector, SOEs and universities to direct infrastructure initiatives and human capital development interventions towards the same vision.
- Collectively, these projects will unlock over R20 billion investment in the Vaal economy.

Midvaal Local Municipality Catalytic Projects

• Vaal Marina: Investors have been asking the municipality to develop the area. Investors are interested in putting a hotel or a resort in the area. MLM negotiating with the Department of Public Works to donate the land. After donation of the land, the municipality plans to develop the area. The cost of development is R 1.3 billion (infrastructure costs).

• Doornkuil: Land belongs to Sedibeng. MLM is proposing that Sedibeng donate the land for development in line with the findings of the feasibility study being conducted. The land is suitable for a regional cemetery, social and research facilities, agricultural development, business and industrial activities.

• De-Deur Agro-processing Centre: This land belongs to MLM. Feasibility study, geo-technical studies and environmental impact assessment are complete. The plan is to develop it into an agricultural zone. The main challenge is bulk sewerage. The estimated costs to develop is R105 m. These projects need to be structured into a regional masterplan, supported by a common economic and infrastructure roadmap for the region, under the auspices of a special purpose vehicle to fund public infrastructure components.

MLM supports the DDM as a model to improve service delivery efficiencies, a focused planning and budgeting process, and monitoring of projects/programmes implementation. However, the municipality does not support the DDM vision of Sedibeng District to be a metropolitan municipality by 2030.

2.8 Community Participation Assessment

Section 16(1) and Section 29(1) of the Local Government: Municipal Systems Act (No. 32 of 2000) outline the processes and procedures to be adhered to in terms of community participation.

Based on the legislative requirements, public participation forms an integral part of the Midvaal IDP process. Communities were afforded the right to make representations and engage on the drafting of the IDP considering the needs of their communities.

Notwithstanding the provisions of the Act, MLM utilises several communication channels to convey information to the community. The approved traditional methods of communication have changed over time; however, MLM adheres as far as possible to the stated provisions of the act.

During January and February 2023, the municipality conducted public engagements with communities to ensure its planning is aligned to community needs to budget accordingly. The table that follows outlines the public engagements held per ward:

Table 8: Public Engagements

Ward	Councillor	Date	Venue	Number of Attendees
1	FW Peters	21/01/2023	Bloekompoort Community Hall	52
		21/01/2023	Jakkalsdraai Hall	28
2	SMA Janse vanRensburg	16/01/2023	Biekie Bos	35
3	BJ Jordaan	17/01/2023	Rothdene Community Hall	84
4	M Myburgh	23/01/2023	NG Kerk, Daleside	86
5 7 11	P Hutcheson LTH Visser MA Maimane	25/01/2023	Balmoral Gardens	137
6	TS Mofokeng	31/01/2022	Lakeside Multipurpose Centre	169
8	MM Ndebele	07/02/2023	Marquee tent – White House	79
9	RJ Hubbard	26/01/2023	Meyerton Town Hall	50
10	DT Mokhomo	09/02/2023	Sicelo Community Hall	279
11	MA Maimane	30/01/2023	Marquee tent – Savanna City Ext 3	213
		18/02/2023	Curro Academy Savanna City Bonded Section	71
12	MC Kruger	04/02/2023	Marquee Tent – Kliprivier SAPS	54
13	JG Viljoen	15/02/2023	Laerskool Voorwaarts	119
14	PC Pretorius	16/02/2023	Destinata School	42
15	AH Dickinson	20/02/2023	O'Connor Hall	70

Towards the compilation of the 2022-2027 IDP last year, public participation engagements were held in January/February 2022 were the municipality conducted an extensive exercise to collect community needs. A total of 857 community needs assessment forms were collected. Operational and customer care related issues were sent to the relevant sections within the municipality. IDP projects were captured as listed under Annexure A: Community Needs.

During the 2023/2024 IDP review, public engagements were held during January and February 2023. Communities were provided progress on the implementation of the IDP. The communities were encouraged to peruse Annexure A: Community needs of the 2022-2027 IDP and any additional community needs could be submitted to their respective Ward Councillor or via idp@midvaal.gov.za for inclusion in Annexure A: Community Needs in the 2023/2024 IDP review. A total of 12 responses were received representing 45 community needs that were incorporated as new or existing needs within Annexure A: Community Needs.

2.9 Identify Areas of need

The core services that local government provides (clean drinking water, sanitation, electricity, shelter, waste removal and roads) are basic human rights, and essential components of the right to dignity enshrined in our Constitution and Bill of Rights, according to the Back-to-Basics Programme.

MLM strive to provide each resident with the same level of services. The objective is difficult to achieve due to a number of reasons.

The areas that are in the most serious need are the various informal settlements, as contained in the Midvaal HSP.

The majority of these settlements do not have access to electricity. Sanitation is provided through a number of chemical toilets and VIP toilets, whereas roads do not meet the minimum requirements of gravel roads. Drinking water is provided through standpipes and in some instances by transporting water by tankers.

These settlements include:

- Boitumelo
- Khayelitsha
- Piel's Farm
- Sicelo
- Mamello.

The following settlements benefited from a sanitation upgrading project:

- Sicelo Informal Settlement 1 050 chemical toilets
- Kromdraai Informal Settlement 19 chemical toilets

- Khayelitsha Informal Settlement 120 chemical toilets
- Piels Farm Informal Settlement 104 chemical toilets
- Mamello Informal Settlement 188 chemical toilets
- Skansdam Informal Settlement 11 chemical toilets
- Boitumelo Informal Settlement 49 chemical toilets
- Kwa Brown Informal Settlement 1 honey sucker (vacuum truck), no chemical toilets.

MLM covers a large rural area comprising many small and agricultural holdings. Most of these areas have access to basic services such as drinking water, electricity and roads. These properties rely on onsite sanitation systems such as VIP and biochemical toilets.

Residents residing on farms have seldom access to piped water and rely on boreholes for the supply of drinking water and onsite disposal systems such as VIP and biochemical toilets for sanitation. Roads are seldom surfaced as the majority of roads are gravel roads maintained by either the municipality or Gautrans.

The majority of households in MLM do, however, have access to basic services.

Community needs received as part of the IDP consultation process have been captured in Annexure A.

Chapter 3: 5-Year Integrated Development Plan

3.1 Vision & Mission

MLM prides itself on being a stable institution able to provide services to its residents efficiently while improving their socioeconomic conditions. The municipal vision for the 2022–2027 IDP is:

Achieve excellence in service delivery

To achieve this vision the municipality strives to:

- Enhance service delivery through innovative technologies
- Enable a safe, healthy community and environment
- Promote local economic development and tourism
- Adopt clean, renewable energy
- Build strong partnerships, and
- Be a people-centred, compassionate institution.

3.2 Values

Values reflect the core guidelines of the organisation and by following them ensures, we remain on the right path. A customer-centric approach shapes the values of the MLM. This defines the character of the municipality and the foundation on which leadership and employees behave and conduct themselves and guides the way in which decisions are made. Furthermore, our change in approach requires for us to prioritise values that create a new behaviour within the municipality. MLM's values are as follows:

- Equity
- Accessibility and communication
- Collaboration
- Innovation
- Safety and security
- Forward-thinking
- Decisive decision-making.

3.3 Development Priorities & Objectives

The MLM's vision, mission, values, and political promises culminate in development priorities and objectives set out in the municipality's KPAs. Each KPA is specifically crafted to address the main strategic objectives of the municipality. The table that follows indicates the municipality's KPAs and objectives:

Table 9: Municipal Key Performance Areas and Strategic Objectives

Key Performance Area	Strategic Objective
KPA 1: Good Governance	To promote increased participation and improved communication with all key internal and external stakeholders
KPA 2: Safe & Healthy Environments	To create a sustainable environment safe from harm
KPA 3: Community Development	To create an environment focused on uplifting the youth, the poor and the most vulnerable
KPA 4: Institutional Development	To transform and align the people, processes, and systems of the municipality to achieve its objectives
KPA 5: Financial Stability	To improve the financial sustainability and capacity of the municipality, while adhering to statutory requirements
KPA 6: Infrastructure & Sustainable Living Environments	To ensure efficient infrastructure and energy supply that will improve the quality of life of the community
KPA 7: Communication & Customer Care	To deliver inclusive and excellent services to the community
KPA 8: Economic Growth & Spatial Transformation	To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation

The political promises highlighted in section 1.2 are aligned to the KPAs in the table that follows:

Table 10: Political Promises aligned to Key Performance Areas

	KPA 1	KPA 2	KPA 3	KPA 4	KPA 5	KPA 6	KPA 7	KPA 8
Promise 1: Investing in Safety and Security		X				X		
Promise 2: Housing, Land Invasions and By-Law Enforcement								X
Promise 3: Create Opportunities for all the People of Midvaal	X		X		X			
Promise 4: Providing Excellent Service Delivery						X	X	
Promise 5: Solving Challenges Through Creativity and Innovation				X		X	X	X
Promise 6: We Must Listen to the People We Serve	X	X	X			X	X	X

3.4 Operational Strategies

Based on the KPAs above, the municipality has crafted corresponding key focus areas (KFAs) to outline the operational strategies of the municipality. Operational strategies are further defined as KPIs in the municipality's SDBIP. The SDBIP will be approved by the Executive Mayor 30 days after the adoption of the final IDP. The figures that follow illustrate the linkage between KPAs and KFAs and listed the objectives of the KFAs that is the foundation of the operational strategies for Midvaal.

Table 11: Municipal Key Performance Areas Linked to Key Focus Area

KPA 1: Good Governance	KPA 2: Safe & Healthy Environments	KPA 3: Community Development	KPA 4: Institutional Development	KPA 5: Financial Stability	KPA 6: Infrastructure & Sustainable Living Environments	KPA 7: Communications & Customer Care	KPA 8: Economic Growth & Spatial Transformation
KFA 1: Governance Structures	KFA 5: Safety and Security	KFA 9: Parks and Sports & Recreation	KFA 13: Human Resources & Skills Development	KFA 17: Financial Management	KFA 21: Electricity, Energy Efficiency and Renewable Energy	KFA 27: Communication & Marketing	KFA 29: Municipal Planning & Built Environment
KFA 2: Risk Management	KFA 6: Emergency Services	KFA 10: Libraries, Arts & Culture and Special Programmes	KFA 14: Monitoring & Evaluation and Performance Management	KFA 18: Revenue Management	KFA 22: Roads & Stormwater Infrastructure	KFA 28: Customer Relations	KFA 30: Spatial Planning and Investment
KFA 3: Stakeholder Participation	KFA 7: Disaster Management	KFA 11: Heath, ECD and Social	KFA 15: Information Technology	KFA 19: Supply Change Management	KFA 23: Water & Sanitation Infrastructure		KFA 31: Local Economic Development
KFA 4: Intergovernmental Relations	KFA 8: Environmental Heath	KFA 12: Cemeteries & Crematoria	KFA 16: Policies, Processes and Procedures	KFA 20: Assets Equipment & Fleet Management	KFA 24: Solid Waste Management		
					KFA 25: Project Management & Public Facilities		
					KFA 26: Climate Change Adaptation and Mitigation		

Table 12: Municipal Key Performance Areas Linked to Key Focus Areas and operation objectives

Key Performance Area	Strategic Objective	Key Focus Area	Operational Objective
KPA 1: Good Governance	To promote increased participation and improved communication with all key internal and external stakeholders	KFA 1: Governance Structures	To promote sound and sustainable governance
		KFA 2: Risk Management	To co-ordinate activities to identify, assess, manage, and monitor risks in a systematic and formalised manner
		KFA 3: Stakeholder Participation	To increase active stakeholder participation
		KFA 4: Intergovernmental Relations	To improve intergovernmental relations
KPA 2: Safe & Healthy Environments	To create a sustainable environment safe from harm	KFA 5: Safety and Security	To improve the safety of the community in both rural and suburban areas
		KFA 6: Emergency Services	To ensure adequate prevention measures as well as prompt response to emergencies
		KFA 7: Disaster Management	To outline policy and procedures for proactive disaster prevention and mitigation
		KFA 8: Environmental Heath	To ensure healthy living environments
KPA 3: Community Development	To create an environment focused on uplifting the youth, the poor and the most vulnerable	KFA 9: Parks and Sports & Recreation	To create an ecosystem of sports and recreation activities
		KFA 10: Libraries, Arts & Culture and Special Programmes	To promote the development of cultural and social programs to uplift the community
		KFA 11: Heath, ECD and Social	To promote the wellbeing of communities through provision of adequate social facilities and community development programmes
		KFA 12: Cemeteries & Crematoria	To provide accessible and adequate cemeteries and crematoria

Key Performance Area	Strategic Objective	Key Focus Area	Operational Objective
KPA 4: Institutional Development	To transform and align the people, processes and systems of the municipality to achieve its objectives	KFA 13: Human Resources & Skills Development	To ensure adequate internal capacity and capability to deliver on the municipality's objectives
		KFA 14: Monitoring & Evaluation and Performance Management	To develop and implement an effective and efficient performance management system
		KFA 15: Information Technology	To enhance systems and technology to enable the municipality to deliver excellent customer experience
		KFA 16: Policies, Processes and Procedures	To write and review processes and procedures to ensure the objectives of the municipality are achieved
KPA 5: Financial Stability	To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements	KFA 17: Financial Management	To manage the finances of the municipality in a manner that will enhance its financial viability and maintain sustainability
		KFA 18: Revenue Management	To protect and enhance revenue position of the position to enable the objectives of the municipality
		KFA 19: Supply Change Management	To develop and maintain an effective supply chain which uplifts local business and the youth
		KFA 20: Assets Equipment & Fleet Management	To adequately maintain the assets of the municipality
KPA 6: Infrastructure & Sustainable Living Environments	To ensure efficient infrastructure and energy supply that will improve the quality of life of the community	KFA 21: Electricity, Energy Efficiency and Renewable Energy	To plan, construct and maintain electricity networks and to improve energy efficiency. To provide sustainable, reliable and affordable electricity to all residents
		KFA 22: Roads & Stormwater Infrastructure	To plan, construct and maintain roads and stormwater infrastructure

Key Performance Area	Strategic Objective	Key Focus Area	Operational Objective
		KFA 23: Water & Sanitation Infrastructure	To plan, construct and maintain water and sanitation infrastructure. To provide sustainable, reliable and affordable water and sanitation services to all residents
		KFA 24: Solid Waste Management	To provide sustainable, reliable and affordable waste disposal services to all residents. To plan, construct and maintain landfill sites and transfer stations
		KFA 25: Project Management & Public Facilities	To plan, construct and maintain municipal and public facilities
		KFA 26: Climate Change Adaptation and Mitigation	To provide a framework for the municipal response to climate change mitigation and adaptation
KPA 7: Communication & Customer Care	To deliver inclusive and excellent services to the community	KFA 27: Communication & Marketing	To improve internal and external communication to enhance the perception of the municipality
		KFA 28: Customer Relations	To provide a user-friendly platform for citizens to engage with the municipality
KPA 8: Economic Growth & Spatial Transformation	To facilitate sustainable economic empowerment for all communities within MLM and through the development of partnerships and innovation	KFA 29: Municipal Planning & Built Environment	To improve land use and building developments in line with legislation and policy
		KFA 30: Spatial Planning and Investment	To develop an effective spatial framework to promote development in the municipality, focused on enabling and aligning development objectives
		KFA 31: Local Economic Development	To facilitate and promote local economic growth

3.5 Alignment to National and Provincial Policies and Plans

A core element of an IDP is to ensure alignment of the municipality's development objectives to national and provincial policies and plans. The table that follows provide an indication of alignment to:

- National KPAs for Municipalities & Back to Basics
- NDP 2030 and MSTF
- IUDF
- GGT 2030
- Sedibeng IDP and District DDM One Plan

Table 13: Municipal Key Performance Areas Aligned to National, Provincial & District Policy

National KPAs for Municipalities	
National KPAs	**Midvaal KPAs**
NKPA 1: Municipal Transformation & Development	KPA 8: Economic Growth & Spatial Transformation
	KPA 3: Community Development
	KPA 2: Safe & Healthy Environments
NKPA 2: Basic Service Delivery	KPA 6: Infrastructure & Sustainable Living Environments
	KPA 7: Communication & Customer Care
NKPA 3: Local Economic Development	KPA 8: Economic Growth & Spatial Transformation
NKPA 4: Municipal Financial Viability & Management	KPA 5: Financial Stability
NKPA 5: Good Governance & Public Participation	KPA 1: Good Governance
	KPA 4 Institutional Development
Back to Basics	
5 Pillars of Back to Basics	**Midvaal KPAs**
1. Putting people and their concerns first	KPA 2: Safe & Healthy Environments
	KPA 3: Community Development
	KPA 8: Economic Growth & Spatial Transformation
2. Supporting the delivery of municipal services to the right quality and standard	KPA 6: Infrastructure & Sustainable Living Environments
	KPA 7: Communication & Customer Care
3. Promoting good governance, transparency and accountability	KPA 1: Good Governance

4. Ensuring sound financial management and accounting	KPA 5: Financial Stability
5. Building institutional resilience and administrative capability	KPA 4: Institutional Development
National Development Plan 2030	
NDP 2030 Strategies	**Midvaal KPAs**
1. Creating jobs and improving livelihoods	KPA 8: Economic Growth & Spatial Transformation
2. Expanding infrastructure	KPA 6: Infrastructure & Sustainable Living Environments
3. Transition to a low-carbon economy	KPA 6: Infrastructure & Sustainable Living Environments
4. Transforming urban and rural spaces	KPA 8: Economic Growth & Spatial Transformation
5. Improving education and training	KPA 3: Community Development
6. Providing quality healthcare	KPA 2: Safe & Healthy Environments
	KPA 3: Community Development
7. Fighting corruption and enhancing accountability	KPA 1: Good Governance
	KPA 5: Financial Stability
	KPA 4: Institutional Development
8. Transforming society and uniting the nation	KPA 8: Economic Growth & Spatial Transformation
Medium Term Strategic Framework	
MTSF Priorities	**Midvaal KPAs**
Priority 1: Building a capable, ethical and developmental state	KPA 1: Good Governance
	KPA 5: Financial Stability
Priority 2: Economic transformation and job creation	KPA 8: Economic Growth & Spatial Transformation
Priority 3: Education, skills and health	KPA 3: Community Development
	KPA 4: Institutional Development

Priority 4: Consolidating the social wage through reliable and quality basic services	KPA 6: Infrastructure & Sustainable Living Environments
Priority 5: Spatial integration, human settlements and local government	KPA 8: Economic Growth & Spatial Transformation
Priority 6: Social cohesion and safe communities	KPA 2: Safe & Healthy Environments
Priority 7: A better Africa and world	
Integrated Urban Development Plan	
IUDF Strategic Goals	**Midvaal KPAs**
Inclusion and Access	KPA 8: Economic Growth & Spatial Transformation
	KPA 6: Infrastructure & Sustainable Living Environments
	KPA 7: Communication & Customer Care
	KPA 3: Community Development
Inclusive Growth	KPA 8: Economic Growth & Spatial Transformation
	KPA 6: Infrastructure & Sustainable Living Environments
Effective Government	KPA 1: Good Governance
	KPA 5: Financial Stability
	KPA 4: Institutional Development
Spatial Integration	KPA 8: Economic Growth & Spatial Transformation
	KPA 6: Infrastructure & Sustainable Living Environments
	KPA 2: Safe & Healthy Environments
Growing Gauteng Together 2030	
GGT 2030 Priorities	**Midvaal KPAs**
1. The Economy, Jobs and Infrastructure	KPA 8: Economic Growth & Spatial Transformation
2. Education, Skills Revolution and Health	KPA 3: Community Development

3. Integrated Human Settlements and Land Release	KPA 8: Economic Growth & Spatial Transformation
4. Safety, Social Cohesion and Food Security	KPA 2: Safe & Healthy Environments
5. A Capable, Ethical and Developmental State	KPA 1: Good Governance
	KPA 5: Financial Stability
	KPA 4 Institutional Development
6. Towards A Better Africa and a Better World	KPA 6: Infrastructure & Sustainable Living Environments
7. Sustainable Development for Future Generations	KPA 8: Economic Growth & Spatial Transformation
	KPA 6: Infrastructure & Sustainable Living Environments
Sedibeng Integrated Development Plan	
Sedibeng KPA	**Midvaal KPAs**
KPA 1: Reinventing the Economy	KPA 8 Economic Growth & Spatial Transformation
KPA 2: Renewing our communities	KPA 2: Safe & Healthy Environments
KPA 3: Reviving a Sustainable Environment	KPA 6 Infrastructure & Sustainable Living Environments
KPA 4: Reintegrating the region with the rest of Gauteng	KPA 8 Economic Growth & Spatial Transformation
KPA 5: Releasing Human Potential	KPA 4 Institutional Development
	KPA 3 Community Development
KPA 6: Good and Financially Sustainable Governance	KPA 1: Good Governance
	KPA 5: Financial Stability
KPA 7: Vibrant Democracy	KPA 1: Good Governance
	KPA 7: Communications & Customer Care

District Development Model	
DDM Goals	**Midvaal KPAs**
Demographic / People Development	KPA 3: Community Development
	KPA 2: Safe & Healthy Environments
Economic Positioning	KPA 8: Economic Growth & Spatial Transformation
Spatial Restructuring and Environment Development	KPA 8: Economic Growth & Spatial Transformation
Infrastructure Development	KPA 6: Infrastructure & Sustainable Living Environments
Integrated Service Provision	KPA 7: Communication & Customer Care
Governance Development	KPA 1: Good Governance
	KPA 5: Financial Stability
	KPA 4: Institutional Development

Chapter 4: Support Plans

4.1 Financial Plan

4.1.1 Introduction

The purpose of this chapter is to outline a comprehensive multiyear financial plan that will ensure long-term financial sustainability for MLM. The financial plan is essential to ensure that the municipality continues to implement its mandate effectively without impairing its capital base and to move towards self-sufficiency in meeting the growing demands of service delivery.

The multiyear financial plan is prepared for a planning period of five years, paying particular attention to infrastructure investment which is an important developmental component of the IDP. Through this plan MLM will focus on greater financial health and sustainability, making collaboration of capital investment projects with other levels of government and private sector investors much easier. It is of the utmost importance that MLM stimulates the macroeconomic environment to attract the private sector to investment in Midvaal. Through this approach MLM will enhance its ability to have access to much needed financial resources to invest in new infrastructure as well as maintain its current infrastructure assets.

This plan will also focus on the expansion of MLM's revenue sources in relation to its costs to ensure that the municipality stays a financially viable and sustainable going concern. MLM must utilise available financial resources in an effective, efficient and economical way to ensure that outputs have the desired outcomes, as set out in Chapter 3 of the IDP. The financial strategies detailed in this plan must contribute to the achievement of these objectives.

It is important to note that this multiyear financial plan will cover key focus areas over the next five years and even longer. However, due to the fact that budgets in terms of the National Treasury's Municipal Budget and Reporting Regulations only covers a planning period of the next financial year and the two financial years thereafter, budget information supplied in this chapter will only cover the next three financial years.

A discussion follows on key focus areas, consisting of a financial framework, financial strategies, financial policies, budget assumptions, operating revenue, operating expenditure, capital expenditure, capital expenditure funding and a concluding statement.

4.1.2 Financial Framework

It must be noted that not all municipalities are the same and this should be kept in mind when assessing the financial health of and the setting of benchmarks for a municipality. A municipality can be categorised as a developed or a developing municipality. MLM can be categorised as a developing or growing municipality.

Developing municipalities will require significant additional resources and funding to conduct the growth that is expected of them. With the demands for growth come risks that need to be managed. The priority from the financial perspective is the viability and sustainability of the municipality. This financial plan and related strategies will need to address a number of key areas in order to achieve this goal. The areas identified are detailed below.

Revenue adequacy and certainty

It is essential that MLM has access to adequate sources of revenue from its own operations and intergovernmental transfers to enable it to carry out its functions. It is furthermore necessary that there is a reasonable degree of certainty with regard to the source, amount and timing of revenue. The 2023 Division of Revenue Act (DoRA) has laid out the level of funding from the national government that will be received for the 2023/2024 to 2025/2026 financial years and these amounts have been included in the budget. The Provincial Gazette had not been received at the time of tabling of the IDP and Budget and as such, estimates from the last published gazette was used.

It is important to track the respective sources of revenue received by the municipality as they can be quite different and can vary substantially depending on the phase that the municipality is in. Knowledge of the sources of funds will illustrate the municipality's position more accurately, and its ability to secure loans relative to its income and its borrowing capacity.

Cash / liquidity position

Cash and cash management is vital for the short-term and long-term survival and good management of any organisation. This is also the case with MLM. The appropriate benchmarks (formulas aligned to the National Treasury MFMA Circular 71) which can assist in assessing the financial health of the municipality are as follows:

- The **current ratio,** which expresses the current assets as a proportion to current liabilities. A current ratio in excess of one to one (1.5:1) is considered to be healthy.

The annual liquidity ratio was as follows for the previous years:

30 June 2018	2.32:1
30 June 2019	2.18:1
30 June 2020	2.52:1
30 June 2021	3.06:1
30 June 2022	2.91:1

These improved liquidity levels are the result of a revised cash management strategy implemented in the last budget cycles. The operating budget needs to produce yearly operating surpluses to improve our cash back reserves position and all collectable revenue needs to be collected on an ongoing basis.

- **Debtor's turnover ratio (net debtors),** which have a great impact on the liquidity of the municipality. This ratio measures the time it takes the municipality to recover its outstanding debts.

  The debtor's turnover ratio was as follows for the previous years:

30 June 2018	58 days
30 June 2019	96 days
30 June 2020	92 days
30 June 2021	107 days
30 June 2022	124 days

The debtor's collection days has increased significantly; however, the provision for impairment has decreased. This is an indication of MLM's effort to collect majority of the debtors owed. The financial viability of the municipality is mainly affected by the revenue collection which can be justified as the impact of the pandemic on majority of the households in the country. There is an increase in the surplus for the year and the bank balance of the municipality is favourable. This is an indication that the municipality does not have challenges as a going concern at this stage and it can still be self- sustainable.

- The collection rate has a great impact on the liquidity of the municipality and has been averaging at 93% in the past. Due to the current economic climate, it is anticipated that the collection rate will remain under pressure for the Medium Term Revenue and Expenditure Framework (MTREF) period.

30 June 2018	93%
30 June 2019	94%
30 June 2020	91%
30 June 2021	94%
30 June 2022	92%

Collection rates are under pressure as the increasing tariffs and the cost of services become more unaffordable to households. All debt older than 90 days have been provided for. The non-collectable portion are provided for in the operating budget as a debt impairment expense.

Sustainability

MLM ensures that its budget is fully funded. As there are limits on revenue, it is necessary to ensure that services are provided at levels that are affordable; and that the full costs of service delivery are recovered. However, to ensure that households that are too poor to pay for even a portion of their basic services at least have access to these basic services; there is a need for the subsidisation of these households through an indigent support subsidy.

Effective and efficient use of resources

In an environment of limited resources, it is essential that the municipality make maximum use of the resources at its disposal by using them in an effective and efficient manner. Efficiency in operations and investment facilitates poor people's access to basic services as more services can be rendered with the scarce resources. Only absolutely necessary allocations are given consideration in the budget.

Accountability, transparency and good governance

The municipality is accountable to the people for what they do with these resources. The budgeting process and other financial decisions are thus open to public scrutiny and participation. In addition, the accounting and financial reporting procedures are designed to minimise opportunities for corruption. Accurate financial information is produced within acceptable timeframes.

Equity and redistribution

The municipality must treat people fairly and justly when it comes to the provision of services. In the same way the municipality should be treated equitably by national and provincial government when it comes to inter- governmental transfers. The 'equitable share' from the national government will be used primarily for targeted subsidies to indigent households. In addition, the municipality will continue to cross-subsidise between high income and low income consumers within a specific service or between services.

Development and investment

In order to deal effectively with backlogs in services, there is a need for the municipality to maximise its investment in municipal infrastructure. Due to our financial constraints, the underlying policies encourage the maximum degree of private sector investment.

Macroeconomic investment

As the municipality plays a significant role in the economy of Gauteng, it is essential that it operates efficiently within the national and provincial macroeconomic framework. MLM's financial and developmental activities should therefore support national and provincial fiscal policy.

Borrowing

The strong capital market in South Africa (commercial banks and other lending institutions like the Development Bank of Southern Africa provides an additional instrument to access financial resources. However, the municipality may not borrow to balance its operating budget and to finance any operating expenditure. MLM has a policy in place that ensures borrowing in a responsible way. In order to access this market, the municipality will continue to maintain accurate and appropriate financial accounting and reporting systems and ensure that enough cash is generated to honour repayment commitments.

The manner in which the municipality manages debt or takes on new debt to finance investment activities will have a significant impact on the solvency and long-term viability of the municipality. MLM aims at a maximum borrowing level of external loans that will not exceed 40% of the total operating revenue over the short and medium term. New borrowings are recommended for the 2023/2024 financial year as well as the outer years of the budget. The borrowings will be used to finance new infrastructure as well as new operational vehicles.

4.1.3 Financial Strategies

With the above framework as a background, strategies and programmes have been identified and form part of the financial plan to achieve the desired objective which is the financial viability and sustainability of the municipality.

Revenue raising strategies

The following are some of the more significant programmes that have been identified:The annual review and implementation of the credit control and debt collection policy.

a) The annual review and implementation of the credit control and debt collection policy. This policy and the relevant procedures detail all areas of customer care, credit control and debt collection of amounts billed to customers, including procedures for non-payment.
b) The annual review and maintenance of a uniform tariff policy. This policy will ensure that fair tariffs are charged in a uniform manner throughout the municipal area.
c) The annual review and maintenance of an indigent policy. This policy defines the qualification criteria for an indigent household and the level of free basic services enjoyed by indigent households.
d) The annual review and maintenance of a property rates policy. This will ensure that a fair rates policy and an updated valuation roll are applied to the entire municipal area and will aim to ensure that all properties are included in the municipality's records. Furthermore, the policy will ensure that valuations are systematically carried out for all properties on a regular basis. It must be noted that the valuation roll has been implemented as from 1 July 2018 and will be valid until 30 June 2025. It was extended for 2 years. MLM is in the process of appointing a valuer for the compilation of the new valuation roll from the 1 July 2025.
e) Prescribed debt will be considered for write-off on an annual basis.

Asset management strategies and programmes

The following are some of the more significant programmes that have been identified:

a) The ongoing maintenance of an integrated asset management system. This programme involves the ongoing updating of a suitable integrated asset management system. It also includes the capturing of all assets on the system, the maintenance of this system and the production of a complete asset register in terms of the Generally Recognised Accounting Practice (GRAP).
b) The review and update of asset and risk insurance procedures and the renewal of the insurance portfolio. This programme will involve the identification of risks in conjunction with insurers and all heads of departments. It will also include the review of the existing insurance portfolio (inclusive of self-insurance where appropriate) and the renewal of the insurance policy as per renewal terms.

Financial management strategies and programmes

The following are some of the more significant programmes that have been identified:

a) The implementation of the MFMA Regulations – Municipal Standard Chart of Accounts (mSCOA) - The municipality is in compliance with the mSCOA Regulations, and ongoing improvements to the systems are done on an annual basis.
b) The annual review of the entire organogram of the Finance Department, ensuring that adequate capacity exists to optimise service delivery.
c) Integration of all computerised systems and acquisition of hardware and software required. The integration of computerised systems and acquisition of the required hardware and software within the municipality is important to ensure that information is accurate, relevant and prompt, which in turn will facilitate the smooth running and effective management of the municipality. This is done in compliance with the mSCOA regulations.
d) Development of a GRAP-compliant medium-term revenue and expenditure framework compliant with the National Treasury's Municipal Budget and Reporting Regulations.
e) Implementation of integrated development planning and budgeting using community consultation processes.
f) Reviewing and updating of asset, budget and accounting policies and procedures.
g) Training and development of financial and other staff. The aim of this project will be to constantly ensure that the financial and other staff members receive the training they require to ensure a cost-effective and efficient service to the municipality and its customers and to ensure full compliance with the MFMA regulations on minimum competency levels.
h) Enhancing budgetary controls and timeliness of financial data and building the capacity of the Budget and Treasury Office to ensure that financial information for reporting purposes is generated timeously. It will also include the monitoring and reporting on budget variances.

Capital financing strategies and programmes

The following are some of the more significant programmes that have been identified:

a) The annual review and implementation of a borrowing policy. This policy will ensure that any borrowings taken by the municipality will be done in a responsible manner and that the repayment and servicing of such debt will be affordable.
b) The annual review and implementation of a policy on donor funding.
c) The development of a capital investment framework.

General financial philosophy

The financial philosophy of MLM is to provide a sound financial base and the resources necessary to sustain a satisfactory level of municipal services for the citizens of Midvaal.

It is the goal of the municipality to achieve a strong financial position with the ability to withstand local and regional economic impacts; to adjust efficiently to the community's changing service requirements; to effectively maintain, improve and expand the municipality's infrastructure; to manage the municipality's budget and cash flow to the maximum benefit of the community; to prudently plan, co-ordinate and implement responsible and sustainable community development and growth; and to provide a high level of fire and other protective services to assure public health and safety.

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a) To keep the municipality in a fiscally sound position in both the long and short term;
b) To maintain sufficient financial liquidity through regular reviews and adjustments to meet normal operating and contingent obligations;
c) To apply credit control policies which maximise collection while providing relief to the indigent;
d) To implement credit control policies that recognise the basic policy of customer care and convenience;
e) To maintain and protect existing infrastructure and capital assets;
f) To provide a framework for the prudent use of debt financing; and
g) To direct the municipality's financial resources to meet the goals of the municipality's IDP.

Budget-related policies

The annual budget is the central financial planning document, directed by the IDP, which embodies all revenue and expenditure decisions. It establishes the level of services to be provided by each department. The budget will be subject to monthly scrutiny and reporting to Council with recommendations of actions to be taken to achieve the budget goals. The budget will be subject to a midyear review, which will result in an Adjustments Budget if required.

Adequate maintenance and replacement of the municipality's assets (property, plant and equipment) will be provided for in the annual budget. It will be informed by Council's Asset Management Policy. The municipality will aim to achieve a target of allocating 10% of the operating budget to repairs and maintenance over the next five-year period.

The budget shall balance recurring cash operating expenses to recurring cash operating revenues. The budget will have revenue plans based on realistically expected revenue to be collected and expenditure figures. Plans will be included to achieve maximum revenue collection percentages.

Capital infrastructure investment policies

The municipality will establish and implement a comprehensive three-year capital budget. This budget will be updated annually to ensure that bulk infrastructure services and internal infrastructure services together with the foreseen funding sources are planned in an integrated and co-ordinated manner.

An annual capital investment budget will be developed and adopted by MLM as part of the annual budget. The municipality make all capital improvements in accordance with the IDP. MLM also has a Developer Contribution Policy aimed to generate additional funding from developers to assist in the upgrading of bulk infrastructure services.

Unexpensed capital project budgets shall not be carried forward to future fiscal years unless the project expenditure is committed or funded from grant funding and approved external loans, with all relevant approvals. Routine capital needs will be financed from current revenues as opposed to the issuance of long-term debt. The municipality will maintain all assets at a level adequate to protect the municipality's capital investment and to minimise future maintenance and replacement costs.

Revenue policies

MLM will estimate annual revenues through a conservative, objective and analytical process based on realistically expected revenue to be collected. The municipalities will set tariffs at a level that balances the total direct and indirect costs of operations, and the affordability for the consumer. Tariffs will be set to reflect the developmental and social policies of Council. These principles will be embedded in the Tariff Policy that will be updated on an annual basis.

MLM will maintain a valuation system based on market values of all properties within its boundaries as well as periodically review the cost of activities supported by user fees to determine the impact of inflation and other cost increases. The valuation roll will be reviewed every five years in light of the new review due in the next financial year. Fees will be adjusted where appropriate to reflect these increases.

These principles and the raising of property rates are contained in the Property Rates Policy.

The municipality will continue to identify and pursue grants and appropriations from province, central government and other agencies, which are consistent with the municipality's goals and strategic plan and to eradicate unfunded mandates.

Credit control policies and procedures

MLM will follow an aggressive policy of collecting revenues from those who can afford to pay for their services. For this purpose, a Credit Control and Debt Collection Policy has been adopted by Council. As the recoverability of all outstanding debt is questionable, the writing off of prescribed debt is considered by Council on an annual basis.

Supply chain management

MLM will follow an aggressive policy of collecting revenues from those who can afford to pay for their services. For this purpose, a Credit Control and Debt Collection Policy has been adopted by Council. As the recoverability of all outstanding debt is questionable, the writing off of prescribed debt is considered by Council on an annual basis.

Investment policy

In terms of Section 13(2) of the MFMA each municipality must establish an appropriate and effective cash management and investment policy. Investments of the municipality shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The portfolio shall remain sufficiently liquid to enable the municipality to meet daily cash flow demands and conform to all state and local requirements governing the investment of public funds. The preservation of principal is the foremost objective of the investment programme. MLM will continue the current cash management and investment practices, which are designed to emphasise safety of capital, sufficient liquidity to meet obligations, and the highest possible yield (listed in order of priority). These principles are embedded in the Cash Management and Investment policies of Council.

Debt management policies

MLM shall issue debt only when necessary to meet a public need and when funding for such capital projects is not available from current revenues, reserves or other sources. Long-term borrowing will be used to finance capital improvements as approved in the municipality's Capital Budget. Capital projects financed through the issuance of debt shall be financed for a period not exceeding the expected useful life of the project. The municipality will not incur debt to finance current operations. Financial lease obligations, capital outlay notes or other debt instruments may be used as a medium-term method of borrowing for the financing of vehicles, computers, other specialised types of equipment, or other capital improvements. All these principles are embedded in the Borrowing Policy of Council.

Borrowing should be limited to 40% of the total operating budget rand value. If not, the municipality will become overborrowed and a risk to banking institutions and this will result in loans over shorter terms and at higher interest rates. This would not be fair to the current customer base.

Asset management policies

The objective of the asset management policy is to prescribe the accounting and administrative policies and procedures relating to property, plant and Equipment, which are immovable and movable assets of MLM and computer software and servitudes, which are intangible assets of MLM. The principles and policy statements are embedded in the Asset Management Policy of Council.

Accounting policies

The objective of the asset management policy is to prescribe the accounting and administrative policies and procedures relating to property, plant and Equipment, which are immovable and movable assets of MLM and computer software and servitudes, which are intangible assets of MLM. The principles and policy statements are embedded in the Asset Management Policy of Council.

4.1.4 Budget Assumptions

Based on the financial framework, financial strategies and financial policies the MTREF budget was compiled. Key assumptions relating to the MTREF budget also included the following:

a) National government grants for the years 2023/24 to 2025/26 are as per the DoRA promulgated on 10 February 2023.
b) Provincial government grants for the years 2023/24 to 2025/26 are as per the Provincial Gazette. The Provincial Gazette had not been received at the time of tabling of the IDP and Budget and as such, estimates from the last published gazette was used
c) Inflation has been estimated in line with the National Treasury Budget Circular 123, with the consumer price index (CPI) projected to be 5.3% in 2023/24, 4.9% in 2024/25 and 4.7% in 2025/26. Current CPI for 2022/23 is estimated tobe 6.9%
d) The salary bill cost-of-living increase budgeted for 2023/24 amounts to 5.4% in line with CPI, with 4.9% and 4.7% increases for the next two indicative years.
e) Bulk electricity purchases increased with 18.49% for the 2023/24 financial year and projected at 12.74% and 15.7% for the next two indicative years.

f) Bulk water purchases increased with 9.2% for the 2023/24 financial year. A 8.5% increase was estimated for the 2024/25 financial year and 8.2% for the 2025/26 financial year.
g) A tariff increase of 6.75% for property rates has been budgeted for the 2023/24 financial year and with the projected increase of 6% for the two outer years.
h) Electricity tariffs will increase with 15.1% for the 2023/24 financial year. Increases of 12.74% and 15.7% has been budgeted for the next two outer financial years. These increases are still subject to final NERSA announcements of the bulk increase to municipalities.
i) Water tariffs increase with 9.2% for the 2023/24 financial year and a projected 8.5% increase for the 2024/25 financial year and 8.2% increase for the 2025/26 financial year.
j) Sanitation tariffs increase with 6.75% for the 2023/24 financial year and a 6% increase for the two outer years.
k) Refuse tariffs increase with 7% for the 2023/24 financial year and a increase of 6% for 2024/25 and 2025/26.

The budget is based on current service levels with no provision for growth in property rates and other services.

4.1.5 Operating Revenue

In order to serve the community and to render the services needed, revenue generation is fundamental for financial sustainability. The reality is that we are faced with developmental backlogs and poverty challenging our revenue-generation capacity. The needs (either capital or operational) always exceed the available financial resources. This becomes more obvious when compiling the annual budget and comparing it with the community's needs as recorded in the IDP. This is a worldwide problem and therefore available financial resources should be utilised where it delivers the biggest impact on outcomes that will improve the quality of life of our local communities.

The operating revenue are discussed and analysed in the following section.

Operating revenue by source

The operating revenue excluding capital revenue for 2023/2024 is budgeted at R1 694 996 415, which is an increase of 10.38% from the 2022/2023 adjusted budget.

Only registered indigent households (inclusive of deemed indigent households) receive 6 kl free water per month.

The Income Budget has been compiled based on projected billing; however, provision has been made for a 92% collection rate through the provision of funds for the impairment of debtors.

The projected revenue is as follows:

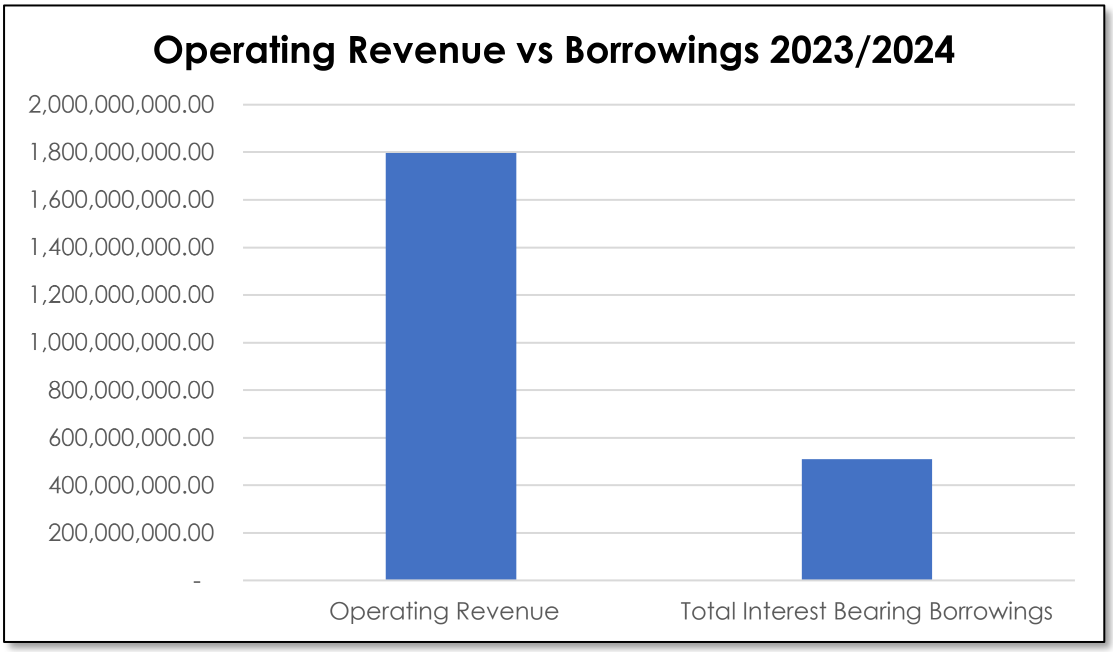


Figure 15: Projected Revenue

Income	Adjusted Budget 2022-2023	Budget 2023-2024	Budget 2024-2025	Budget 2025-2026
Revenue from Non-Exchange Transactions				
Property Rates	301,041,332	321,361,622	340,643,319	361,081,918
Fines, Penalties and Forfeits	117,747,668	124,812,528	132,301,280	138,519,440
Operational Transfers Monetary	172,790,946	193,220,720	209,600,029	228,340,596
Capital Transfers Monetary (Govt)	105,144,848	97,139,750	101,606,250	97,181,400
Capital Transfers Monetary (Developers)	5,700,000	4,000,000	6,150,000	3,700,000
Revenue from Exchange Transactions				
Service Charges Electricity	522,890,107	601,336,775	677,517,673	783,256,711
Service Charges Waste Management	55,544,868	59,433,009	62,998,989	66,778,929
Service Charges WasteWater Management	55,169,433	58,893,370	62,426,972	66,172,590
Service Charges Water	251,467,852	274,371,936	297,475,677	321,653,497
Interest, Dividends and Rent on Land	47,107,010	49,060,203	50,961,691	52,874,937
Operational Revenue	3,716,481	3,918,317	4,118,414	4,311,980
Rental from Fixed Assets	1,240,608	1,315,044	1,393,947	1,459,463
Sales of Goods and Rendering of Services	6,862,456	7,272,892	7,683,516	8,044,641
TOTAL INCOME	**1,646,423,609**	**1,796,136,165**	**1,954,877,757**	**2,133,376,102**
Total Income Excluding Capital Revenue	**1,535,578,761**	**1,694,996,415**	**1,847,121,507**	**2,032,494,702**

Figure 16: Projected Revenue

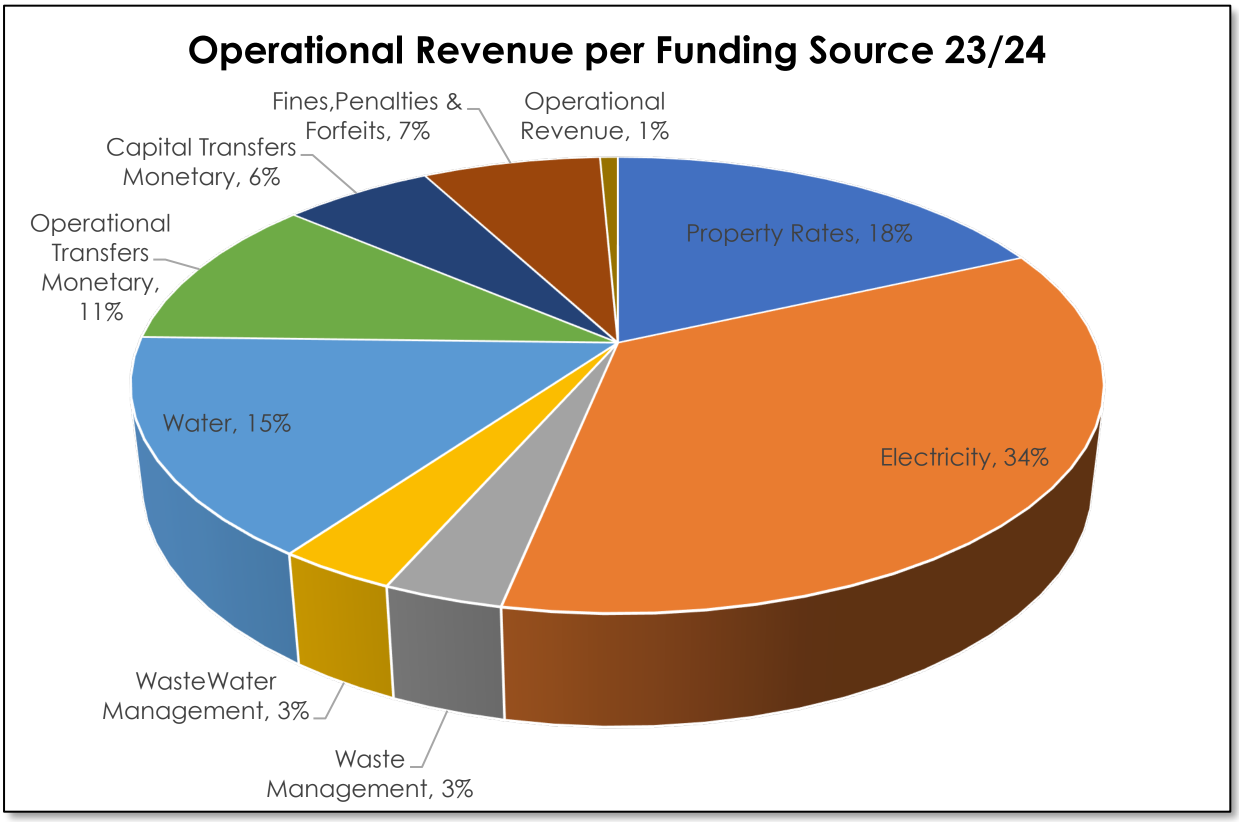


Figure 17: Operating Revenue Distribution for the 2022/23 Financial Year

Analysis of projected operating revenue

Property Rates: All properties are rated in terms of the Municipal Property Rates Act and levied accordingly. Residential properties benefit from a residential reduction in their rate in that the first R150 000 of their property values are exempted from property rates. This benefit is accounted for as Income Foregone.

Service Charges for Services: This category comprises sale of electricity, water, sanitation and solid waste (refuse collection). This is the main municipal services and accounts for 60% of the operating income of Council.

Operating Grants and Subsidies have been budgeted for as per the DoRA. The Regional Bulk Infrastructure Grant intended for the construction of the regional sewer network is an indirect grant (the project is to be implemented by Rand Water) and is thus not included in the budget.

Developer Contributions are expected for the MTREF period and the bulk of this will be utilised for the provision of infrastructure for new developments.

4.1.6 Operating Expenditure

The operating expenditure for 2023/2024 is budgeted at R1 801 034 820 (an increase of 13.09% from the 2022/2023 adjusted budget). This includes a provision for salary increases of 5.4%, increase in repairs and maintenance expenditure of 12.86%, operating cost of 8.06% and contracted services of 13.89%. Bulk purchases have been increased as follows:

- ater purchases from Randwater 9.2%
- Electricity purchases from Eskom 18.49%

The expenditure budget is as follows:

Expenditure	Adjusted Budget 2022-2023	Budget 2023-2024	Budget 2024-2025	Budget 2025-2026
Salaries and Allowances				
Senior Managers	7 303 827	9 439 019	9 604 914	10 182 406
Municipal Staff	358 264 935	424 543 229	443 498 542	462 793 304
Councillors Allowances	14 481 673	13 859 926	14 414 323	14 990 896
Contracted Services				
Outsourced Services	69 931 699	83 784 738	84 364 058	82 964 387
Consultants and Professional Services	25 587 621	29 868 083	31 571 106	33 143 598
Contractors	75 124 695	80 685 868	84 132 032	87 765 975
Operational Cost	88 847 024	96 006 734	100 149 282	104 182 730
Inventory	32 401 423	37 084 264	39 382 117	41 796 752
Bulk Purchases				
Electricity	430 018 752	507 668 356	572 345 305	662 203 518
Water	158 191 201	172 744 791	187 428 099	202 797 203
Interest, Dividends and Rent on Land	17 055 001	26 842 299	30 298 999	32 394 178
Bad Debt Written Off	6 169 211	6 496 179	6 814 492	7 134 773
Transfers and Subsidies	1 500 000	1 500 000	1 500 000	1 500 000
Depreciation and Amortisation	136 038 407	140 855 334	145 807 117	151 112 480
SUB TOTAL EXPENDITURE	**1 420 915 469**	**1 631 378 820**	**1 751 310 385**	**1 894 962 201**
Gains and losses				
Debtors impairment	60 000 000	63 000 000	66 150 000	69 457 500
Traffic fines impairment	111 720 000	106 656 000	108 135 360	114 345 722
TOTAL EXPENDITURE	**1 592 635 469**	**1 801 034 820**	**1 925 595 745**	**2 078 765 423**

Figure 18: Expenditure budget

Operating expenditure by type

The detail of the operating budget is contained in the MTREF for the period 2023/2024–2025/2026.

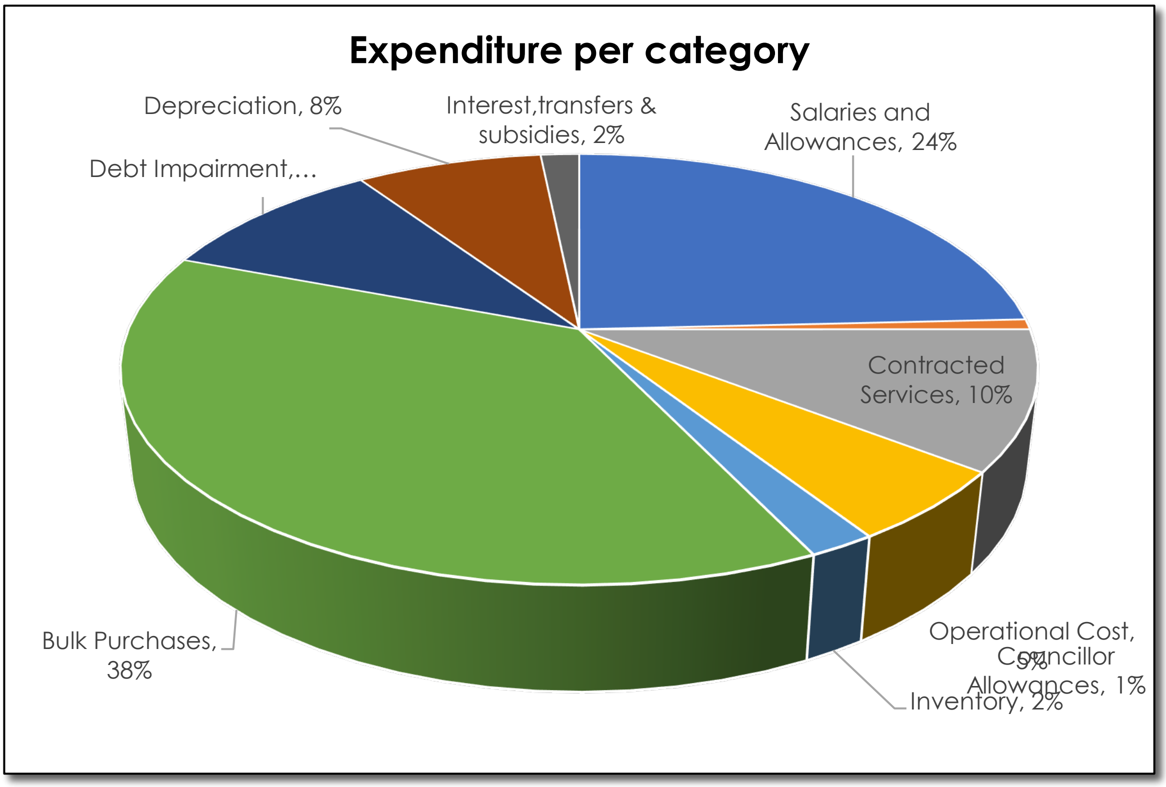


Figure 19: Operating Revenue Distribution for the 2022/23 Financial Year

Analysis of operating expenditure

The main sections of the expenditure in the operating budget are the following: -

- **Salaries**

The increases includes a projected general salary increase of 5.4% to all staff members. New positions totaling R20m were budgeted for. The total salary package of the Council amounts to 25% of the total expenditure.

- **Bulk Purchases**

This category was increased by the tariff increases for Rand Water and Eskom.

The Council has little control over the above-mentioned expenditure; bulk purchases represent 37.78% of the expenditure budget.

- **Depreciation**

Depreciation accounts for 7.8% of the expenditure budget. Depreciation is the systematic expensing of the value of an asset as it is used up and does not relate to any cash payment made (nor is the money owed to anyone for that matter). A road can last for 40 years and every year 1/40th of the road is 'used up'; that must be shown as an expenditure item called depreciation. The intention is to set these funds aside so that there is cash available at the end of the useful life of the asset to replace the asset. This budget also provides for offset depreciation. This is done to avoid increasing rates and taxes to provide for assets that were revalued with the implementation of GRAP 17. This will be reviewed as part of the long-term financial plan to ensure that there is a balance between amounts provided for asset renewals and affordability of rates and taxes.

- **Repairs and Maintenance**

With the implementation of mSCOA, repairs and maintenance are no longer shown as a separate line item, but the expenditure must be classified according to the nature of the expenditure (i.e., salaries, materials, contractors, etc.) with a project segment showing that the expenditure is related to repairs and maintenance. This new categorisation has led to the budget for repairs and maintenance now being 10.48% of the operating budget.

The figure that follows illustrates the relationship between depreciation and repairs and maintenance:

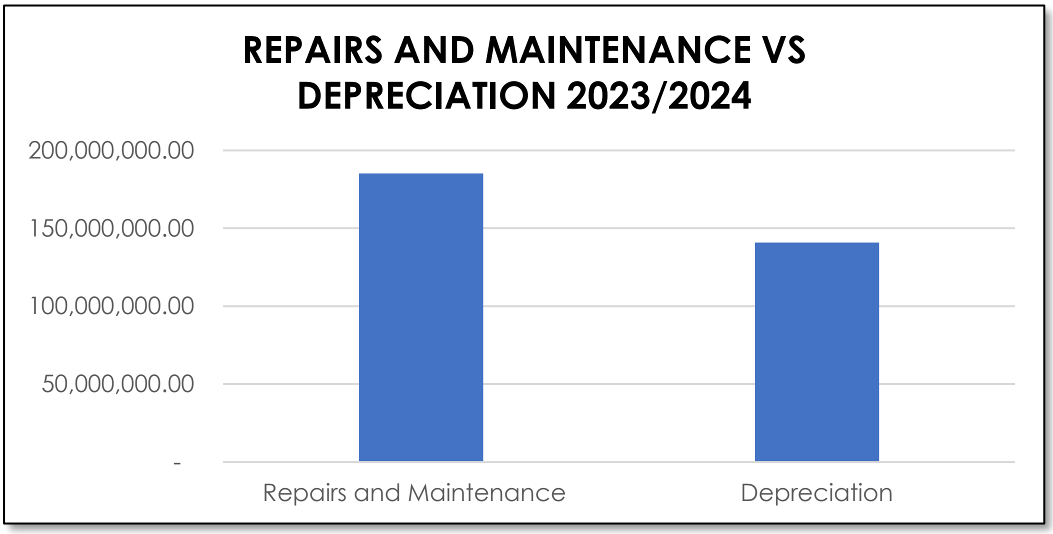


Figure 20: Repairs and Maintenance vs Depreciation

4.1.7 Capital Expenditure

A three-year capital budget has been prepared which has been based on the IDP document.

Capital expenditure per Department

Figure 21 depicts the capital budget per department.

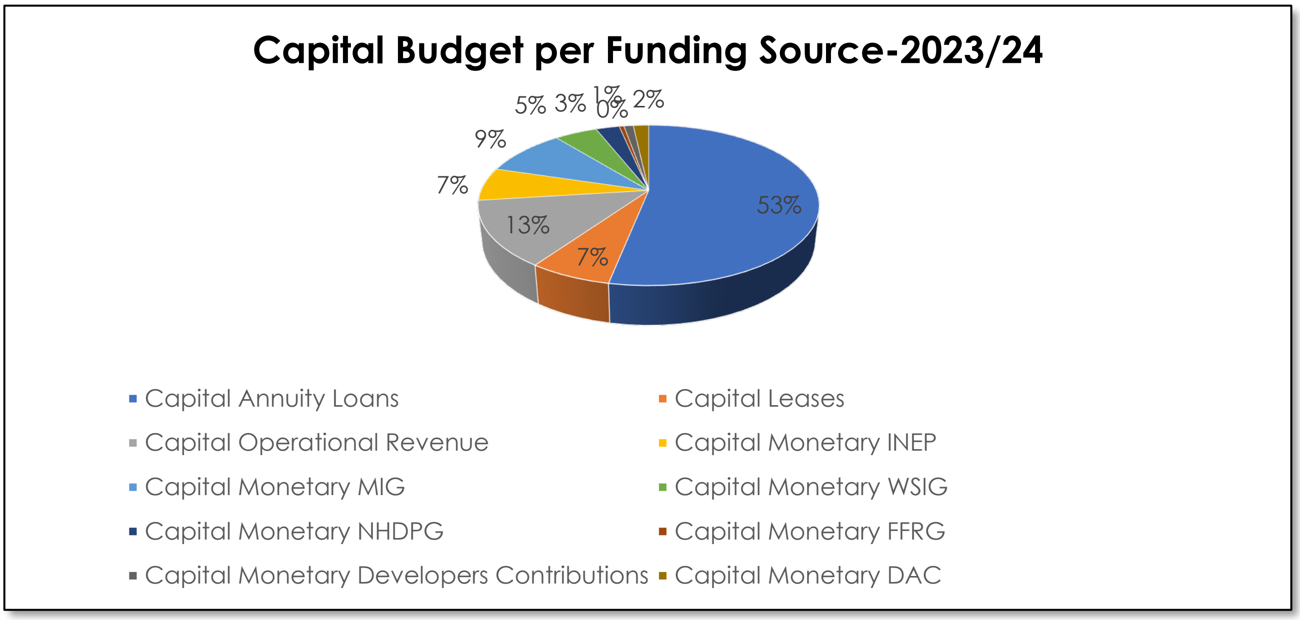


Figure 21: Capital Expenditure per Department for the 2022/2023 financial year

Analysis of capital expenditure

The capital amount proposed for 2023/2024 amounts to R259 622 261.

MLM mainly spends its capital expenditure on infrastructure services and for the 2023/24 financial year 53% of the capital budget is allocated to the Engineering Services and roads section.

4.1.8 Capital Expenditure Funding

The capital budget will be funded as follows:

Capital Budget per Funding Source	2023/24	2024/25	2025/26
Capital Annuity Loans	94,550,000	67,950,000	37,500,000
Capital Leases	21,530,000	24,500,000	17,200,000
Capital Monetary INEP	25,212,000	30,000,000	25,000,000
Capital Monetary MIG	30,883,261	32,180,217	33,532,523
Capital Monetary WSIG	18,212,000	18,599,000	21,519,000
Capital Monetary WSIG SCH 6B	-	22,718,000	25,187,000
Capital Monetary NDPG	10,000,000	10,000,000	5,000,000
Capital Monetary FFRG	2,200,000		
Capital Monetary DAC	6,000,000	6,000,000	7,100,000
Capital Monetary Developer Contributions	4,000,000	6,150,000	3,700,000
Capital Monetary Accumulated Surplus	47,035,000	37,032,500	25,010,000
	259,622,261	**255,129,717**	**200,748,523**

Figure 22: Capital Budget

The National Treasury benchmark of 39% to 40% of the capital budget to be spent on renewal projects were considered and the impact of proposed projects on the operational budgets of future years was evaluated. It is not sustainable to construct facilities where there are not sufficient operating funds available to operationalise the facilities and as such, no facilities that

cannot be operationalised with the current available resources were budgeted for.

The capital expenditure funding trends are set out in Figure 23 which follows. The detailed capital budget is contained in the MTREF for the period 2023/2024–2025/2026.

In Figure 23 it is clear that grants and borrowings are becoming the main sources of funding of capital expenditure.

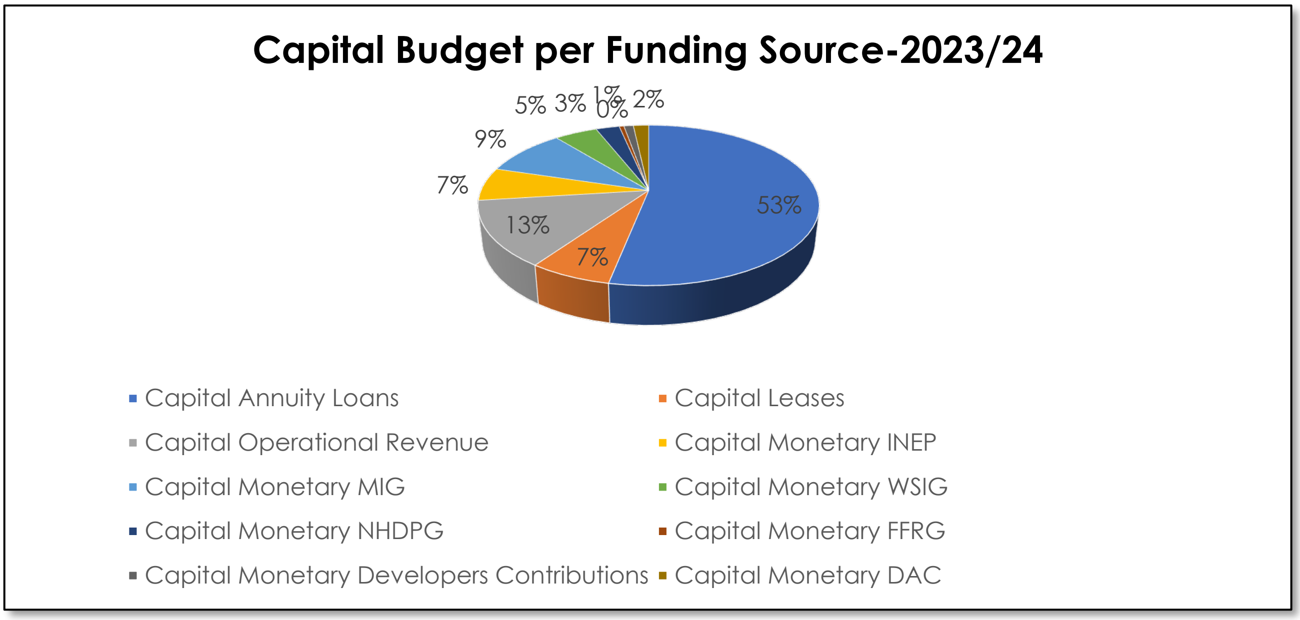


Figure 23: Capital Expenditure per Funding Source for the 2022/2023 financial year

External borrowing as a funding source must be capped at 40% of total operating expenditure. If not, MLM will become overborrowed and the municipality will become a risk for borrowing agencies; this will certainly lead to higher borrowing interest rates. In Figure 24 that follows, it is clearly shown that MLM has not yet reached its external borrowing limit in terms of this indicator; however, the impact of borrowings on the affordability of tariffs must be considered when considering new borrowings.

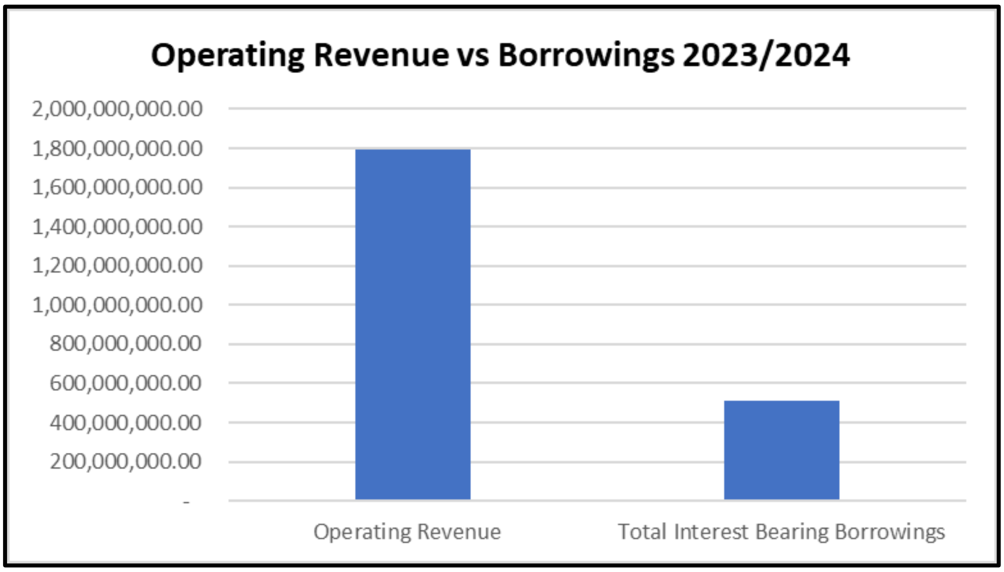


Figure 24: External Borrowings vs Total Operating Revenue

4.1.9 Conclusion

The continued improvement and development of an effective financial planning process aids the actualisation of fulfilling its facilitating role to capacitate the community to build a prosperous future for all. This Financial plan with its financial framework, financial strategies and financial policy framework contribute to ensuring that MLM remains financially viable and sustainable and that quality municipal services are provided economically to all communities within its area of jurisdiction.

The multiyear financial plan contains realistic and credible revenue and expenditure forecasts, which should provide a sound basis for improved financial management and institutional development as well as service delivery improvements and implementation. The strategy towards cash backing and cash-funded budgets will certainly ensure the sustainability of the municipality over the short, medium and long term.

4.2 Human Resources Strategy

4.2.1 Executive Summary

As a progressive and learning institution, MLM's Human Resources Directorate strives to enhance the mandate of the organisation through effective human resources (HR) policies, procedures, and processes. The main goal of the strategy is to ensure that the directives are aligned to the vision and mission statement of Council, the objectives identified in the IDP and the SDBIP.

Within the given HR framework, it was imperative to define value so as to gauge the extent to which HR services should be aligned to ensure the delivery of value.

HR is an ever-evolving vocation and continuous revision of the HR strategy ensures that the organisation is better equipped to address the increasing challenges and changes within the operating environment.

In order to address some of these changes, MLM must be flexible enough to respond to the changing environment and keep abreast with developments within the labour market and labour environment to truly become an employer of choice. This entails a progressive mind shift from the current local government environment and applying best practice initiatives across all sectors within the South African economy. A new approach to old business should be adopted to remain relevant as a progressive organisation.

4.2.2 Human Resources and Overview

The Human Resources Strategy is aligned to the municipality's five-year IDP and focuses primarily on KPA 4: Institutional Development.

In order to perform and achieve the outcomes associated with the KPA and KFAs and aligned to the vision and mission statement of the organisation, the Human Resources Directorate strives to achieve its vision by monitoring its performance through its SDBIP.

The Human Resources Directorate operates within the internal and external environment of the organisation and serves as a link between all internal stakeholders within the organisation.

4.2.3 Operating Context

External Environment

Strategic HR management recognises the legislative, economic, social, and political factors that create and govern the external environment in which the municipality operates. External stakeholders served by the Human Resources Directorate include the community at large in terms of job applicants, learners and other relevant groups.

Internal Environment

The Human Resources Directorate is a centralised support function that operates within a complex and dynamic framework where a range of external challenges intersect with the unique culture of the organisation. Its role is to provide advice and support to the Executive on HR-related, issues. However, the HR function is not only applicable to the Executive; its role is also to advise and support staff. Support is provided by the Human Resources Directorate to line management in terms of facilitating employment processes including, but not limited to, the recruitment of staff, discipline, learning and development, engagement, and benefits.

The facilitation of these processes entails initiation by the user department, based on operational requirements and misconduct from staff, without which the Human Resources Directorate is not able to initiate or facilitate processes accordingly. Inconsistent application of policy and procedure by line management, hampers facilitation of these processes.

Within this framework, effective HR management processes are required to facilitate continual staff learning and development, improve leadership capacity and encourage consultation and collaboration with all stakeholders. Such processes are central to achieve the intended outcomes, as they enhance cultural change which adds to institutional equity and diversity. This in turn leads to higher staff morale, commitment, trust, and a willingness to embrace change and high productivity. The Human Resources Directorate will again for the period under review embark on regular HR roadshows aimed at information sharing to all staff to ensure that employees are aware of policies, processes and procedures.

This entails effective management of staff, planning, coaching, reviewing performance and rewarding employees for good performance. A strategic HR approach can assist in achieving ultimate results and ensure that the municipality remains the best.

4.2.4 Strategic Direction for Human Resources

In the development of the 2023/2024 Human Resources Strategy, several factors were considered, including but not limited to a targeted survey on employee value proposition, the outcome of this survey determined the following:

- Identification of HR bottlenecks or inconsistent application of policy and procedure;
- The negative impact HR inefficiencies on user departments' core functions; and

In response to the 2022/2023 strategy, the following has been addressed:

1. Negative impact of HR inefficiencies, specific to recruitment practice, on user departments' core functions. The amendment in the Municipal Systems Act, prescribing Municipal Staff Regulations necessitated a review of employment policy and practices. The 2022/2023 review had already addressed some of the amendments promulgated.

Human Resources Strategy

In response to the proposed HR solutions and the amendment in legislation, the following Human Resources Strategy is proposed in Figure 25.

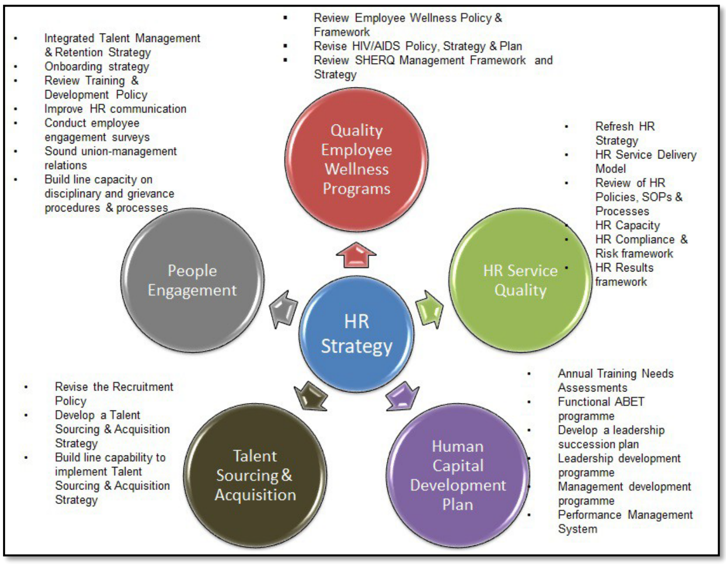


Figure 25: HR Strategy

Activities specified in Figure 25 (which also serves as the implementation plan for the strategy), include:

Table 14: Strategy Implementation

Activity 1	**Human Capital Development**
Deliverables	**Action Plan**
Maintain Career Development Plans (CDPs) for all Staff promoting professional development and continued training for staff.	Reviewed Study Assistance Policies for staff and councillors.
Performance Management of all Staff (roll-out to levels 5 to 13)	

Development of programme implementation aligned to CDPs for skills development programmes and professional development informing the Workplace Skills Plan	Quarterly reporting on CDP progress and training conducted aligned to these plans.
Activity 2	**Quality Employee Wellness Programmes**
Review Employee Wellness Policy & Framework / Policy partnership with stakeholders	Establish cross-functional work teams (Wellness Committee) to address deliverables (reliable stakeholders and representatives) to facilitate meaning work/life balance
Review Occupational Health and Safety Management Framework & Strategy	the workforce). Plan and/or map out implementation plan and monitoring of progress per activity on a monthly basis.
Activity 3	**HR Service Quality**
Review Human Resources Strategy Develop Human Resources Service Delivery Model (Employee Value Proposition) Review Human Resources Policies	Annual review of Human Resources Strategy, making provision for staffing needs, informing budgetary process to mitigate associated risks. Informed by amended legislation specific to the Municipal Systems Act (Municipal Staff Regulations).
Activity 4	**People Engagement**
Develop & implement Talent Management and Retention Strategy Review Onboarding Strategy Review Training & Development Policy Improve HR communication Conduct employee surveys Foster sound union engagement Build line capability on disciplinary and grievance procedures	Plan and/or map out implementation plan (roadshows/information sessions) and monitoring of progress per activity on monthly basis. Promote career development plans, functional LLF Committee.
Activity 5	**Talent Sourcing & Acquisition**
Review Recruitment Policy Review Labour Register Policy & Procedure	Realign promotion policy and define terms of promotion, review recruitment strategy to retain but also attract new staff aligned to Municipal Staff Regulations

Activities identified, with specific deliverables have an important role to play in supporting and enabling the overall strategic objectives of the organisation, in the short, medium and long term. The identification of strategic focus areas for the 2023/2024 strategy is a priority of initiatives that will inform the design of HR services, establishment of the Human Resources Delivery Model, upgrading of HR capabilities, continuous improvement of HR operations and communicating the value of HR services.

The elements noted above contributes to the identification and articulation of the key priorities for the department. The HR strategic objectives articulated in the previous strategy remain relevant; the aim is to focus on the key priorities for ease of implementation and the impact they would have on the organisation.

The following priorities have been identified and will be the focus areas for the Human Resources Directorate for the period under review:

Table 15: HR Priority Areas

Priority Area	Action Required
HR business processes	• Policy review and development • Procedure development • Systems review • Implementation of new on-baording system
Talent management/ organisational development	• Workforce planning (staff establishment) • Compensation and benefits management including Performance Management aligned to Municipal Staff Regulations • Employee engagement (on-boarding, probation – Employee value Proposition) • Improved HR communication
HR customer centricity	• Customer Satisfaction Index (conduct survey) • HR internal culture change collaborative effort across the institution
Employee value proposition	• MLM Brand • Organisational culture and change management
Organisational structure	• Review organisational structure to address strategic and business needs
Policy review	• Planning (priority areas) • Develop, engage, approve and implement policies • Awareness creation (workshops with employees including unions)
Improved recruitment turnaround time	• Review Recruitment Policy • Review Labour Register Policy & Procedure • Improve recruitment plans per department

The goal is to have a revised Human Resources Strategy that sets a clear direction. The strategy will also highlight the shared responsibility and accountability of its implementation among management at all levels, employees and the Human Resources Directorate, specifically. The objectives are to ensure that the strategy supports all strategic objectives of the organisation and responds to HR needs. In order to achieve the objectives, MLM requires a workforce that is more flexible, high-performing and fully trained to accept and execute their professional challenges.

Human Resources Service Delivery Model

The review of the Human Resources Strategy is not a complete overhaul of the existing strategy (some elements are still applicable), but rather the inclusion and refinement of some of the elements of the strategy inclusive of newly introduced elements. The review of the strategy is aimed at easily solving issues raised by staff members, improved turnaround times, updated standard operating procedures and reviewing systems and processes that may increase the Human Resources Service Delivery Model.

Revised (proposed) Aligned Human Resources Service Model

The Human Resources Directorate is aligned through five functional sections (Recruitment, Human Capital, Labour Relations, Occupational Health & Safety, and Employee Assistance Programme [EAP] / Benefits), each of which reports to the Director: Human Resources as per the structure that follows:

Macrostructure: Human Resources

The alignment contemplated in the structure includes the integration of functions and linking of related functions accordingly. The HR SDBIP objectives need to be aligned to service output.

Recruitment/Administration: Organisational Development & Talent Management Role

Purpose	To provide consultation in change management performance and working in partnership with support functions and client team, orchestrate the development of a culture of engagement and institutional health; bring about organisational change initiatives that address institutional goals and strategies

EAP & Benefits Role

Purpose	Responsible for developing, implementing and administering MLM's total remuneration strategies. The role is responsible for driving a high-performance culture by linking rewards to performance (currently an unfunded process). The role will ensure alignment of the remuneration practices (specific to benefits) and in partnership with the Financial Services (Pay Office) department and other relevant stakeholders to ensure sector alignment of MLM's remuneration practices to attract and retain talent. The role will also be responsible for the holistic (development, implementation and management) of all employee benefits and ensure compliance and minimisation of risk related to remuneration and benefits processes.
Intervention	Wellness events according to a scheduled plan for a calendar year. These include Wellness Days and information sessions for employees on the following topics: Financial Health/Literacy; Legal Awareness Mental Health Awareness; Healthy Living Sexual Health; Know your Human Rights Drug and Substance Abuse; Wellness Days Gender-based Violence

Human Resources Business Partnering Role

Purpose	To implement the Human Resources Strategy and deliver excellent customer service within the organisation
Intervention	Employee surveys to inform needs and gaps to streamline interventions required, such as recruitment, labour, safety and wellness

Service Delivery Role

Purpose	To provide service excellence leadership to the HR team by partnering with the business leaders, in building organisational capabilities for driving sustainable business growth. The role is responsible for building the MLM culture and operating environment that is conducive to attracting, developing and retaining the best talent. The role is responsible for ensuring implementation of the Human Resources Strategy in partnership with the Deputy Director: Operations and Deputy Director: Centre of Excellence
Intervention	Labour law awareness Mitigating labour disputes Standard of conduct Disciplinary process(es)

A high-quality organisation is dependent upon the quality, reputation and productivity of its staff. The Human Resources Directorate will continue to engage in regular analysis and planning to ensure its services address the long-term needs of the organisation.

4.2.5 HR Strategic

Portfolios Staff Establishment

MLM reviews the staff establishment on an annual basis. The staff establishment, as governed by legislation, is linked to a multiyear budget and projects changes over a period of three years. These changes include new employees, resources needed as well as the financial implications thereof.

In developing the staff establishment, the requests for new positions are considered only if there is a demonstrable link to a service need or a resource requirement, or if it enhances the achievement of the key priorities as contained in the Council's IDP, for which funding has been allocated in the budget and which has been planned as per the departments' SDBIPs.

Positions included in the staff establishment are added to the workforce plan and should have a job description highlighting the duties and requirements for positions. Job evaluations are considered for newly created positions and the organisational structure is amended accordingly following the approval of the staff establishment. The strategic link between the staff establishment and the Human Resources

Strategy is contained in the succession plan, training and development and personal development plans of employees. This ensures that there is business continuity and that employees are capacitated to execute their duties effectively.

The comprehensive report on the staff establishment for the municipality is tabled for consideration and approval with the respective financial budget for each year of the multiyear budget.

Workforce Planning

The Human Resources Strategy will allow the municipality to create a workforce that is representative of the national demographics of the country. It aims to ensure a mix of internal and external talent with the necessary skills and expertise to carry out the organisation's primary service delivery operations.

With talent acquisition, annual skills audits are performed to maintain learning organisation standards and to ensure that staff are enabled to perform their assigned tasks.

This strategy serves as an effective planning tool for staffing, HR planning and career development of existing employees.

Workforce Overview & Demographics

A holistic overview of the basic demographics of MLM employees is contained in the graphs and tables, which follow. Summaries and interpretations of demographics (gender, age, qualifications) reflect data for the month of January 2022.

Workforce Profile

Table 16: Workforce Profile

Department	No. of Employees	Temp/Contract/ Fixed Term	Permanent
Corporate Services Cluster	**98**	**21**	**77**
Corporate Services	**76**	21	**55**
Human Resources	**22**	0	**22**
Financial Services	**72**	**6**	**66**

Engineering Services	**201**	**1**	**200**
Admin	**22**	1	**21**
Purification/Sanitation	**69**	0	**69**
Water	**55**	0	**55**
Electrical	**55**	0	**55**
Community Services	**214**	**2**	**212**
Waste Management	**96**	0	**96**
Parks	**57**	2	**55**
Libraries	**37**	0	**37**
Social	**7**	0	**7**
Clinics	**7**	0	**7**
Municipal Health Services	**7**	0	**7**
Admin	**3**	0	**3**
Public Safety and Roads	**164**	**33**	**131**
Admin	**4**	0	**4**
Public Safety: Traffic	**45**	13	**32**
Public Safety: Fire	**67**	20	**47**
Mechanical	**9**	0	**9**
Roads & Storm Water	**47**	0	**47**
Development & Planning	**56**	**9**	**47**
Totals	**805**	**72**	**733**

The workforce profile is inclusive of all types of employment contracts (permanent, temporary, fixed term, part-time) but excludes seasonal (EPWP) workers. Top management comprises fixed term contract workers and are counted as temporary employees. Table 18 provides a detailed breakdown of the workforce per gender and occupational Level.

Table 17: Workforce Profile per Gender and Occupation

Occupational Level	Male				Female				Foreign National		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	2	2	0	0	0	0	0	0	0	0	4
Senior Management	13	0	0	8	9	2	3	0	0	0	35
Middle Management	62	3	1	20	55	2	1	8	0	0	152
Skilled	127	3	1	17	97	3	2	15	0	0	265
Semiskilled	102	0	0	3	18	0	0	0	0	0	123
General	112	1	0	1	54	1	0	0	0	0	169
Total Permanent	**418**	**9**	**2**	**49**	**233**	**8**	**6**	**23**	**0**	**0**	**748**
Temporary	23	0	0	1	32	1	0	0	0	0	57
Total (All)	**441**	**9**	**2**	**50**	**265**	**9**	**6**	**23**	**0**	**0**	**805**

Gender Ratio

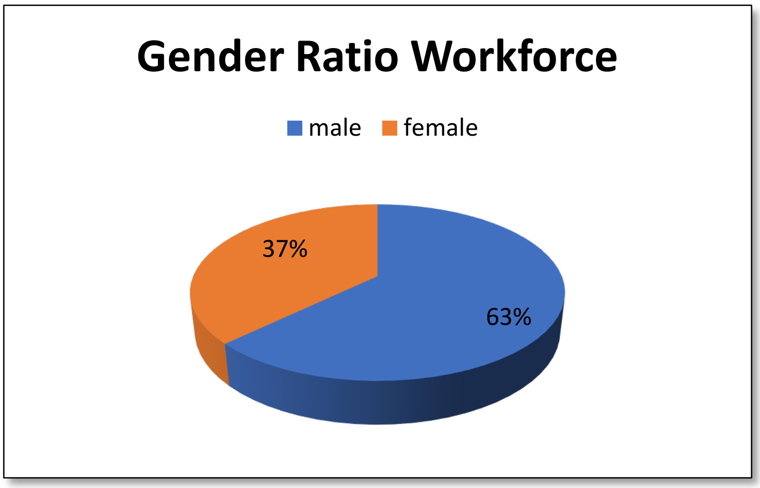


Figure 26: Gender Ratio – Total Workforce

The gender ratio at MLM for the reporting period is 63% (485 employees) males to 37% (287 employees) females. Figure 27 divides gender among different occupational levels.

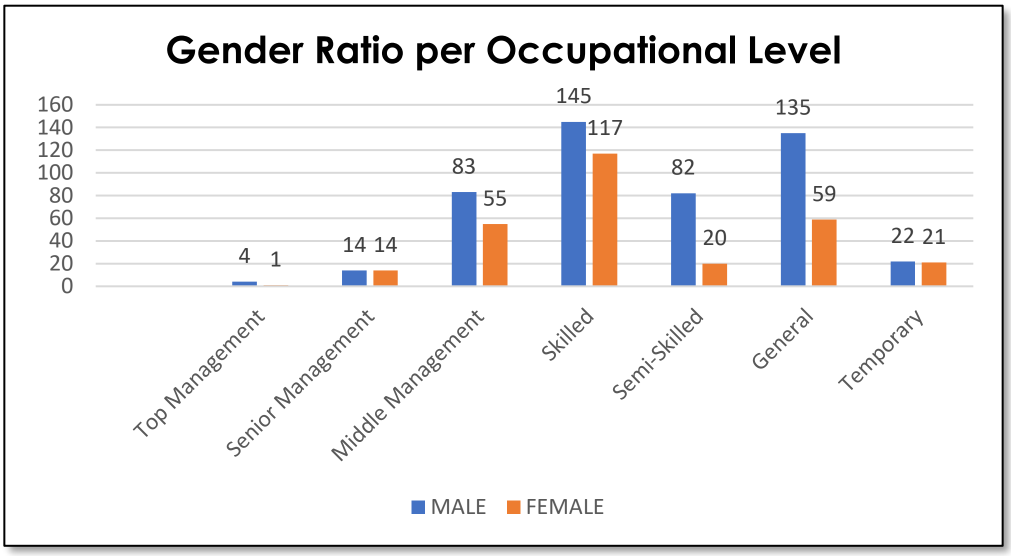


Figure 27: Gender Ratio per Occupation Level

Age Ratio

Age categories are divided into the youth (between 18 and 35 years of age) and the non-youth (above 35 years of age). The figure that follows indicates the age ratio between different occupational levels.

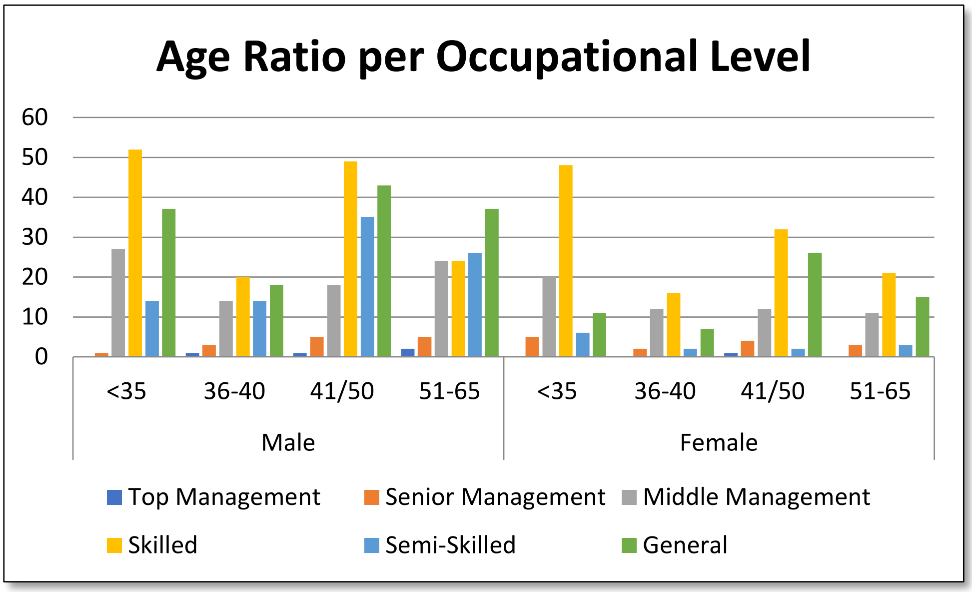


Figure 28: Age Ratio per Occupation Level

Qualification Ratio

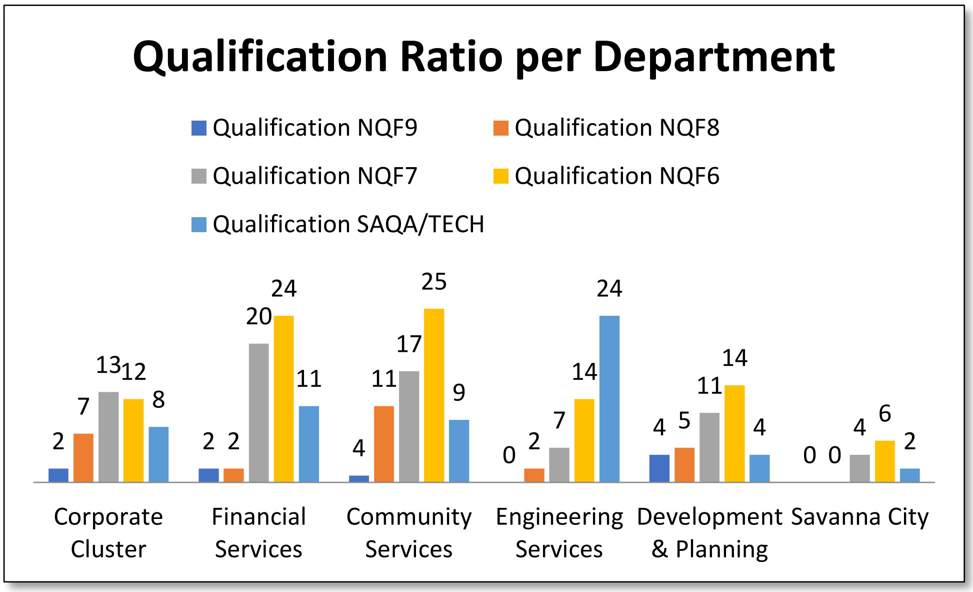


Figure 29: Qualification ratio per department

Qualifications is indicative of professional formal qualifications obtained by employees for top, senior and middle-management occupational Levels only. From the graph, the following summary is presented:

Table 18: CDP Status quo

Department	Section	No of CDP Submitted	CDP Submitted per Department	Total no in the Department	Percentage Submission
Engineering	Sewer	19			
	Roads & Stormwater	3			
	Purification	45			
	Electrical	8	86	260	33%
	Mechanical	3			
	Admin	8			
Community	Libraries	33			
	Waste	1			
	Parks	11	51	312	16.3%
	Environmental Health	6			
D&P	LED	2			
	Town Planning	9	33	56	59%

	Admin	2			
	Building Control	20			
Corporate	PMS	0			
	Mayor's Office	0			
	Auxiliary	1			
	HR	24	33	91	36.2%
	Speaker's Office	0			
	IT	1			
	Legal	0			
	Call Centre	7			
Finance	Income	9			
	Debt Collection	0			
	Expenditure	3			
	SCM	8	22	74	30%
	Financial Control	0			
	Logistics	1			
	Risk and Compliance	1			
Public Safety & Roads	Fire	14			
	Traffic	5	26	158	16%
	Roads	7			

Table 19: Employment Equity Status Quo

Demographics	**Male**				**Female**				**Foreign National**		**Total**
	A	**C**	**I**	**W**	**A**	**C**	**I**	**W**	**Male**	**Female**	
National	42.8	5.3	1.8	5.3	35.1	4.5	1.0	4.2	N/A	N/A	100
Midvaal	56.8	0.9	0.2	5.8	31.5	1	0.6	3.2	N/A	N/A	100
Overrepresented	**14**			**0.5**							
Underrepresented		**4.4**	**1.6**		**3.6**	**3.5**	**0.4**	**1**			

The analysis is an overview of total representativeness and not per occupational level.

Recruitment

Recruitment and retention of high-quality staff in a competitive labour market is of vital importance to the municipality. As the workforce ages, there is a concentration of staff in the older age groups and a relatively small proportion of younger academic candidates. Successful human resources management will require effective recruitment and retention strategies that consider the following:

- There will be increased competition for limited number of quality staff in an increasingly changing competitive environment in which budget constraints may affect staffing, development, and retention.
- Well-being in the workplace has become increasingly important. The current restrictive regulatory environment, over which Council has no influence, will further constrain the supply of quality of staff. Together with increased expectations and higher levels of accountability and reporting, including the salaries distinction between metropolitan and local municipalities (which adds to the restrictive environment), local government as a sector has the potential to become less competitive within the market.
- Remuneration of municipal staff at the local level should receive attention as the current salary components does not allow for talent acquisition at the extent required. Professionals do not apply for vacancies as more competitive salaries are offered outside the municipal area.
- Gender balance and diversity should be given consideration in the context of a fair and transparent appointment process to promote equal opportunity for all.
- Retirements will be accompanied by continued growth and demand for staff.

Performance Management

Although HR is not primarily responsible for performance management within the municipality, for Senior Managers and levels 1-4, it cannot be excluded from the process.

After the amendment of the Municipal Staff Regulations, the roll-out of the performance management to all staff, fall within the ambit of Human Resources. This function will provide additional information relating to deviations and/or shortcomings identified during the performance assessments of staff has a direct impact on training and development of staff.

Continual Learning

A rapidly changing knowledge base in the workplace, rapidly developing information technologies, the competitive environment and an increasing level of liaison with the community requires a high level of skill and knowledge on the part of staff. This can be developed only by a commitment to lifelong learning by each employee and will require access to a comprehensive range of staff development opportunities.

The Human Capital section will have a crucial role in determining and co-ordinating the learning and development of staff to achieve a multiskilled, versatile, high-performing workforce to fulfil the municipality's mandate.

Creating an equitable and diverse workplace and enhancing change management

Diversity amongst staff, which reflects the broader South African community, has the benefit of building a workforce culture to advance important social, moral and human rights and commitments to equity and diversity. A diverse staff will improve the quality of decision-making and is incorporated into its accountability framework. This commitment is not only important in terms of social justice, but it is an important attraction and retention strategy.

Staff

Employees have a personal responsibility to participate in the implementation of the Human Resources Strategy and to ensure its success. They have obligations reciprocal to those of managers.

Employees can encourage, mainly by adherence to sound policies, processes and procedures, a work environment that is professional and, competent and which influences the overall morale of employees.

Creating a safe and supportive workplace culture

Physically and psychologically safe work environments and safe work practices are key aspects of the organisation's risk management strategy. MLM has a high commitment to safety, not only for its own employees, but also for contractors and visitors. To maintain MLM's reputation as an employer of choice requires a positive, inclusive and high-performance culture marked by co-operation and respect, and where the work environment promotes work/life balance for staff. The maintenance of such a workplace culture also requires consistent and fair, but firm discipline and due attention to grievances. The HR function strives to achieve these outcomes.

4.2.6 Values

Our value system is to provide a quality integrated service by creating a safe, healthy, and supportive environment where MLM staff are valued, respected and able to realise their full potential.

The values are as follows: *Equity, Accessibility and communication, Collaboration, Innovation, Safety and Security, Forward-thinking and Decisive Decision-making.*

4.2.7 Strategic Direction for Human Resources

The goal of the reviewed Human Resources Strategy is to have a strategy that outlines clear direction. The strategy highlights shared responsibility and accountability of its implementation amongst HR management and employees. The objectives ensures that the strategy supports all strategic objectives of the organisation and responds to related and relevant HR needs.

In order to achieve the objectives, MLM requires a workforce that is more flexible, high-performing and fully trained to accept and execute their professional challenges. A high-quality organisation is dependent upon the quality, reputation, and productivity of its staff. The Human Resources Directorate will continue to engage with relevant stakeholders in regular analysis and planning to ensure its services address the short, medium and long term needs of the organisation.

The strategic direction of HR is also greatly influenced by the outcomes of the annual Mayoral Strategic Session key performance indicators (KPIs) and other programmes and projects that are reviewed regularly and when required. In this way, the HR function supports the administrative structure in achieving the political priorities and objectives.

4.3 Local Economic Development

MLM adopted a new Local Economic Development (LED) Strategy in February 2023. The objective of the Midvaal LED strategy is to plan and prioritise strategies that will enable economic growth and development to ultimately intensify the fight against poverty, inequality and unemployment to enhance the quality of life for all Midvaal citizens through the development of an innovative, inclusive and competitive local economy. The LED strategy proposes the following Development thrusts in order to create impetus and critical mass in the local economic environment to generate momentum in the economy:

- Development Thrust 1: Agriculture development, support & value-adding.
- Development Thrust 2: Tourism & Green-economy development & promotion.
- Development Thrust 3: Business development, support & promotion.
- Development Thrust 4: Township & Informal Economy Revitalisation.
- Development Thrust 5: Business Retention and Investment Attraction.

The formulated thrusts cut across different sectors that are imperative for building Local Economic Development within the municipality, within each thrust, several programmes have been identified which are aimed on specific areas of development. These programmes were formulated specifically to obtain the overall goals set for the LED Strategy. Furthermore, each programme has various projects and facilitation issues that need to be implemented and addressed. These projects and facilitation actions are aimed specifically at enabling the municipality to achieve the targets that have been set by the various development programmes and thrusts.

The Municipalities previous LED Strategy, 2017 made mention of the concept of Township Economic Revitalisation (TER), however with no projects and programmes linked to the concept. With the newly developed LED Strategy, the following programmes and projects have been formulated as part of the Township and informal economy revitalization thrust as an extension of the TER:

The programmes forming the basis of this Thrust include:

Provision of an Adequate Regulatory and Policy Environment.

This programme speaks to ensuring that the all the municipalities policy framework around the informal and township economy is pro-poor. This speaks to reducing red tape in order to improve the conditions to do business in townships and addressing appropriate land use management and other regulatory issues that hamper economic development. The Municipality has been proactive in this regard through the following:

- **Midvaal Land Use Scheme, 2017**

The Midvaal Land Use Scheme, 2017, makes special reference to an Economic

Revitalisation Overlay Zone. This overlay zone makes provision for the protection and management of diverse economic activities in disadvantage areas.

Economic revitalisation areas include areas such as Mamello, Savanna City, Lakeside, Sicelo fully subsidised housing and Ohenimuri. Erven zoned 'Residential 1' benefit from rebates on development application and documentation tariff fees in an effort to decrease development cost and red tape for underprivileged communities. By reducing the strain on development, communities can develop and conduct businesses legally which in turn allows the municipality to manage and control all activities in the area ensuring a more harmonious built environment.

Activities such as spaza shop, home enterprises and urban agriculture are accommodated as a primary use in Transitional Residential Zones. This is effective for Sicelo informal settlements.

- **Informal Trading By-Laws**

The Municipality recognises the key role that informal trading plays in poverty alleviation, economic and entrepreneurial development and, in particular, the positive impact that informal trading has on SMME's and historically disadvantaged individuals and communities and as such is in the process of finalising and promulgating the Informal trading by-laws that will adopt a developmental approach to the informal trading sector and to create opportunities for the informal trading sector to share in the benefits of, and further contribute to, the Municipality's economic growth.

Economic Infrastructure

For businesses to prosper there need to be suitable infrastructure which includes access to electricity, roads and water, suitable lighting, adequate public transport, transport facilities, access to reliable internet and sufficient security.

The Municipality has already introduced projects to address the above, by constructing informal trading stalls for informal traders within the Meyerton CBD, this project will be rolled out even in the Sicelo and Lakeside Townships in the following years.

Business Skills Development and Entrepreneurship

This programme seeks to focus on a structured framework to facilitate targeted business support initiatives to both formal and informal sector enterprises. The business support will focus on building the entrepreneur of the enterprise but will also focus on the growth of the business. In addition, it will include the establishment of a virtual business incubator to allow entrepreneurs to become part of a localised supply network.

Provision Of Market Support and Business Linkages Through Partnerships and Collaboration

The impact of the Covid-19 pandemic has exacerbated poverty and inequality in South Africa – with townships and informal areas affected most severely. This programme seeks to ensure that preferential procurement regulations are adapted in order to ignite the local economy. The municipality is well underway with this, where in the Procurement Policy has been amended to speak to prioritising locals in procurement to demonstrate the municipal commitment to build a resilient economy.

Institutional Transformation

To achieve the required impact regarding TER, MLM continues to implement the initiatives of incorporating local suppliers in the supply chain database. The aim of this initiative is to actively source goods from local suppliers based in our township areas. Furthermore, the municipality has committed 5% of its annual procurement expenditure on township economies and 3% on youth enterprises. This has been put in place to ensure that businesses in the townships and those owned by the youth benefit from the municipal procurement services and also to reiterate the municipality's commitment and promise to revitalising the township and businesses owned by the youth.

The table that follows, indicates the rand value spent towards TER by MLM from July 2021 to June 2022.

Table 20: Rand Value spent towards Township Economic Revitalisation

Midvaal Local Municipality					
Township Economic Revitalisation Spend					
Month	Total Spend on Goods, Services and Construction: All Suppliers	Proportion Spent on Township-Based Suppliers	% TER Spend	Total Number of Suppliers Used	Number of Township-Based Suppliers Used
Jul-21	37,239,645	1,068,211	2.9%	171	11
Aug-21	24,483,461	874,333	3.6%	133	15
Sep-21	26,212,658	1,771,299	6.8%	159	8
Oct-21	30,912,339	1,411,021	4.6%	186	23
Nov-21	36,726,641	1,958,208	5.3%	176	18
Dec-21	32,122,046	2,230,277	6.9%	174	23

Jan-22	20,776,596	2,191,335	10.5%	139	14
Feb-22	20,582,372	391,718	1.9%	167	16
Mar-22	28,042,034	2,971,882	10.6%	169	18
Apr-22	29,361,910	3,310,581	11.3%	165	18
May-22	27,753,754	1,834,586	6.6%	186	16
Jun-22	60,241,282	5,445,190	9.0%	221	21
Total	**374,454,738**	**25,458,640**	**6.8%**	**2,046**	**201**

Agriculture

The municipality continues to implement its Agricultural Development Growth Strategy and working towards the vision for agriculture to be known as an 'AGRI- TROPOLIS', a food basket of Gauteng and supports farmers to graduate from subsistence small-holder farmers to commercial farmers and ultimately become 'Agro-Preneurs'.

MLM has aligned its economic growth strategy position to realise this vision and this is evident in the IDP and Spatial Development Framework. KPA 8 relates to economic development to facilitate and enhance agricultural production and Development Driver 4 as encapsulated on the Spatial Development Framework relates to encouraging agricultural production and processing. The municipality is involved with various agricultural initiatives through collaboration and engagements with the Gauteng Department of Agriculture on various programmes, the Comprehensive Agricultural Support Programme and investigations on municipal properties that can be leased for agriculture. The municipality is also finalising the formulation of a Land Alienation and Disposal Policy in order to streamline the disposal of land for agricultural development.

Tourism

The tourism sector is identified as one of the comparative advantages for MLM, although the potential is not yet fully utilised. However, the municipality has a strategic intent to align various resources to implement tourism development activities and initiatives for Midvaal. These activities are intentionally formulated to unlock tourism opportunities through discovering unexplored tourism offerings to reposition Midvaal as a tourism destination of choice, and to broaden participation in the tourism sector by various local, district and provincial tourism role-players.

Midvaal is rich in vast features and attractions ranging from countryside attractions, accommodation, unique restaurants and adventure tourism. A tourism website has been developed as one of the key projects implemented by the municipality to unlock tourism through online marketing of local tourism offerings and to attract new feet into the area.

A new tourism strategy is being developed to clearly define tourism strategic priorities, streamline tourism activities in Midvaal and respond to the ever-changing tourism environment and the economy. It proposes an implementation plan to give effect to the strategic priorities that are in the strategy.

4.4 Spatial Development Framework & Land Use Management

In terms of Section 156, read with Part B of Schedule 4 of the Constitution of South Africa (No. 108 of 1996), land use management is a competency of municipalities. Land use planning is mainly informed by the Spatial Planning and Land Use Management Act (No. 16 of 2013) and its regulations. The MLM adopted the Midvaal Spatial Planning and Land Use Management By-law and the Midvaal Land Use Scheme as the premier planning tools for land use management in the municipality.

The purpose of the Midvaal Land Use Scheme is to give effect to and be consistent with the municipal spatial development framework and determine the use and development of land within the municipal area to which it relates in order to promote the following:

- Economic growth;
- Social inclusion;
- Efficient land development; and
- Minimal impact on public health, the environment and natural resources.

4.5 Climate Change Adaptation and Mitigation

Climate change is an undisputable reality based on observations made, such as increases in global average air and ocean temperatures, widespread melting of snow and ice and the rising of the global average sea level (IPCC, 2007:30). The consequences of climate change will vary from food and water scarcity to migration, political instabilities, economic decline, physical environment degradation and natural disasters. Climate change is a danger to the environment and if not mitigated, its consequences will undermine the investments of the government on poverty alleviation, equal distribution of wealth, job creation, economic growth and development, HIV/AIDS, spatial inequality and sustainable human settlements.

MLM has adopt the draft Sedibeng Climate Change Response Plan and acknowledges the need to compile a Climate Change Implementation Plan for the municipality. The municipality has, however, embarked on the following initiatives in an effort to mitigate the effects of climate change:

- The Community Services Waste Department has compiled an Integrated Waste Management Plane (IWMP) that has been endorsed by the Gauteng Department of Agriculture and Rural Development (GDARD). This has been included as an annexure to the IDP. The department has also initiated a Separation at Source and Recycling pilot project in Risiville and will then implement the project in other residential areas in Midvaal.
- The Electrical Department has begun interventions to adopt a Small-Scale Embedded Generation (SSEGs) Policy as an enabler of private sector participation.
- The municipality has a multiyear IG project for EPWP that includes maintenance of grass cutting, flowerbed and trees. Through this project alien species are being removed daily.
- Food garden programmes have been initiated in Sicelo and Mamello to encourage small-scale agricultural initiatives. Farmers are also supported in line with the programmes development by GDARD.
- The municipality adopted a Five-Year Water Demand Management & Water Conservation Plan in 2020. This is included as an annexure to the IDP.
- The municipality has approved a draft Green Buildings Policy and Implementation Plan that aims at providing guidelines on energy efficient buildings and the benefits thereof.

The municipality is aware that more interventions are required to make a positive impact on the effects of climate change. Additional interventions will be planned and budgeted for.

4.6 Human Settlement Plan

The Municipal Systems Act (2000) requires municipalities to prepare a housing sector or chapter as a component of the IDP. The HSP is guided by the National Housing Act, 1997 (No. 107 of 1997) which requires every municipality to take reasonable and necessary steps within the framework of national and provincial housing legislation and policy to address the following:

- Set housing delivery goals in respect of its area of jurisdiction
- Identify and designate land for housing development
- Create and maintain a public environment conducive to housing development which is financially and socially viable

- Promote the resolution of conflicts arising in the housing development process
- Initiate, plan, co-ordinate, facilitate, promote and enable appropriate housing development in its area of jurisdiction
- Provide bulk engineering services and revenue generating services in so far as such services are not provided by specialist utility suppliers and
- Plan and manage land use and development.

The demand for housing in the MLM varies from fully subsidised, partially subsidised through the Financially Linked Subsidy Programme, gap housing and freehold residential.

The rental market housing is currently unavailable in the municipality though it is done informally through backyards. MLM has seen a gradual increase in informal settlements due to natural population growth and in-migration of primarily foreign nationals.

Housing delivery within the municipal jurisdiction is currently the competency of the Gauteng Department of Human Settlements. MLM is not accredited to undertake this function and as such, the municipality does not implement housing projects.

MLM, however, plays a facilitation, co-ordination and support role in the housing delivery process by ensuring the following:

- Township applications are fast tracked.
- Housing stakeholder forum meetings are well co-ordinated.
- Partnerships that will contribute to the delivery of houses for various income groups are formed with the private and public sector.
- Project steering committee meetings are held.
- Housing construction challenges are resolved speedily.

The HSP for MLM aims to serve as a guiding document in ensuring that housing implementation within the municipality contributes to the creation of vibrant sustainable and integrated communities and illustrates how housing projects could contribute to creating integrated sustainable human settlements.

4.7 Disaster Management Plan

This Disaster Management Plan and its supporting appendices and annexures (Provincial Disaster Management Booklet for Disaster) encompasses the response, declaration, classification and funding in terms of the Disaster Management Act (No. 57 of 2002), as amended. It also serves as the Guideline on the Development and Structure of a Disaster Management Plan in terms of Section 12(1) (a) read with Section 22(a) of the Disaster Management Act. with guidance in terms of the development and structure of a disaster management plan.

This MLM Disaster Management Plan for disaster response, declaration, classification, and funding is applicable to the Gauteng provincial department, the Sedibeng District as well as all departments in the MLM, which are responsible for the co-ordination and management of disasters in this area of jurisdiction.

The Disaster Management Plan is a sector plan of the MLM's IDP and is inclusive of the following:

The Emergency Preparedness and Response Plan

The purpose of the emergency response preparedness procedure is to ensure immediate, proper, and coordinated response to mitigate and minimise consequences from safety and environmental incidents. The plan is used as follows:

- To identify potential for, and respond to actual emergency situations, and for preventing and mitigating the safety, health, environment and quality (SHEQ) hazards/impacts and non-conformances associated with the activities.
- To ensure that the site emergency coordinator is appointed.
- To ensure that all the necessary precautions are taken to prevent or mitigate potential SHEQ aspect/hazards and non-conformance resulting from the site operational activities.
- To ensure that all emergencies are promptly acted on to prevent loss of lives, damage to property and environment and quality of the products produced on site.

The Flood Contingency Plan

The purpose of this plan is to ensure the availability of an action plan that would assist in curbing the consequences that may be caused by floods.

The recent heavy rains have caused havoc in the Gauteng area. Municipalities have been alerted to put flooding action plans in addressing floods effects.

The municipality has Flooding By-Laws which have been approved by Council and are enforced. Applications that are within the demarcated flood line area are refused by the Land Use and Building Control officials. There are some areas within the MLM that are low lying and along flood lines, which may be flooded by heavy continuous rains.

The Incident Command System working procedure

This document is used as a Glance document and quick reference resource for remembering core concepts related to IMTs and the planning process.

The Midvaal contingency plan for Dolomite

The contingency plan provides the various responsible authorities and agencies with an overview of the current arrangements that are in place for the response to sinkhole hazards in Midvaal.

It contains an overview of preparedness to respond and defines capabilities as well as response arrangements. It also reflects an integrated approach and shared responsibility for the management of response to sinkhole hazards between local municipality, agencies, communities, and individuals.

Midvaal Relief Policy

The Midvaal Fire and Rescue Service recognised that relief measure does exist in other administrations which is covered in the Disaster Management Act of 2002. The relief measure captured in this policy is aimed for Midvaal community (residents) to ensure consistent and fair application of relief measures to all members. The Fire and Rescue Service is a complex operation, and it is therefore imperative that set standards and single policies and guidelines are provided for members of the service to ascribe to and prevent any inconsistencies in their operation.

Registers

The registers attached as part of the Disaster Management Plan are aligned to KPI 2 of the NDMF and outlines the requirements for implementing disaster risk assessments and monitoring, development and identifying risk reduction strategies for organs of state within all spheres of government. Furthermore, it shows that the outcomes of disaster risk assessments directly inform the development of disaster risk management plans. The registers are as follow:

- The Hazard Register
- The Critical Facility Register

- The Societal Analyses Register
- The Economic Analyses Register
- The Environmental Analysis Register
- The Political Analysis Register
- The High-risk Area Sheet
- The Risk Summary Sheet
- Risk Reduction Projects.

Chapter 5: Performance Management Policy

5.1 Introduction

Effective performance management is fundamental to the delivery of excellent local services Local government has achieved improvements in recent years; however, councils are recognising that they need to continue to develop and embed their approaches if they are to achieve further improvements.

IDP and performance management were introduced to realise the developmental role of local government. While the IDP provides a framework for strategic decision-making, performance management must ensure that the desired results are achieved during implementation to ensure the correctness of the strategic direction of the objectives, strategies and projects put forward by the IDP.

Performance management is a strategic approach to management, which equips leaders, managers, workers and stakeholders at different levels with a set of tools and techniques to regularly plan, and continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact.

A performance management system (PMS) entails a framework that describes and represents how the municipality's process of performance planning, monitoring, measurement review, reporting and improvement will be conducted, organised and managed, including determining the different role-players. This policy document guides the development of a PMS for the MLM. It also forms the basis of aligning the IDP with the operational SDBIPs, performance areas and performance indicators of the various departments of the MLM.

5.2 Legislative and Policy Framework

Legislative enactments which govern performance management in municipalities are found in various documents. As outlined in Section 40 of the Municipal Systems Act (2000), MLM must establish mechanisms to monitor and review its PMS so as to measure, monitor, review, evaluate and improve performance at organisational, departmental and employee levels.

Section 34 of the MSA furthermore point out that the IDP has to be reviewed on an annual basis, and that during the IDP review process the KRAs, KPIs and performance targets are reviewed. This review will form the basis for the review of the municipal PMS and performance agreements with senior managers.

The PMS is informed by the following legislation and policies:

1. The Constitution of the Republic of South Africa Act (No. 108 of 1996) and as amended;
2. Local Government: Municipal Systems Act (No. 32 of 2000) as amended;
3. Local Government: Municipal Structures Act (No. 117 of 1998);
4. Local Government: Municipal Finance Management Act (MFMA) (No. 56 of 2003);
5. Local Government: Municipal Planning & Performance Management Regulations, 2001 (R.796)
6. Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006;
7. National Treasury: Framework for Managing Programme Performance Information, 2007;
8. National Treasury: MFMA Circular 63 (Annual Report: Guidelines – update);
9. National Treasury: MFMA Circular 13 (Services Delivery and Budget Implementation Plan);
10. National Treasury: MFMA Circular 32 (The Oversight Report);
11. Batho Pele White Paper.

Other legislation that impacts on and relates to performance management includes:

1. Labour Relations Act (No. 66 of 1995): Code of Good Practice;
2. Basic Conditions of Employment Act (No. 75 of 1997);
3. Employment Equity Act (No. 55 of 1998;
4. The Skills Development Amendment Act (No. 31 of 2003;
5. Promotion of Access to Information Act (No. 2 of 2000).

Although it is not considered necessary to go into detail in respect of all the legislation it is important to give a brief overview of the most important legislative provisions set out in:

1. The Municipal Systems Act (No. 32 of 2000) as amended;
2. The Municipal Planning and Performance Management Regulations of 2001;
3. The Municipal Finance Management Act (No. 56 of 2003);
4. The Municipal Performance Regulations of 2006 for Municipal Managers and Managers directly Accountable to Municipal Managers;

5. Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, Government Gazette 37245 dated 17 Jan 2014;
6. Local Government: Municipal Systems Act (No. 32 of 2000): Local Government: Upper Limits of Total Remuneration Packages Payable to Municipal Managers and Managers Directly Accountable to Municipal Managers, Government Gazette 42023.

Summaries of the provisions relating to organisational performance management are set out in the section that follows.

The Municipal Systems Act (No. 32 of 2000)

Chapter 6 of the Municipal Systems Act (2000) as amended states briefly that a municipality must address the following:

1. Develop a PMS.
2. Promote a performance culture.
3. Administer its affairs in an economical, effective, efficient and accountable manner
4. Set KPIs as a yardstick for measuring performance.
5. Set targets to monitor and review the performance of the municipality based on indicators linked to the IDP.
6. Monitor and review performance at least once a year.
7. Take steps to improve performance.
8. Report on performance to relevant stakeholders.
9. Publish an annual performance report on performance of the municipality forming part of its annual report as per the provisions of the MFMA of 2003.
10. Incorporate and report on a set of general (sometimes also referred to as national) indicators prescribed by the national Ministry of Provincial and Local Government.
11. Conduct an internal audit of all performance measures/indicators on a continuous basis.
12. Have the annual performance report audited by the Auditor-General.
13. Involve the community in setting indicators and targets and in reviewing municipal performance.

Sections 55 to 58 of the Municipal Systems Act further outline the provisions on the employment and functions of the Municipal Manager and managers directly accountable to the Municipal Manager.

The Municipal Planning and Performance Management Regulations of 2001

In summary, the regulations provide that a municipality's PMS must have the following:

1. Entail a framework that describes and represents how the municipality's cycle and process of performance management, including measurement, review, reporting and improvement, will be conducted.
2. Comply with the requirements of the Municipal Systems Act.
3. Relate to the municipality's employee performance management processes and be linked to the municipality's IDP.

A municipality must do the following:

1. Set KPIs, including input, output and outcome indicators in consultation with communities.
2. Annually review its KPIs.
3. Set performance targets for each financial year.
4. Measure and report on the relevant nationally prescribed key performance outcomes.
5. Measure and report on the national local government KPAs.
6. Report on performance to Council at least twice a year.
7. As part of its internal audit process, audit the results of performance measurement.
8. Appoint a performance audit committee.
9. Provide secretarial support to this audit committee.

The Municipal Finance Management Act (No. 56 of 2003) (MFMA)

The MFMA also contains various important provisions relating to performance management. In terms of the act all municipalities must do the following:

1. Annually adopt an SDBIP with service delivery targets and performance indicators.
2. When considering and approving the annual budget, set measurable performance targets for revenue from each source and for each vote in the budget.
3. Empower the Executive Mayor or Executive Committee to approve the SDBIP and the performance agreements of the Municipal Manager and the managers directly accountable to the Municipal Manager; and

4. Compile an annual report, which must, amongst other things, include the municipality's performance report compiled in terms of the Municipal Systems Act.

The Municipal Systems Act and the MFMA require that the PMS be reviewed annually in order to align itself with the reviewed IDP). As a consequence of the reviewed organisational PMS, it then becomes necessary to also amend the scorecards of the Municipal Manager and Section 56 managers in line with the cascading effect of performance management from the organisational to the departmental and eventually to employee levels.

The Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers of 2006

This legislation regulates the management of the Section 56 employees of a municipality by providing an outline of employment contracts, performance agreements, performance plans, employee development, empowerment, measures and indicators, and performance evaluation processes. These regulations further provide criteria for performance assessment and the five-point rating upon which performance of an individual needs to be scored during the assessment and evaluation.

5.3 Objectives of Performance Management

A municipality's PMS is the primary mechanism to monitor, review and improve the implementation of its IDP and to gauge the progress made in achieving the objectives as set out in the IDP.

The PMS process plan includes the following objectives that the system should additionally fulfil:

Facilitate Increased Accountability

The PMS should provide a mechanism for ensuring increased accountability between the local community, politicians, the municipal council and the municipal management team.

Facilitate Learning and Improvement

The PMS should **facilitate learning** in order to enable the municipality to improve delivery.

Provide Early Warning Signals

It is important that the system ensure decision-makers are timeously informed of performance-related risks, so that they can facilitate intervention, if necessary.

Facilitate Decision-making

The PMS should provide appropriate management information that will allow efficient, effective, and informed decision-making, particularly on the allocation of resources.

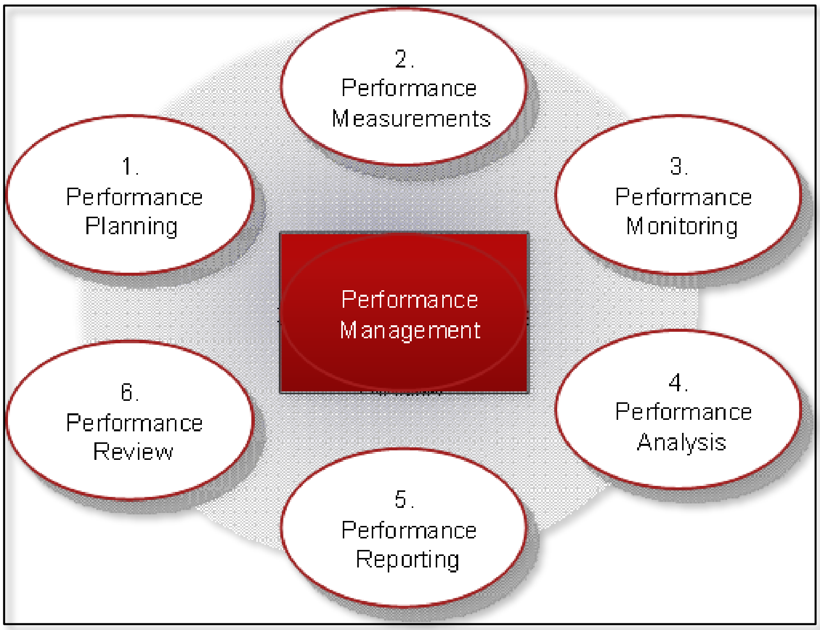
The objectives are also for the PMS to serve as a primary mechanism to monitor, review and improve the implementation of the MLM's IDP. Performance management is viewed as a tool that improves the overall performance of the municipality.

5.4 Performance Management Framework

The municipality must develop, as part of the PMS, a framework which will deal with the 'how to work' with performance information. A performance management framework is the way the municipality collects, presents and uses its performance information. It is a practical plan, made up of mechanisms and processes, for the municipality to collect, process, arrange and classify, examine and evaluate, audit, reflect on and report performance information. These mechanisms and processes work in a cycle which must be linked to the municipality's normal planning (IDP and otherwise) and the annual budgeting cycle.

5.4.1 Components of Performance Management Framework

The annual process of managing performance at organisational level in the MLM involves the steps as set out in the diagram that follows:



5.4.2 Clarifying Roles and Responsibilities of Stakeholders and Role-players

It is important to understand the duties, roles and responsibilities of the different stakeholders and role-players in the various processes that together constitute the framework of the PMS. It is important that the accountabilities, relationships and priorities of the various stakeholders are set to ensure that there is a complete understanding of the participation, consultation, and involvement of all stakeholders for maximum inputs into and success of the PMS.

The PMS is a component of municipal governance and management systems, which aims to ensure that the performance of the municipality is developmental, while complementing the planning and budgeting processes as an integral part of organisational and individual management. It involves a wide variety of stakeholders, all of whom play a vital and integral part in the overall success of the PMS. There are a variety of tasks that have been identified as integral to the PMS. The schedule that follows, sets out the tasks, which should not be seen as a chronological sequence of occurrences and events. The tasks are listed with the appropriate stakeholders and role-players (with their roles and responsibilities).

STAKEHOLDERS / ROLE-PLAYERS	ROLES AND RESPONSIBILITIES
1. Developing and sanctioning the performance management process	
Mayoral Committee	Ratify and adopt the PMS Policy
2. Developing measures / indicators	

Officials	1. Provide the IDP documentation and (when appropriate) the PMS documentation of the previous reporting period
	2. Provide inputs into the process with reference to the available resources within their respective departments
	3. Document the measures/indicators
	4. Provide the schedule of measures/indicators to relevant stakeholders
Councillors	Provide inputs into the process with reference to the needs and requirements of their constituents and the communities
	Engage with the officials to ensure maximum utilisation of the resources taking into account the budgetary guidelines and possible limitations
Local Community and Stakeholders	Provide inputs into the process with reference to their specific needs and requirements
3. Setting targets	
Officials	1. Provide inputs into the process with reference to the available resources within their respective departments
	2. Document the targets
	3. Provide and publicise the schedule of targets to the relevant stakeholders
Councillors	1. Provide inputs into the process with reference to the needs and requirements of their constituents and the communities
	2. Engage with the officials to ensure maximum utilisation of the re-sources taking into account the budgetary guidelines and possible limitations
Local Community and Stakeholders	Provide inputs into the process with reference to their specific needs and requirements
4. Linking measures/indicators and targets to performance commitments of staff	
Municipal Manager	1. Prepare performance agreements with agreed and approved measures/indicators and targets
	2. Ensure that the measures/indicators and targets in the performance agreements of senior managers are linked with his/her agreement
	3. Ensure that all senior managers performance agreements are published

	4. Provide inputs into senior managers performance agreements
	5. Ensure that the measures/indicators and targets of the departments and subordinates are linked with the senior managers agreements
Mayoral Committee	Ratify and adopt the performance agreements
5. Monitoring and Evaluation	
Executive Mayor	Monitor and evaluate (according to agreed schedule) the measures/indicators and targets of the Municipal Manager
Municipal Manager	1. Monitor and evaluate (according to the agreed schedule) the measures/indicators and targets of senior managers
	2. Ensure that the results are documented and publicised to the relevant stakeholders
6. Information collection, processing and analysis	
Councillors	1. Provide inputs into the process with reference to the needs and requirements of their constituents and the communities
	2. Ensure that the council officials make all information available
	3. Examination, scrutiny and critical analysis of measures/indicators, targets, outputs and outcomes
Officials	Collect, process and provide the relevant and appropriate information from their respective departments/sections
Local Community and Stakeholders	Provide inputs into the process with reference to their specific needs and requirements
7. Auditing of information	
Performance Management Manager	1. Collect and process relevant and appropriate information from departments
	2. Examination, scrutiny and critical analysis of information from departments
Performance & Audit Committee	Examination, scrutiny, and critical analysis of information from departments
Auditor-General	1. Collect and process the relevant and appropriate information from the municipality
	2. Examination, scrutiny and critical analysis of information from the municipality

8. Audit reporting	
Internal Auditor	Provide an independent audit report to the Performance & Audit Committee
Performance & Audit Committee	Provide an independent audit report to the Municipal Manager and Mayoral Committee
9. Reporting	
Municipal Manager	Provide approved, relevant, and appropriate information and reports to national and provincial government; and the Auditor-General
10. Report to Community	
Municipal Manager	Ensure that the results are documented and publicised to the relevant stakeholders
11. Review of performance management and setting of new measures/indicators, and targets	
Officials	1. Provide inputs into the process with reference to the available resources within their respective departments
	2. Document the measures and indicators and targets
	3. Provide and publicise the schedule of revised measures indicators and targets to relevant stakeholders
Councillors	1. Provide inputs into the process with reference to the needs and requirements of their constituents and the communities
	2. Engage with the officials to ensure maximum utilisation of the resources taking into account the budgetary guidelines and possible limitations in the light of the revised measures/indicators and targets
Local Community and Stakeholders	Provide inputs into the process with reference to their specific needs and requirements in the light of the revised measures/indicators and targets

5.4.3 Setting and Measures/indicators Targets

The setting of measures/indicators, and targets happens during the IDP process and is linked to the strategic objectives of the IDP. Performance measures/indicators and targets are used to show how the municipality is performing on its objectives. This stage comprises setting measures/indicators and targets, and then gathering data and information on these measures/indicators to assess the progress of the municipality. Performance measurement allows the MLM to compare actual performance to intended performance, and against nationally defined minimum standards. It will also, in time, allow for the comparison of own performance against that of other municipalities.

Performance targets are the planned level of performance or the milestones the municipality sets for itself for each indicator identified. Baseline measurements and service standards must be identified, which will serve as the measurement of the chosen indicator(s) at the start of the period. In setting targets, it is important to know how the MLM is performing at the current moment. This step also tests whether the chosen indicator is in fact measurable and whether there are any problems. The targets need to be realistic, measurable and commensurate with available resources and capacity. The public need to be consulted on their needs and expectations in setting a target. Politicians need to give clear direction as to the importance of the target and how it will address the public need.

Targets should be informed by the development needs of communities and the development priorities of the municipality. Each financial year the municipality must set performance targets for each of the KPIs set by it. A performance target must be practical and realistic. It must measure the efficiency, effectiveness, quality, and impact of the performance of the municipality. It must also identify administrative components, structures, bodies, or persons for whom a target has been set. It is important that the set target is commensurate with available resources and the MLM's capacity. Finally, targets need to be consistent with the municipality's development priorities and objectives set out in its IDP.

In order to measure progress in terms of a target during monitoring and evaluation (as discussed in the section that follows); intermediate milestones, if applicable, should be specified with the same criteria as for performance targets.

The following general KPIs are prescribed in Section 10 of the Municipal Planning and Performance Management Regulations, 2001 and must be reported on annually:

1. The percentage of households with access to basic level of:
    a. water,
    b. sanitation,
    c. electricity, and
    d. solid waste removal.

2. The percentage of indigent households with access to free basic services.
3. The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's IDP.
4. The number of jobs created through municipality's local economic development initiatives including capital projects.
5. The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan.
6. The percentage of a municipality's budget actually spent on implementing its workplace skills plan.
7. Financial viability as expressed by ratios that measure
    a. debt coverage,
    b. outstanding service debtors to revenue, and
    c. cost coverage.

The national government has furthermore agreed on 12 outcomes as a key focus of work. These outcomes have been expanded into high-level outputs and activities, which in turn formed the basis of a series of performance agreements between the President of South Africa and relevant ministers. While all of the outcomes can to some extent be supported through the work of local government, Outcome 9 (A responsive, accountable, effective, and efficient local government system) and its seven outputs are specifically directed at local government:

- **Output 1:** Implement a differentiated approach to municipal financing, planning and support.
- **Output 2:** Improving access to basic services.
- **Output 3:** Implementation of the Community Work Programme.
- **Output 4:** Actions supportive of the human settlements outcome
- **Output 5:** Deepen democracy through a refined ward committee model;
- **Output 6:** Administrative and financial capability.
- **Output 7:** Single window of co-ordination.

A KPI qualifies the main aspect that needs to be achieved and thus measures the progress being made in achieving the objectives. It should therefore specify the object or deliverables to be achieved and the means by which it will be measured. Depending on the nature of the KPI, it may also include specifications regarding the quantity and standards of the object, and usually includes the timing or projected phasing of delivery. KPIs may be both strategic and operational in nature. The KPIs must be relevant to the competencies of local government.

The number of indicators should serve the purpose of providing an adequate view of performance. For this reason, there should not be too few to skew the picture nor be too many to make it costly and unmanageable. A balanced set of indicators that cover most areas should preferably be used. Indicators should also be set for all entities and service providers when service delivery agreements are entered into. Such indicators are to be informed by the relevant KPIs.

The municipality will use indicators as a communication tool between all levels of staff, and between the administration and council. It will also serve to identify the gaps between IDP strategies and the operational plans of the various departments. All indicators should be measurable, simple, precise, relevant, adequate, and objective.

Types of Indicators

The following types of indicators will be used:

- ***Input Indicators***

These indicators measure what it costs the municipality to purchase the essentials for producing desired outputs (economy), and whether the municipality achieves more with less, in terms of resources (efficiency) without compromising quality. The economy indicators may be the amount of time, money, or number of people it took the municipality to deliver a service.

- ***Output Indicators (measures/indicators of success)***

These indicators measure whether a set of activities or processes yields the desired products or deliverables. They measure effectiveness, i.e., doing things correctly, and are typically associated with operational KPIs. They are usually expressed in quantitative terms.

- ***Outcome Indicators***

These are the indicators that measure the impact or net effect of the products or services of the products/programmes in terms of the achievement of the overall objectives. Strategically, these indicators are the most important to determine. The relationship between outputs and outcomes and measures/indicators determines whether the outputs succeed in achieving the desired outcomes or improvements, i.e., doing the right things. The municipality does not always have full and complete control over those aspects that are measured by outcome indicators. It thus measures the influence it has on conditions or developments in the area. As it is the strategic objectives of the IDP that should determine the desired outcomes of activities, it is important to determine if the outputs over which we have control, are the correct ways with which to address such issues.

Identification of Indicators

The following aspects will be considered when identifying indicators:

1. KPAs, KFAs, strategic objectives and development objectives set in the IDP
2. The activities, projects, programmes, and processes identified in the IDP for achieving the developmental objectives as well as the earmarked resources
3. Whether data and baseline information are available for its measurement in the MLM area.

Setting of KPIs

KPIs must be set in respect of each of the development priorities and objectives referred to in Section 26(c) of the Municipal Systems Act. It must also be ensured that KPIs inform the indicators set for all its administrative units and employees, as well as every municipal entity and service provider with whom the municipality has entered into a service delivery agreement.

The following **SMART** criteria will apply for the determination of KPIs and targets:

S - Specific
M - Measurable
A - Achievable
R - Relevant
T - Time-framed

National KPIs

General KPIs are prescribed in terms of Section 43 of the Municipal Systems Act (2000) and Outcome 9. The MLM takes cognisance of these indicators and will report on them as is required by the act.

Review of KPIs and Targets

The MLM will review its KPIs and targets annually as part of the performance review process or whenever it amends its IDP in terms of Section 34 of the Municipal Systems Act (2000).

Amendment of KPIs and Targets

The MLM will amend its KPIs and targets in line with the Adjustments Budget.

5.4.4 Performance Planning

The performance of the MLM is to be managed in terms of its IDP and the process of compiling an IDP and the SDBIP, and the annual review of the IDP constitute the process of planning for performance.

It should be noted that the last component of the process is that of performance review and the outcome of such a review process must inform the next cycle of IDP compilation and review by focusing the planning processes on those areas in which the MLM has underperformed.

5.4.5 Performance Measurement

Performance measurement refers to the formal process of collecting and capturing performance data to enable reporting to take place for each KPI and against the target set for such indicator. The setting of measures/indicators and targets happens during the IDP process and is linked to the strategic objectives of the municipality. To ensure the integrity of the indicators and targets set, baseline information based on backlog and current performance should be used as the basis for setting sound measures/indicators and targets. Performance measurement allows the MLM to compare actual performance in relation to backlog and current (baseline) performance.

5.4.6 Performance Monitoring

Performance monitoring is an ongoing process by which a manager accountable for a specific indicator and target as set out in the SDBIP continuously monitors current performance against predetermined objectives. The aim of the monitoring process is to take appropriate and immediate interim (or preliminary) action where the indication is that a target will not met by the time that the formal process of performance measurement, analysis, reporting and review is due.

5.4.7 Performance Analysis

Performance analysis involves the process of making sense of measurements/indicators. It requires interpretation of the measurements as conducted in terms of the previous step to determine whether targets have been met and exceeded and to project whether future targets will be met or not. Where targets have not been met, performance analysis requires that reasons for this failure should be examined and corrective action recommended. Where targets have been met or exceeded, the key factors that resulted in such success should be documented and shared so as to ensure organisational learning.

The Executive Management should also ensure that quality performance reports are submitted to the Mayoral Committee and that adequate response strategies are proposed in cases of poor performance.

5.4.8 Performance Reporting

In-year Performance Reporting and Review

The submission of the performance reports on scorecards to the Mayoral Committee for consideration and review of the performance of the MLM as a whole is the next step in the process. The first report is a major milestone in the implementation of any PMS and it marks the beginning of what should become a regular event, namely using the performance report as a tool to review the municipality's performance and to make important political and management decisions on how to improve.

As indicated earlier, it is recommended that the performance report on organisational and SDBIP scorecards be submitted to the Mayoral Committee for consideration and review on a quarterly basis. The reporting should therefore take place in October (for the period, July to end of September – quarter 1 of the financial year), January (for the period October to the end of December – quarter 2), April (for the period January to the end of March - quarter 3) and July (for the period April to the end of June – quarter 4).

The review in January will coincide with the mid-year performance assessment as per Section 72 of the MFMA. This section determines that the accounting officer must by 25 January of each year assess the performance of the municipality and thereafter report the assessment to the Executive Mayor, the National Treasury and provincial treasury, specifically its service delivery performance during the first half of the financial year and the service delivery targets and performance indicators as set out in its SDBIP.

The Mayoral Committee, in reviewing the performance report on organisational and departmental scorecards submitted, will have to ensure that targets committed to in the scorecard have been met; where they have not, satisfactory and sufficient reasons must be provided by Executive Management. Corrective action proposed must be sufficient to address the reasons for poor performance. If the Mayoral Committee is satisfied with the corrective action as proposed, this must be adopted as formal resolutions, minuted and actioned accordingly.

Annual Performance Reporting and Review

On an annual basis, a comprehensive report on the performance of the MLM also needs to be compiled. The requirements for the compilation, consideration, and review of such an annual report are set out in chapter 12 of the MFMA. In summary, it requires the following:

1. All municipalities for each financial year must compile an annual report.
2. The annual report must be tabled within seven months after the end of the financial year. (However, in terms of a National Treasury directive, municipalities are required to approve the first draft of an annual report during August.)
3. Immediately after it has been tabled, the annual report must be made public, and the local community must be invited to submit representations on the document.
4. The Council must consider the annual report within nine months after the end of the financial year and adopt an oversight report containing the Council's comments on the annual report.
5. The oversight report as adopted must be made public.
6. The annual report as tabled and the Council's oversight report must be forwarded to the Auditor-General, the provincial treasury and the department responsible for local government in the province.
7. The annual report as tabled and the Council's oversight report are submitted to the provincial legislature.

The oversight report to be adopted provides the opportunity for full Council to review the performance of the MLM. The requirement that the annual report once tabled, and the oversight report be made public, similarly provides the mechanism for the general public to review the performance of the MLM.

The Council may also resolve that an annual public campaign should involve the citizens of the MLM in the review of municipal performance over and above the legal requirements of the Municipal Systems Act and the MFMA. Such a campaign could involve all or any combination of the following methodologies:

- Various forms of media, including radio, newspapers and billboards could be used to convey the annual report.
- The public may be invited to submit comments on the annual report via telephone, fax and e-mail.
- Public hearings could be held in a variety of locations to obtain input of the annual report.
- Making use of existing structures such as ward and/or development committees to disseminate the annual report and invite comments.
- Hosting a number of public meetings and roadshows at which the annual report could be discussed, and input invited.

The following table is derived from the legislative framework for performance management and summarises for ease of reference and understanding the various performance reporting as it applies to the MLM:

REPORT TYPE	DESCRIPTION
Quarterly IDP and SDBIP Reporting	The SDBIP is a key management, implementation and monitoring tool which provides operational content to the end-of-year service delivery targets, set in the budget and IDP. It determines the performance agreements for the Municipal Manager and all top managers, whose performance can then be monitored through Section 71 monthly reports and evaluated through the annual report process. The SDBIP information on revenue will be monitored and reported monthly by the Municipal Manager in terms of Section 71(1)(a) and (e): *For example, if there is lower than anticipated revenue and an overall cash shortage in a particular month the municipality may have to revise its spending downwards to ensure that it does not borrow more than anticipated*. More importantly, such information requires the municipality to take urgent remedial steps to ensure it improves on its revenue collection capacity if the municipality wants to maintain its levels of service delivery and expenditure. Section 1 of the MFMA (No. 56 of 2003) states that the SDBIP as a detailed plan approved by the mayor of a municipality in terms of service delivery should make projections for each month of the revenue to be collected, by source, as well as the operational and capital expenditure, by vote. The service delivery targets and performance indicators need to be reported on quarterly (MFMA, 2003).
Mid-year Budget and National and Provincial Report	Section 72 of the MFMA requires the accounting officer to prepare and submit a report on the performance of the municipality during the first half of the financial year. The report must be submitted to the mayor, the National Treasury as well as the relevant provincial treasury. As with all other reports this is a crucial report for the Council to consider mid-year performance and what adjustments should be made, if necessary.

Performance Report	Section 46 of the Municipal Systems Act states that a municipality must prepare for each financial year a performance report that reflects the following: • The performance of the municipality and of each external service provided during that financial year. • A comparison of the performances referred to in the above paragraph with targets set for and performances in the previous financial year. • Measures/indicators to be taken to improve on the performance. The performance report must be submitted at the end of the financial year and will be made public as part of the annual report in terms of chapter 12 of the MFMA. The publication of this report will also afford the public the opportunity to judge the performance of the municipality against the targets set in the various planning instruments.
Annual Report	Every municipality is required by Section 121 of the MFMA and National Treasury Circular 63 to prepare an annual report for each financial year, which must include the following: • The annual financial statements of the municipality or municipal entity as submitted to the Auditor-General for audit (and, if applicable, consolidated annual financial statements). • The Auditor-General's audit report on the financial statements. • An assessment by the accounting officer of any arrears on municipal taxes and service charges. • Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports. • Any explanations that may be necessary to clarify issues in connection with the financial statements. • Any information as determined by the municipality. • Any recommendations of the municipality's performance audit committee. • An assessment by the accounting officer of the municipality's performance against the measurable performance objectives for revenue collection and for each vote in the municipality's approved budget for the relevant financial year.

	• The annual performance report prepared by a municipality. • Any other information as may be prescribed.
Oversight Report	The council of a municipality must consider the municipality's annual report (and that of any municipal entity under the municipality's control), and in terms of Section 129 of the MFMA, within two months from the date of tabling of the annual report, and must adopt an oversight report containing the council's comments, which must include a statement on the council's decision in terms of the following: • Approval of the annual report with or without reservations. • Rejection of the annual report. • Referral of the annual report back for revision of those components that can be revised. In terms of Section 132 of the MFMA, the following documents must be submitted by the accounting officer to the provincial legislature within seven days after the municipal council has adopted the relevant oversight report: • The annual report (or any components thereof) of each municipality and each municipal entity in the province. • All oversight reports adopted on those annual reports.

Schedule for Performance Reviews

The performance of the employee in relation to their Performance Agreement must be reviewed in accordance with the following schedule.

Quarterly performance appraisals shall be conducted for all contracted and permanent employees no later than two weeks after the end of the last month of the quarter for which the appraisal is being done.

First Quarter	July to September	3rd week in Oct
Second Quarter	October to December	3rd week in Jan
Third Quarter	January to March	3rd week in April

Fourth Quarter	April to June	3rd week in July

The quarterly appraisal shall be performed as follows:

1. Between the employee and their immediate superior.
2. The appraisal shall be based on actual achievement of the indicators agreed for each deliverable or target.
3. The employer must keep a record of the quarterly assessment meetings.
4. Performance feedback must be based on the employer's assessment of the employee's performance and supporting portfolio of evidence (PoE).

The employer will be entitled to review and make reasonable changes to the provisions of the performance plan from time to time for operational reasons on agreement between both parties.

5.5 Performance Management Process

5.5.1 Municipal Level

The MLM organisational PMS can be defined as the planning process whereby the MLM set the strategic agenda, vision and mission, as well as strategic objectives and development objectives for the upcoming financial year/s, and the desired performance results. Performance management at organisational level involves various phases:

Phase 1: Planning

The IDP process and the performance management process should appear to be seamlessly integrated. The IDP fulfils the planning stage of performance management. Performance management fulfils the implementation management, monitoring and evaluation of the IDP process.

Phase 2: Priority Setting

In setting priorities, the municipality should inter alia consider the following:

1. An assessment of development in the municipal area, identifying development challenges and the status quo of the underdeveloped areas.
2. A long-term development vision for the municipality to address its development challenges.

3. A set of KPAs, strategic objectives and development objectives, based on identified needs, achievable in the current term of office, that would contribute significantly to the achievement of the development vision for the area.
4. A set of internal transformational objectives.
5. Additional projects and programmes identified in contributing to the achievement of the above objectives.
6. A financial plan and medium-term income and expenditure framework that is aligned to the priorities of the municipality.
7. A spatial development framework.

To be useful in the management of performance, the IDP must provide very clear indicators by which to measure the achievement of the objectives and unambiguous targets for those indicators.

Phase 3: Setting Objectives

All components of the IDP need to be translated into a set of clear and tangible predetermined development objectives (PDOs). This is a crucial stage in ensuring that there is clarity on the IDP and that the suitable indicators are found. A clear and concise construction of statement of objectives is needed. The statement requires a tangible, measurable and unambiguous commitment to be made. It is often useful to have a clear timeframe attached to this commitment in objective statement.

Phase 4: Setting Key Performance Indicators

KPIs are measurements that tell us whether progress is being made in achieving our objectives. Indicators should describe performance dimension considered key in measuring performance. The ethos of performance management as implemented in local governments and captured in the Municipal Systems Act and Municipal Planning and Performance Management Regulations rely centrally on the use of KPIs.

Phase 5: Setting Targets

The municipality should have clear objectives for its IDP and identified appropriate indicators. Targets are purely objectives or milestones for what we intend an indicator to measure at various timeframes. Performance targets are planned level of performance or milestones the MLM sets for itself for each indicator identified. Targets are usually expressed in quantity or time terms.

Phase 6: Monitoring

Monitoring is a continuous process of measuring, assessing, analysing and evaluating the performance of the organisation and departments with regard to KPIs and targets. Mechanisms, systems and processes for monitoring should provide for reporting at least twice per annum to the MLM Council and the community, it should enable detection of early indication of under-performance and provide for corrective measures/indicators.

Phase 7: Review

Review includes assessment of the system itself, the framework, targets, and performance targets of departments and performance measurement of employees. It identifies the strengths, weaknesses, opportunities, and threats of the municipality in meeting KPIs, performance targets and general KPIs. It also measures/indicators, the economy, efficiency, effectiveness in the utilisation of resources, and impact in so far as performance indicators and targets set by the MLM are concerned.

Performance improvement and adjustment is based on review. The MLM should ensure that the community participates in review.

The organisational performance management processes have the following phases:

1. Performance planning
2. Performance monitoring & reporting
3. Performance reviewing (evaluation & assessment)
4. Performance auditing.

5.5.2 Individual Level

The employee PMS can be defined as the process through which the planned performance objectives as defined in the IDP are cascaded into the employee's annual performance plans. This allows for the planning, coaching and monitoring, reviewing and rewarding of performance, and the enhancement of development, at the level of the individual employee. The process comprises four phases.

Phase 1: Planning

This is about jointly identifying individual performance expectations and gaining the employee's commitment in achieving these expectations. This also entails the identification of KFAs and indicators, the establishment of year-end targets and the planning for the phasing in of the year-end target into quarterly targets (cumulatively and quarterly).

Phase 2: Performance Coaching

This is the phase of continuously tracking and improving performance, through feedback and reinforcement of key results and competencies. This is done with a view to timely detect performance relapses and to simultaneously introduce speedy remedial actions. A prescribed record sheet is used to record evidence and remedies.

During this phase, the actual performance must be determined on a quarterly basis and judged against the quarterly obligation as well as the cumulative performance and the standards that have been set in advance. During this phase it is also important to provide and present any evidence proving performance.

Although actual measurements are done each quarter, formal performance reviews are to be done half yearly and at year-end, provided the documented performance in the first and third quarter is satisfactory.

Phase 3: Reviewing

This phase involves jointly assessing performance against expectations (planned versus actual performance) at mid-year and year-end. The manager or supervisor is to set up formal quarterly reviews to assess the relevance of the objectives and the employee's performance against the objectives and a formal final review in June.

The process for reviewing performance is as follows:

- The evaluated employee to submit the required PoE to the manager.
- The evaluated employee to prepare for the formal review by scoring themself against the agreed objectives, KPIs and targets.
- The evaluated employee to submit the PoE
- The assessor or panel and evaluated employee will meet to finalise the formal performance review and agree on the final scores.

- The assessor or panel to prepare final scores of the evaluated employee's performance.

Should the evaluated employee not agree with the outcome of their performance results, they may follow the dispute procedure as outlined in the Regulations for Section 57 employees and other employees, to follow the MLM dispute resolution process.

The assessor or panel and evaluated employee must prepare and agree to a personal development plan. This only needs to be done at the final review in June in conjunction with the annual skills efficiency analysis re-view.

The Evaluation Panel for Reviewing Performance

According to the Municipal Performance Management Regulations (2006), Regulation 27(4)(d) stipulates the composition of panels as follows:

- For purposes of evaluating the Municipal Manager:
    - Executive Mayor
    - Chairperson or delegated member of the Performance & Audit Committee
    - Members of the Mayoral Committee
    - Mayor and/or municipal manager from another municipality
    - One ward committee member as nominated by the Executive Mayor.

- For purposes of evaluating the annual performance of managers directly accountable to managers:
    - Municipal Manager
    - Chairperson or delegated member of the Performance & Audit Committee
    - Relevant member of the Mayoral Committee
    - Municipal manager from another municipality.

- For purposes of evaluating the annual performance of managers and specialists:
    - Head of department (implementation phase)
    - Supervisor/line manager
    - Employee
    - PMS specialist.

Phase 4: Year-end Review and Rewarding

This phase establishes the link between performance and reward. It aims to direct and reinforce effective work behaviours by determining and allocating equitable and appropriate rewards to employees. Permanent employees will initially be awarded **non-financial rewards** for good performance and ultimately financial rewards will be determined through the national collective bargaining process at South African Local Government Bargaining Council.

5.6 Performance Auditing

5.6.1 The Role of Internal Audit in terms of Performance Management

The MFMA requires that the municipality must establish an internal audit section, which could be outsourced, depending on its resources and specific requirements. Section 45 of the Municipal Systems Act stipulates that the results of the municipality's performance measures/indicators must be audited by the internal audit section as part of the internal auditing process and annually by the Auditor-General.

The Municipal Planning and Performance Management Regulations stipulate that the internal audit section must on a continuous basis audit all performance and the auditing must include an assessment of the following:

- The functionality of the municipality's performance management system
- Whether the municipality's performance management system complies with the act
- The extent to which the municipality's performance measurements are reliable in measuring the performance of municipalities by making use of indicators.

Functionality

Function could be defined as a proper or expected activity or duty or to perform or operate as expected. This could also be applied to the operation of any system such as the PMS. The internal audit section must therefore on a regular (quarterly) basis audit whether the PMS of the MLM is functioning as developed and described in this framework.

Compliance

The MLM's PMS must comply strictly with the requirements of the Municipal Systems Act, Regulations and the MFMA. The MLM's internal audit unit, at least on a quarterly basis, verifies that the PMS complies with the legal requirements.

Reliability

To rely could be defined as to trust or depend (upon) with confidence. Reliability in the context of PMS refers to the extent to which any performance measures/indicators reported on could be seen as being reliable, e.g., if the performance target was to build 500 houses and it is reported that the target has been met or exceeded, it must be established whether the information is factually correct or only an estimation or even worse, purposeful misrepresentation.

Undertaking a reliability audit will entail the continuous verification of performance measures/indicators and targets reported on. This will require that the MLM sets in place a proper information management system (electronically or otherwise) so that the internal audit section is able to access information regularly and to verify its correctness. The MLM's internal auditor must submit quarterly reports on the audits undertaken to the Municipal Manager and the Audit Committee.

5.6.2 Performance & Audit Committee

The MFMA and the Municipal Planning and Performance Management Regulations require that the municipal council establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No councillor may be a member of an audit committee. Council must also appoint a chairperson who is not an employee. The regulations give municipalities the option to establish a separate performance audit committee whereas the MFMA provides for a single audit committee. The operation of this audit committee when dealing with performance management is governed by Section 14 (2 - 4) of the regulations which require that the audit committee do the following:

1. Review the quarterly reports submitted to it by the internal audit unit.
2. Review the municipality's PMS and make recommendations in this regard to the council.
3. At least twice during a financial year submit an audit report to the municipal council

In order to fulfil their function, a performance audit committee may, according to the MFMA and the Regulations, act as follows:

1. Communicate directly with the council, municipal manager or the internal and external auditors of the municipality concerned.
2. Access any municipal records containing information that is needed to perform its duties or exercise its powers.

3. Request any relevant person to attend any of its meetings, and, if necessary, to provide information requested by the committee.
4. Investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

5.7 General Performance Management Issues

There are some general issues related to performance management that require consideration in implementing the PMS of the municipality.

5.7.1 Managing Poor Performance

Should an employee not achieve the PDOs, indicators and targets in their performance agreement, the manager and the employee should agree on corrective measures. (It is inappropriate that an employee is informed of their non-performance at the formal performance review). Employees **must** be given feedback throughout the year.

Early Warning Mechanisms

The municipality's 1st quarter performance report should be used as an early warning mechanism to determine whether the annual developed objectives, KPIs and targets will be achieved. The departments should review mechanisms to improve its performance and indicate to the internal audit and Performance & Audit Committee how they intend to improve performance.

Addressing Poor Performance

The management of poor performance should be seen as a corrective process, focusing on addressing issues that lead to performance-related problems. Counselling is seen as the first corrective process, which should include the following:

1. Identify and agree on the problem.
2. Describe the impact of the poor performance.
3. Establish reasons for poor performance.
4. Decide and agree on what actions are required and set the necessary timeframes.
5. Resource the agreed actions.

5.7.2 Reward and Recognition

Non-financial Rewards

Non-financial reward is based on recognising high performance in ways other than financial reward.

Such recognition could be based on the following three approaches:

- ***Informal*** These are spontaneous and can be implemented with minimal planning and effort, e.g., calling an employee into the office and thanking them for a job well done with no further discussion.
- ***Awards for specific achievements and activities*** These are tailored to reward specific achievements and behaviours desired most in the organisation, e.g., long service awards and monthly awards.
- ***Formal*** If the municipality has formal recognition programmes, some may be used to formally acknowledge (publicly) significant contributions by individuals and teams, e.g., annual Mayor's Awards for Excellence.

Performance Bonuses

In view of the promulgation of regulations providing for the recruitment, selection and appointment of senior managers (Government Gazette 37245, Local Government: Regulation on Appointment and Conditions of Employment of Senior Managers, Section 35, 17 Jan 2014), the policy is amended to the extent to provide for the payment of performance bonuses to senior managers appointed in terms of these regulations and in accordance with the directives in such regulations and any applicable prescripts on performance management (Government Gazette 43122, Local Government: Upper Limits of Total Remuneration Packages Payable to Municipal Managers and Managers Directly Accountable to Municipal Managers, 20 March 2020).

The annual performance score of an individual is calculated based on the SDBIP, KPIs results and core competencies rating, added together to give a total score. This total score is converted by the assessment-rating calculator (in terms of the regulations) for performance management and bonus purposes.

Paragraph 32 of the regulations provides that a performance bonus ranging from 5% to 14% of the all-inclusive remuneration package may be paid to an employee in recognition of outstanding performance.

In determining the performance bonus, the relevant percentage is based on the overall rating, calculated by using the applicable assessment-rating calculator. The following applies:

- A score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%.
- A score of 150% and above is awarded a performance bonus ranging from 10% to 14%.

In the case of *unacceptable performance* (score between 0 and 99%), the employer shall proceed as follows:

- Provide systematic remedial or developmental support to assist the employee to improve his or her performance.
- If, after appropriate performance counselling and having provided the necessary guidance and/or support and reasonable time for improvement in performance, performance has not improved, the employer may consider steps to terminate the contract of employment of the employee on grounds of unfitness or incapacity to carry out their duties.

Allocation of Bonus

The table that follows provides for the threshold for the allocation of bonus and institution of poor performance management measures/indicators, depending on the level of performance expressed in percentages in line with the regulations above.

The third column also provides actual thresholds for the payment of bonus with the fourth column, entitled Rewards or Corrective Action, providing the actual bonus quantum in proportion to the actual performance score with the determined thresholds.

Key terminology used in the regulations is 'outstanding performance' and 'unacceptable performance'. A performance score of 130% and above will constitute 'outstanding performance'. A performance score between 100% and 129 % is deemed as 'not fully satisfactory' and no bonus will be considered. A performance score between 0 and 99% is deemed as 'unacceptable' and will be dealt with in terms of the poor performance management programme.

Rating	Terminology	Percentage
5	Outstanding performance	150% and above
4	Performance significantly above expectations	146%–149%
		141% –45%
		136%–140%

3	Fully effective	130%–135%
2	Performance not fully satisfactory	100%–129%
1	Unacceptable performance	0%–99%

Where a manager has acted in a position for a period longer than three months, pro rata bonuses may be considered. This will be within the discretion of the Municipal Manager (in the case of managers reporting to them) and Executive Mayor (in the case of the Municipal Manager).

5.7.3 Dispute Mechanism

The procedure for dealing with substandard performance is prescribed in Regulation 16 of the Disciplinary Regulations for Senior Managers.

The Municipal Performance Management Regulations for Section 57 managers provide clear guidelines for performance disputes relating to the performance agreements of the municipal manager and managers directly accountable to the municipal manager. Below is the process of dispute as it relates for Section 57 employees' performance agreements as stipulated in the said regulations.

Any disputes about the nature of the employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/or any other matter provided for, shall be mediated as follows:

- In the case of the municipal manager, the MEC for local government in the province within 30 days of receipt of a formal dispute from the employee, or any other person designated by the MEC.
- In the case of managers directly accountable to the municipal manager, the executive mayor or mayor within 30 days of receipt of a formal dispute from the employee.

In the event that the mediation process outlined above fails, the relevant clause of the Contract of Employment shall apply.

The following process relates to dispute relating to employees below Section 57 employees:

- Conducting performance counselling in the case of poor performance.
- If counselling does not yield results, employees are put on performance improvement process with action plan and clear timelines.
- If performance does not improve, disciplinary process will be initiated, as per the mentioned disciplinary regulations.

5.7.4 Integrating PMS with the Council's existing Management Cycle

Leading practice indicates that PMS stand the best chance to succeed if it is integrated with the current management cycle of the municipality. The purpose of such a cycle would be to guide the integration of important processes, such as the strategic planning or development process in terms of the IDP methodology, the annual budget process, and the formal process of evaluating and assessing council's performance in terms of the approved PMS and this framework. It is recommended that the municipality develop and adopt a similar cycle that is suitable to its own circumstances and requirements.

Chapter 6: Alignment to Municipal Systems Act

Core Components of Integrated Development Plans	Section in Midvaal IDP
(a) The municipal council's vision for the long-term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs.	Section 3.1
(b) An assessment of the existing level of development in the municipality, which must include an identification of communities that do not have access to basic municipal services.	Section 2.5 & 2.9
(c) The council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs.	Section 3.3 & Section 4.3
(d)The council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation.	Section 2.7 & Section 3.5
(e) A spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality.	Section 4.4 & Annexure B
(f) The council's operational strategies.	Section 3.4
(g) Applicable disaster management plans.	Section 4.7 & Annexure C
(h) A financial plan which must include a budget projection for at least the next three years.	Section 4.1
(i) The KPIs and performance targets determined in terms 35 of section 41.	Section 5

Status of Municipal Sector Plans – Midvaal Local Municipality

No.	KEY PERFORMANCE AREA	SECTOR PLAN/S*	STATUS & REMARKS (Adoption & Review Dates)
1.	Local Economic Development	Local Economic Development Strategy	Adopted in 2023. Included as Annexure D in the 2023/2024 Midvaal IDP.
2.	Service Delivery & Infrastructure Development	Disaster Management Plan	Adopted in May 2022. Annual review adopted with the 2023/2024 IDP as Annexure C.
		Water Conservation and Water Demand Management Strategy and Business Plan	Adopted in 2020. Five-year plan currently being implemented. Included as Annexure E in the 2023/2024 Midvaal IDP.
		Integrated Waste Management Plan	Adopted in 2021 Five-year plan currently being implemented. Included as Annexure I in the 2023/2024 Midvaal IDP.
3.	Spatial Planning & Sustainable Environmental Development	Midvaal Spatial Development Framework	Adopted in May 2022 Annual review adopted with the 2023/2024 IDP as Annexure B.
		Human Settlement Plans	Adopted in May 2022 Annual review dopted with the 2023/2024 IDP as Annexure H.
4.		Financial Plan	Adopted in May 2022

	Financial Viability & Management		Annual review adopted in the 2023/2024 IDP as Chapter 4.1.
		ICT Strategy (2021-2026)	Adopted in 2021 Five-year plan currently being implemented. Included as Annexure F in the 2023/2024 Midvaal IDP.
5	Good Governance & Institutional Development	Chapter 4.2 – Human Resource Strategy	Adopted in May 2022 Annual review adopted in the 2023/2024 IDP as Chapter 4.2.
		Performance Management Policy	Adopted in May 2022
		Midvaal Integrity Management Strategy	Adopted in 2023 Included as Annexure G in the 2023/2024 Midvaal IDP.

Annexures

Annexure A Community Needs

- Annexure A1: Priority Projects per Ward
- Annexure A2: Community Needs - Non-Municipal Competency
- Annexure A3: Community Needs - Municipal Competency

Annexure B Final Spatial Development Framework (2023/2024)

Annexure C Final Disaster Management Plan (2023/2024)

Annexure D Local Economic Development Strategy (2023)

Annexure E Water Conservation and Water Demand Management Strategy and Business Plan (2020)

Annexure F ICT Strategy (2021-2026)

Annexure G Midvaal Integrity Management Strategy (2023)

Annexure H Final Human Settlement Plan (2023/2024)

Annexure I Integrated Waste Management Plan (2021-2026)

Annexure J Letter received from MEC: COGTA on the 2022-2027 IDP

Annexure K Response Letter to MEC: COGTA on the 2022-2027 IDP