

# **LIM345 LOCAL MUNICIPALITY**



**2017/18-2022**

**DRAFT IDP**

## **ABBREVIATIONS**

|        |   |  |
|--------|---|--|
| ABET   | - | Adult Basic Education and Training                       |
| ART    | - | Annual Training Report                                   |
| ARVT   | - | Anti Retroviral Treatment                                |
| CASP   | - | Comprehensive Agricultural Support Programme             |
| CBO    | - | Community Based Organisation                             |
| BEE    | - | Black Economic Empowerment                               |
| Cs     | - | Community Survey   |
| DSAC   | - | Department of Sports, Arts and Culture                   |
| DEA    | - | Department of Environmental Affairs                      |
| DGP    | - | District Growth Points                                   |
| DHSD   | - | Department of Health and Social Development              |
| DME    | - | Department of Minerals and Energy                        |
| DPLG   | - | Department of Provincial and Local Government            |
| DLGH   | - | Department of Local Government and Housing               |
| DWA    | - | Department of Water Affairs                              |
| EIA    | - | Environmental Impact assessment                          |
| EMF    | - | Environmental Management Framework                       |
| EMS    | - | Emergency Medical Services                               |
| EPWP   | - | Expanded Public Works Programme                          |
| ESKOM  | - | Electricity Supply Commission                            |
| FBE    | - | Free Basic Electricity                                   |
| FET    | - | Further Education and Training                           |
| GIS    | - | Geographic Information System                            |
| GRAP   | - | General Recognized Accounting Principles                 |
| HDI    | - | Historical Disadvantaged Individuals                     |
| HR     | - | Human Resource   |
| ICT    | - | Information and Communication Technology                 |
| IEM    | - | Integrated Environmental Management                      |
| IGR    | - | Intergovernmental Relations                              |
| IIASA  | - | Institution of Internal Auditors of South Africa         |
| IT     | - | Information Technology                                   |
| JOC    | - | Joint Operation Committee                                |
| LDA    | - | Department of Land Affairs                               |
| LDOE   | - | Limpopo Department of education                          |
| LED    | - | Local Economic Development                               |
| LEDET  | - | Limpopo Economic Development, Environment and Tourism    |
| LGSETA | - | Local Government Sector Education and Training Authority |
| LMs    | - | Local Municipalities                                     |
| MFMA   | - | Municipal Finance Management Act                         |
| MIG    | - | Municipal Infrastructure Grant                           |
| NEMA   | - | National Environmental Management Act                    |
| NGO    | - | Non-Governmental Organization                            |
| PGP    | - | Provincial Growth Points                                 |
| PMU    | - | Performance Management Unit                              |
| PPF    | - | Professional Practice Framework                          |
| PPP    | - | Private Public Partnership                               |
| PEA    | - | Potential Economically Active                            |
| RAL    | - | Roads Agency Limpopo                                     |

|          |   |   |
|----------|---|---|
| RDP      | - | Reconstruction and Development Programme        |
| RESIS    | - | Revitalisation of Small Irrigation Schemes      |
| SANBI    | - | South African National Biodiversity Institute   |
| SANPARKS | - | South African National Parks                    |
| SARS     | - | South African Revenue Services                  |
| SCM      | - | Supply Chain Management                         |
| SDF      | - | Spatial Development Framework                   |
| SEA      | - | Strategic Environmental Assessment              |
| SMME     | - | Small Medium and Micro Enterprise               |
| SOER     | - | State of Environment Report                     |
| SWOT     | - | Strength, Weaknesses, Opportunities and Threats |
| VCT      | - | Voluntary Counseling and Testing                |
| VDM      | - | Vhembe District Municipality                    |
| WTW      | - | Water Treatment Works                           |

## **FOREWORD BY THE MAYOR**



I have pleasure to present this Integrated Development Plan (IDP) for LIM345 Municipality for the period 1 July 2017 to 30 June 2022, which is presented in terms of Section 27 of the Municipal Structures Act (No. 117 of 1998) (MSA), as well as all relevant legislation and policies that inform the mandate and governance and control environment of the municipality.

As a newly established municipality, Section 27 of the MSA directs that we undertake an integrated development process, and further that we undertake a strategic planning process to reflect a vision, mission, values and strategic goals for the institution, taking into consideration the socio-economic realities of the municipality.

This process of strategic planning commenced with a strategic planning workshop, held in early October 2016, attended by the newly elected Chief Whip and Speaker of Council, Executive Committee and Portfolio Members, the Chairperson of MPAC, together with the municipal officials and a range of critical stakeholders, including Traditional Leaders and stakeholders from sector departments.

I emphasised at the opening of the strategic planning session that our Strategic Plan for the next 5-years should guide the planning of national and provincial government departments operating within the municipal area of LIM345. Most importantly, to ensure that jointly our plans are aligned to the National Development Plan (NDP) – the strategic framework within which all planning must take place, against a Vision for South Africa by 2030.

We have therefore taken care to ensure that the LIM345 Strategic Plan is aimed at significantly contributing to the elimination of poverty and reducing inequality by 2030. While the primary goal is to improve the lives of all the people of our municipality, the

particular emphasis must be on the young people who presently live in poverty. We are under no illusions that achieving this goal will require hard work, leadership and unity. Therefore, in constructing this plan, we have subscribed to the notion that “*Success is realised when preparation and opportunity meet*”.

There is a need to push good values of the organisation to current and future employees – to introduce an organisational culture founded on good principles. We need to remember – people outlined service delivery as a basis to seek their own separate municipality. Therefore, unity in action must drive everyone to be a winning team: “*united we stand and divided we fall*”. To this end, two parallel and mutually reinforcing roles of local government, to which LIM345 subscribes, are: (1) sustainable upliftment and empowerment of local communities, and (2) sustainable creation of an environment for economic development and opportunity. The primary vehicle for carrying out these roles is service delivery. Thus, there is urgency behind the need to create the capacity to be able to deliver the required services.

In SONA February 2016, the President of the Republic of South Africa, Mr Jacob Zuma, reminded us that our focus needs to be on making people’s lives better. The five priorities of government – education, health, the fight against crime, creating decent work and rural development and land reform therefore establishes the basis for the strategic objectives of our municipality.

As a new municipality, we have engaged in robust discussions around infrastructure development – as the building block for establishing a lively municipality that will be financially viable and improve the living conditions of the people of the municipality. Therefore, we need to move with pace to ensure the functionality of the municipality – people must be able to see that their councillors and municipal officials care for them and are responsive to their needs. We have thus taken the effort to develop our service standards and commitments charter, which is included in this document.

Our 5-year Strategic Plan is also an endeavour to set in motion the approaches and strategies to improve the local economy, particularly through tourism and agriculture, in line with the National Vision for 2030. Local tourism needs to be a job driver for LIM345, and we need to move fast with the agricultural, entrepreneurial and tourism development plans of the municipality.

We aim to incorporate the municipality’s strategic approach in the fight against diseases, in particular, against HIV/AIDs and Tuberculosis. We will therefore be

working very closely with the Department of Health to ensure our health facilities are up to standard.

We are committed to ensuring a collective commitment to achieve a positive audit outcome in line with the Back-to-Basics programme and Operation Clean Audit, and that, as servant leaders, through stewardship and sustainability of the municipality, we will embrace and constructively contribute to the noble objectives of developmental local government.

I would like to take this opportunity to express the Mayoral Executive Committee's commitment to support the organisation as it concentrates on the delivery of efficient, effective – and indeed excellent – programmes, through the performance focus and intent outlined in this Strategic Plan.

---

**Cllr Bila Tintswalo Joyce**

**Mayor of LIM345**

## **OVERVIEW BY THE ACTING MUNICIPAL MANAGER**

LIM 345 was established in terms of Section 12 of the Municipal Structures Act (No. 117 of 1998) (MSA), following the local government elections held on 3 August 2016. It is a category B municipality and a collective executive system, combined with a ward participatory system in terms of Section 9 of the MSA.

As the point of departure for the development of this 5-year Strategic Plan, I have pleasure to provide an overview of the progress that has been made in establishing the municipality, particularly, since the first sitting of Council on 17 August 2016, where my appointment as Acting Municipal Manager was confirmed.

Off a zero base, the priority of the administration has been to establish the fundamentals for municipal functionality:

- 1) Establishment of Council – successfully achieved on 17 August 2016: PMT and EXCO were elected and key resolutions taken, including the naming of the municipality and the council seating; Acting MM and CFO appointed; 2017/18 organisational structure adopted; rules and orders of council and code of conduct adopted and a system of delegations adopted.
- 2) Instructional development – IDP plan process has been adopted; rationalised HR and IT policies have been adopted and are being implemented; Acting Technical Services Director appointed; lease accommodation finalised; title deed for civic centre obtained; councillors were remunerated earlier than anticipated and grading concluded by the MEC; IDP / budget adopted and staff orientation conducted on officials eligible for absorption.
- 3) Financial systems and viability – primary bank account opened with First National Bank and the following transfers were effected - Equitable Share (R63 million), FMIG (R2 million) and Municipal Transitional Grants (R5 million); financial systems acquired; rationalised financial policies adopted and implemented; supply chain database advertised; 320 registered suppliers being utilised for the provisioning of services; transport and other allowances paid to officials seconded to the municipality; payment of rental for facilities effected, including the license services; and two call accounts opened for projects and savings.
- 4) Governance systems – adopted the framework for ward committee establishment and published dates for nomination and elections of ward committees (36); established Mayor's Traditional Leaders Forum; conducted CIP and orientation programme; portfolio heads allocated to various EXCO members; declared a vacancy at ward 03 and rationalised by-laws adopted.

The functionality of the municipality has been established with very few resources and a flat organisational structure, consisting of the Acting Municipal Manager, Acting CFO, Acting Technical Services Director and a handful of other employees. We have

therefore focused on the critical priorities for municipal functionality, whilst ensuring service delivery commences.

Of importance, was to determine the status of projects from the IDPs of previous municipalities, as reflected in the table below:

The 2016/17 projects will continue to be implemented by Machado LM and Thulamela LM. However, projects for 2017/18 and onwards are being reviewed and new priorities set by LIM345. This includes a review of the list of projects at various stages of planning and implementation (including budget provision) by Machado LM and Thulamela LM.

A projects prioritisation framework has been established to ensure projects are prioritised against the strategic priorities of the municipality and the input received from communities via the IDP process. The following are some of the guidelines that will apply to prioritising projects:

Developments at major economic hubs; areas that will include roads, electricity to public centre's (i.e. clinics, traditional councils, schools, etc.); high traffic volume roads; public transportation roads (i.e. bus routes, taxi routes etc.); road maintenance; backlogs of electricity, housing and roads should be prioritised as basic service delivery; and engagement with WSA (VDM) on water and sanitation projects.

Expanded Public Works Programme (EPWP): Opportunities for implementing the EPWP have been identified in the infrastructure, environmental, social and economic sectors. The programme involves reorienting line function budgets so that municipality's expenditure results in more work opportunities, particularly for unskilled labour. Note the following:

The EPWP is funded through the Incentive grant, which is based on the performance of the municipality. However, as a new municipality, LIM345 has not been allocated any EPWP budget for the 2016/17 financial year. Opportunities to save overtime and use EPWP, paid through the Equitable Share, are being explored for 2016/17. We will be liaising with the Department of Public Works to ensure the municipality is allocated an adequate portion of the incentive grant for the 2017/18 financial year and beyond.

The immediate, most pressing challenges that we currently face include a lack of personnel; delays in the grading of the municipality by SALGA; non-installation of telecommunications and IT services, due to lack of office accommodation; outstanding election of section 79/80 committees; inability to appoint supply chain management committees, due to a lack of staff; Applications for development not being attended to, due the non-establishment of a planning department in the municipality; non-transfer of assets by both Makhado and Thulamela LMs; and the prominent threat of land invasions.

Considering the progress made and the challenges highlighted above, our short to medium term priorities include:

The urgent establishment of Section 79/80 committees, and appointment of Audit/ Performance and Risk Committees, and the Municipal Development Tribunal;

Urgent transfer / absorption of staff and assets from Thulamela and Makhado;

Grading of the municipality by SALGA to enable advertisement and other related processes;

Identify mechanisms to implement EPWP this financial year, in light of no budget allocation;

Conduct road shows on the payment of services, as part of the revenue enhancement strategy of local government;

Conduct a land audit and invoke legal action against those who invaded municipal land;

Urgent appointment of SCM committees as soon as staff become available;

Develop our municipal infrastructure investment plan, and a procurement plan aligned to the priorities identified, as well as operations and maintenance plans;

Finalise the 2016/17 SDBIP, and rollout the approved IDP development process;

Procure insurance services for Human and Capital assets;

Audit tenants at the civic centre for leasing purposes;

Conduct skills audit for personnel, particularly those at the Traffic Service Centre;

Appointment of contractors for MIG projects;

Review the PMU business plan; and

Open an account with Eskom and the district in relation to services at the DCO.

## **SECTION 1: EXECUTIVE SUMMARY**

### **Introduction**

Lim345 Local Municipality is a Category B executive Municipality, established in the year 2016 in terms of Local Government Municipal Structures Act No. 117 of 1998. In order to stress the inclusiveness of Lim 345 – as a municipality that presides over two towns and an number of villages and the areas between them, all with their own histories, all inhabited by people cherishing local hopes and aspirations. As a Municipality, we unequivocally pledge an equal commitment to all areas that constitutes Lim 345 Municipal area. The Municipality consists of 36 wards (directly elected Councilors), 35 Proportional Representative Councilors and 33 Traditional Leaders

The MSA requires municipalities in South Africa to prepare a five-year strategic plan to guide all development and management within the municipal area. The plan is developed in consultation with community stakeholders, and the provincial and national government. It is the principal planning instrument that guides and informs the municipal budget and all actions.

### **Legal Framework for the revision/development of the IDP:**

The IDP comprises a package of documents. Other documents and instruments that support the main document include the municipal budget, the SDBIP of the Municipality (containing detailed programmes, projects, and associated resource allocation and performance targets), various sector plans to support and direct the work of different functional areas of the Municipality, and ward plans.

The IDP outlines:

- An analysis of Lim 345 Municipal area, and current trends and issues.
- The national and regional policy context for preparing IDPs (NDP, LDP etc).
- Communities' needs for service delivery as expressed through various engagements.

- The findings of various medium and longer term sector plans, as required by law and supporting and directing the work of different functional areas of the Municipality.
- The municipality's overall strategy and way of work for the next five-years, including focus areas, predetermined objectives and activities.
- The municipality's broad financial plan and planned allocation of resources.
- Related monitoring and evaluation activities over the year ahead.

## **LIM 345 MUNICIPALITY AT A GLANCE**

Lim 345 Municipality is in the Northern part of Limpopo Province. As can be seen from figure 1 and 2, the Municipality is part of the Vhembe District and is situated between Greater Giyani, Thulamela, and Makhado municipalities. To the north-east the Municipality's borders extend to Mozambique and on the south east to Kruger National Park. The Municipality is flanked by two dominant roads, namely D4 that connects the Municipality to the N1 to Musina and Gauteng. Whilst the R81, connects the Municipality via Giyani to Mopane and Capricon District. The Municipal land area covers 5 467.216km<sup>2</sup> (22° 35' S 30° 40' E) in extent with a population of approximate of 347 974 inhabitants. There are two main towns namely, Malamulele and Vuwani Town; and 173 Villages in Lim 345 municipal jurisdiction. Figure 3, gives a visual presentation of the settlement footprint of the Municipality.

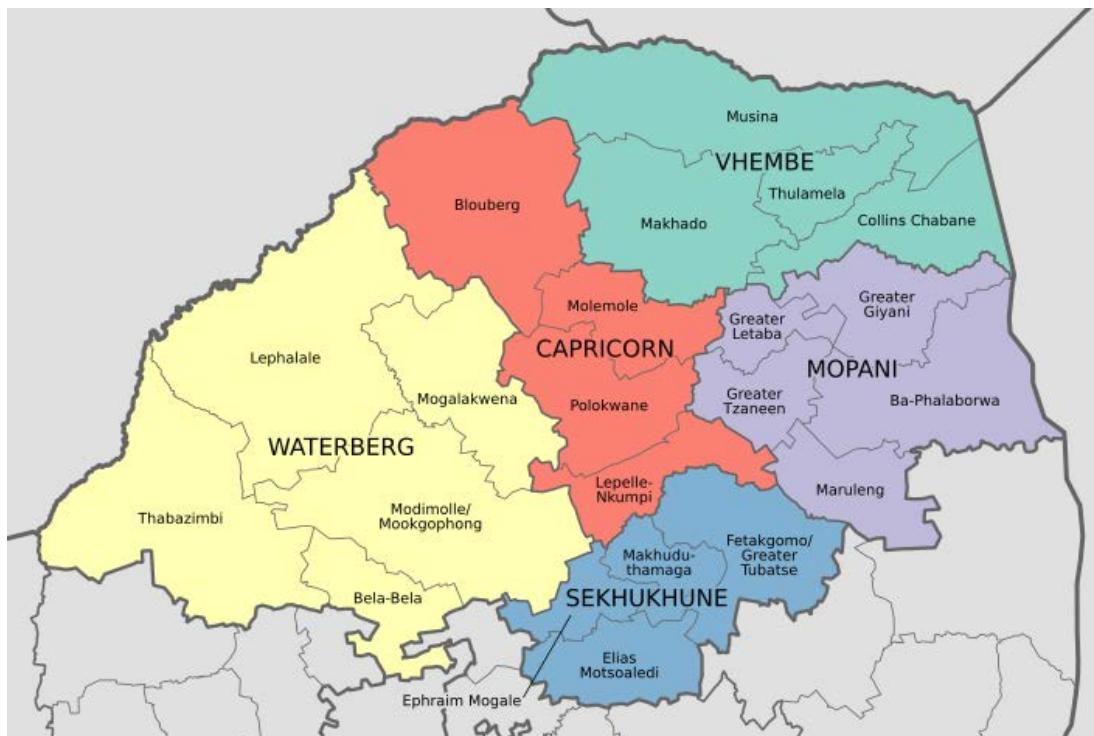


Figure 1: Map of Limpopo Province Municipal Area ( Source VDM)

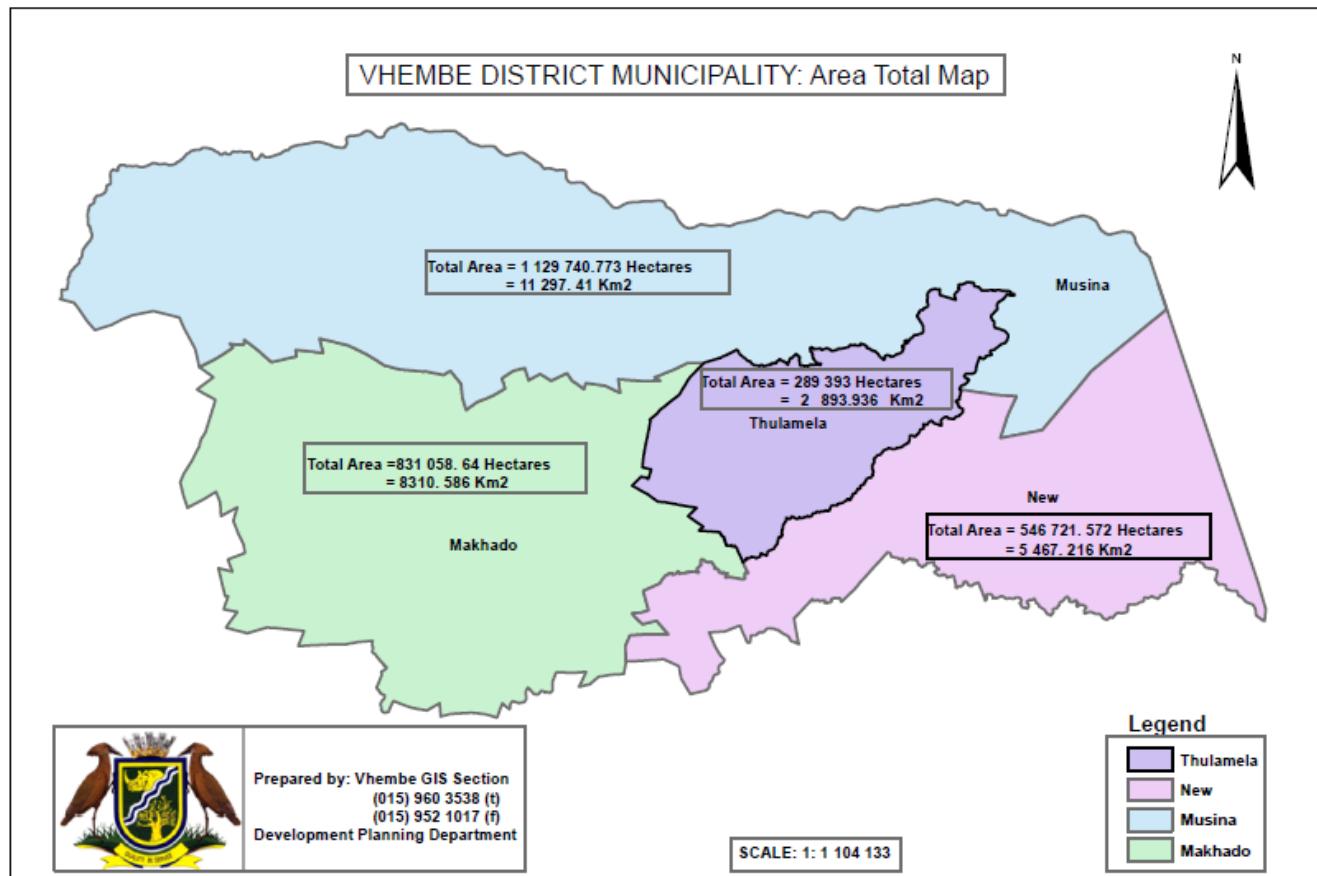


Figure 2: Spatial composition (Source VDM)



Municipal Demarcation Board  
Tel: (012) 342 2481  
Fax: (012) 342 2480  
email: info@demarcation.org.za  
web: www.demarcation.org.za

#### Legend

- Place Names
- Airports
- Schools
- Police Stations
- Health Facilities
- Local Municipalities
- Ward
- Parent Farm
- Traditional Authorities
- District Municipalities
- Dams
- National Roads
- Main Roads
- Secondary Roads
- Railways
- Rivers

Data supplied by:  
Statistics South Africa  
Department: Water Affairs & Forestry  
Department: Provincial & Local Government  
Department: Health  
Department: Safety & Security  
Department: Education  
Department: Transport



August 2016



## New Local Municipality (LIM345)

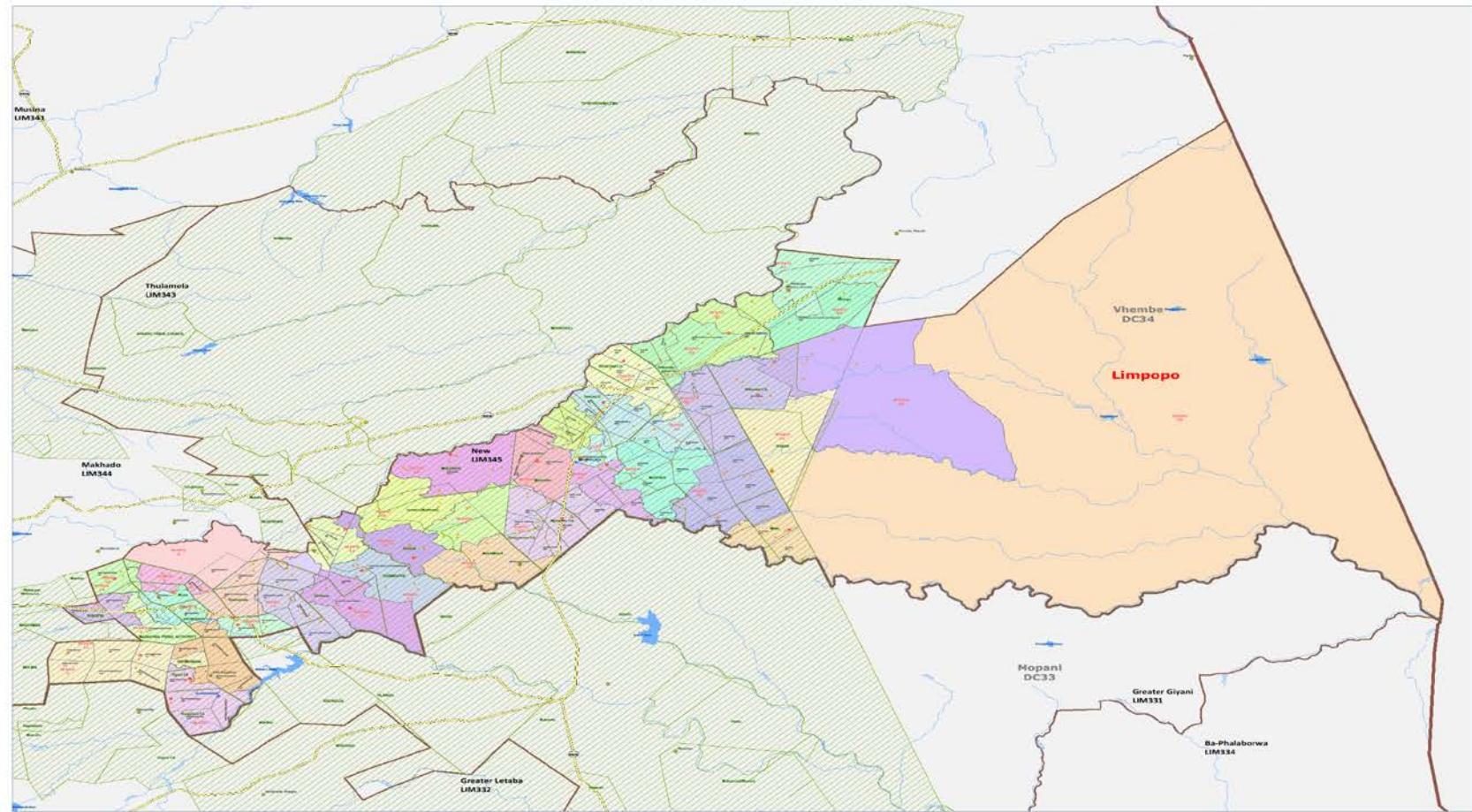


Figure 3 Lim 345 Municipal Area and 36 Wards ( Source MDB,2016)

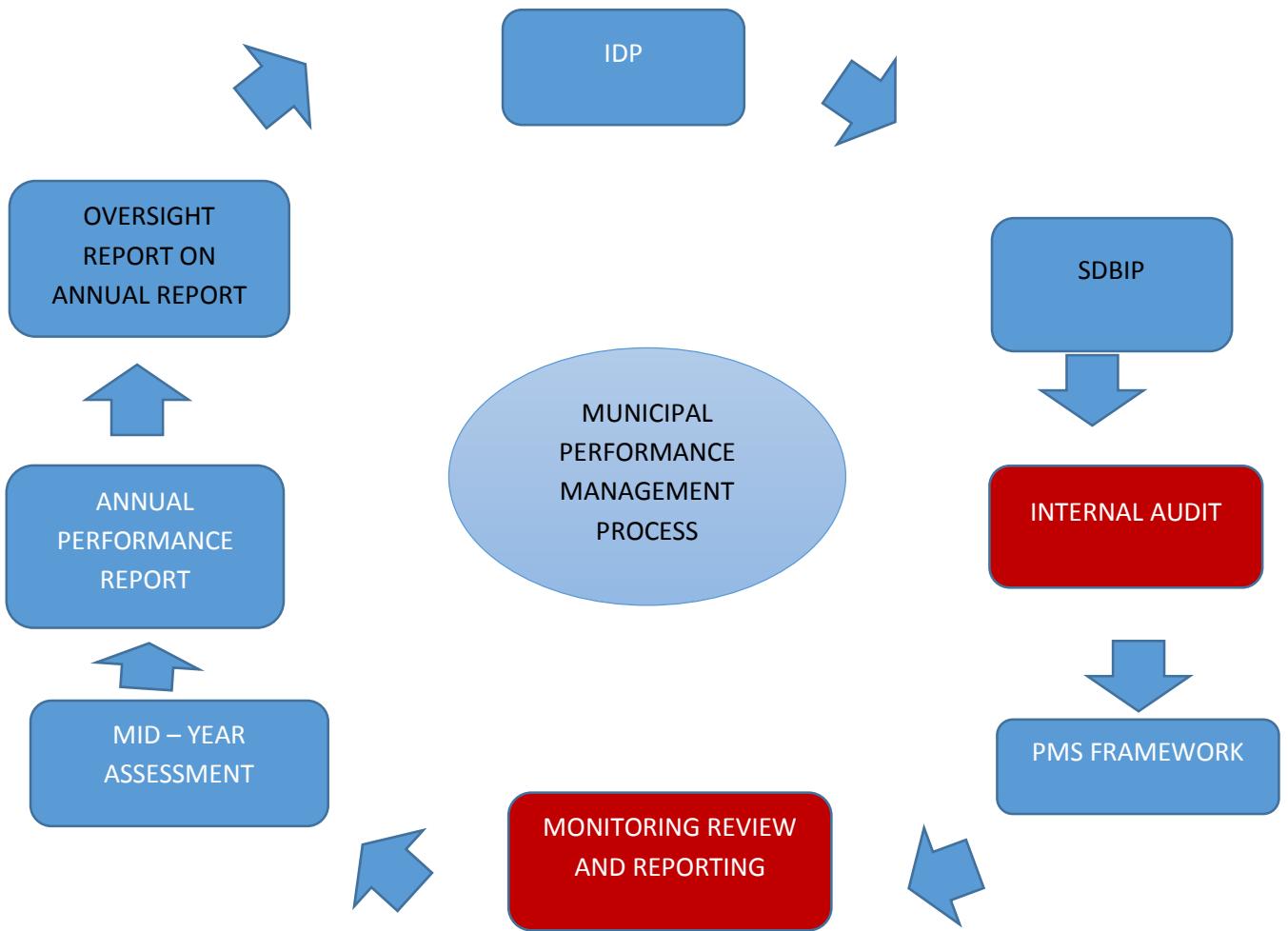


Diagram 1: IDP Framework (Source Cogsta:IDP)

## PLANNING FRAMEWORK

The Integrated development (IDP) as a primary outcome of the process of integrated development planning is a tool for bridging gap between the current reality and the vision of (1) alleviating poverty and meeting the short-term development needs of the community and stakeholders within the municipal area and (2) eradicating poverty from our municipality over the long- term in an efficient, effective and sustainable manner

## **Legislative Background and Policy Imperatives**

Supportive to the constitutional mandate and the objectives of the White Paper are a number of legislative and regulatory prescripts aimed at facilitating the developmental duties of local government, thus further informing the mandate of LIM345.

| <b>Legislation and Regulations informing the mandate of LIM345</b> |  |
|--|--|
| <b>Municipal Demarcation Act (No. 27 of 1998), as amended</b>      | Provides the criteria and procedures for the determination of municipal boundaries by an independent authority. The Municipal Demarcation Board was established in 1999.   |
| <b>Municipal Structures Act (No. 117 of 1998), as amended</b>      | Provides the framework for the establishment of municipalities, outlines the appropriate division of powers and functions between district and local municipalities and regulates the governance structures and electoral systems for demarcated municipalities.<br><br>Key amendments: approaches to address matters relating to municipal manager contracts and ensuring effective systems for interventions in the case of under or non-performance by municipalities.  |
| <b>Municipal Systems Act (No. 32 of 2000), as amended</b>          | Establishes a framework for municipal planning and performance management, as well as systems for municipalities to report on their performance.<br><br>Sets out frameworks to govern service tariffs as well as credit control and debt collection.<br><br>Details why and when the provincial government is allowed to place a municipality under administration.<br><br>Key amendments: professionalising local government by ensuring that professional qualifications and experience are the criteria governing the appointment of senior managers; that senior political party office bearers may not be appointed to top municipal jobs; and that staff members dismissed for misconduct may only be employed in a municipality after a period, prescribed by the minister, has lapsed. |
| <b>Municipal Electoral Act (No. 27 of 2000)</b>                    | Regulates all aspects of municipal elections.  |

| <b>Legislation and Regulations informing the mandate of LIM345</b>            |  |
|---|--|
| <b>Disaster Management Act (No. 57 of 2002), as amended</b>                   | <p>Provides for an integrated and coordinated disaster management policy focused on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness and rapid and effective responses to disasters and disaster recovery.</p> <p>Sets out the roles and responsibilities for all categories of municipalities in this regard.</p>                                       |
| <b>Municipal Finance Management Act (No. 56 of 2003) (MFMA), as amended</b>   | Provides the framework for securing sound and sustainable management of the fiscal and financial affairs of municipalities and municipal entities by establishing norms, standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility.   |
| <b>Municipal Property Rates Act (No. 6 of 2004), as amended</b>               | Provides for municipalities to implement a transparent and fair system of rates on property, exemptions, reductions, and rebates in rating policies.   |
| <b>Public Audit Act (No. 25 of 2004)</b>                                      | Provides for the auditing of institutions in the public sector by the Auditor General.   |
| <b>Intergovernmental Relations Act (No. 13 of 2005), as amended</b>           | <p>Provides for the implementation of the cooperative governance principles defined in the Constitution. It provides a framework for establishing intergovernmental forums and other mechanisms to coordinate the work of the three spheres of government.</p> <p>Municipalities are represented on the national intergovernmental structures by SALGA, but are usually directly involved at provincial level.</p> |
| <b>Municipal Fiscal Powers and Functions Act (No. 12 of 2007), as amended</b> | To facilitate proper coordination of macro-economic tax policy objectives across all three spheres of government; and ensure that municipal fiscal powers and functions are exercised in a manner that will not materially and unreasonably prejudice national economic policies or economic activities.   |
| <b>Annual Division of Revenues Act(s)</b>                                     | Allows for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for each financial year; and the   |

| <b>Legislation and Regulations informing the mandate of LIM345</b>           |   |
|--|---|
|  | responsibilities of all three spheres pursuant to such division and allocations.  |
| <b>Spatial Planning and Land Use Management Act (No.16 of 2013) (SPLUMA)</b> | Effective from 1 July 2015, provides a framework to govern planning permissions and approvals, set parameters for new developments and provide for different lawful land uses.<br><br>As a framework law, it provides the broad principles for a set of provincial laws to regulate and ensure aligned planning across the three spheres of government. |
| <b>Infrastructure Development Act (No.23 of 2014)</b>                        | Provides for the facilitation and coordination of public infrastructure development which is of significant economic or social importance across the three spheres of government.   |

### **Developmental duties of municipalities**

A municipality must-

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

The white paper on Local Government expects municipalities to be working with citizens and groups within the community to find sustainable ways to meet their economic, social and material needs and improve the quality of their lives.

The Municipal Systems Act (MSA 2000) defines the IDP as one of the core functions of a municipality and makes it a legal requirement for every council to adopt a single, inclusive and strategic plan for the development of its municipality.

Other laws amongst others that provide guidelines for the development of IDPs include:

- The Local Government Transition Act second Amendment Act 1996 (Act 97 of 1996);
- The Municipal Demarcation Act, 1998 that provides the framework for the on-going demarcation
- National Environmental Management Act: Waste Act, Act No.59 of 2008

The IDP was prepared within the legal and policy requirements, opportunities provided and challenges posed by the local, provincial and national context.

### **The National Planning Context.**

The Lim 345 Local Municipality is aware of the critical challenges facing the country as a whole, as well as the National Strategies Priority Areas to meet those challenges. The government has identified five priority areas for the next five years (2014-2019)

- Creation of decent work and sustainable livelihoods;
- Education;
- Health;
- Rural development, food security and land reform; and
- The fight against crime and corruption.

In order to achieve these objectives the performance and developmental impact of the state will have to vastly be improved. While capacity building, better systems, a greater focus on implementation, and improved performance management will play a key part in this endeavour, integration, alignment and synergy between the actions of three spheres government are important.

As decided by Cabinet around aligning the NSDP,PGDS and IDPs, the key to this activity is ensuring that the three spheres of government use the common platform of (1) “need/poverty” and (2) “developmental potential” as espoused in the NSDP to analyze the space economy of their areas of jurisdiction. In addition to this decision it requires for the role of the IDPs of the municipalities in determining and structuring public investment and development spending to be drastically strengthened. This means that municipalities should play a greater role in determining priorities and resources allocation. The IDPs have to become far more decisive on the areas of need and development.

### **The National Development Plan**

National Development Plan (NDP) offers a long- term perspective. It defines as a desired destination and identifies the role of different sectors of the society that need to play in reaching the goal. The NDP aims to eliminate poverty and reduce inequality by 2030. According to the plan South Africa can realize these goals by drawing energy of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, promoting leadership and partnership throughout the society.

NDP objectives are:

- Increase employment from 13m in 2010 to 24m in 2030
- Raise per capita income from 50 000 in 2010 to 120 000 by 2030
- Establish a competitive base of infrastructure, human resources and regulatory framework
- Broaden ownership of assets to historical disadvantaged groups
- Increase quality of education
- Provide access to quality health care
- Establish effective, safe and affordable transport
- Ensure households food and nutrition security

- Realise a food trade surplus, with one third produced by small scale farmers or households; and
- Play a leading role in continental development, economic integration and human rights.

### **New Growth Path Framework 2010**

The Framework details government approach to create decent jobs, reducing inequality and defeating poverty and calls for;

- A more inclusive and greener economy
- Government to prioritize its efforts and resources to support employment creation and equity
- Business to take challenge of investing in new areas
- A vision to achieve a more developed, democratic, cohesive and equitable society

### **The Provincial Planning Context**

The primary influencing factor in the provincial domain is the Limpopo Development Plan (LDP). The LDP sees the competitive advantage of the Province in mining, agriculture, tourism and manufacturing. Clustering is viewed as key to success in these sectors. In case of the District, the strategy emphasis investments in agriculture, forestry, tourism and to a lesser extent, trade.

In order to give effect to the strategic objectives, as spelled out in the electorate mandate of the ruling party, the provincial Government of Limpopo has contextualized ten priority areas, as contained in the Medium Term Strategic Framework into key strategic priorities which will guide service delivery for the next five years.

### **Limpopo Development Plan focuses on:**

Ensuring more inclusive economic growth, decent work and sustainable livelihoods

Economic and social infrastructure

- Rural development, food security and land reform
- Access to quality education
- Improved health care
- Fighting crime and corruption
- Cohesive and sustainable communities
- Creation of better world and better Africa
- Sustainable resource management and use
- A developmental state, including improvement of public services

The LDP also argues that IDP's should, in addition to the municipal focus, also consider wider Provincial and National issues. It also mentions that IDPs should strike a balance between interventions focused on addressing the social needs of citizens and promotion of economic growth. The LDP emphasizes on decent work and sustainable livelihoods as the foundation of the fight against poverty and inequality and its promotion should be the cornerstone of all the efforts.

### **The Limpopo Development Plan (Key pillars)**

- Economic development and transformation
- Infrastructure development
- Building developmental state
- Social Cohesion and Transformation

## **The Local Planning Context**

At the local level, a number of fundamental issues impact on the planning processes of the Lim 345 Municipality. Firstly, the Municipality is informed by National, Provincial and district programmes such as NDP, New Growth Path, NSDP, LEGDP and the District Developmental Plans.

Secondly, and most important its geographical location and key features such agro-processing and tourism if optimal utilized may see the rapid development. The 2014/19 Maruleng IDP is a continuation of the drive towards the alleviation of poverty over a short term and eliminating of endemic poverty over the longer period.

This IDP also focuses on the National Development Plan (NDP), Limpopo Employment Growth and Development Plan etc. At the core of the 2014/19 IDP is the challenge and commitment to (1) deepen local democracy, (2) enhance political and economic leadership, (3) accelerate service delivery, (4) build a developmental local government, (5) ensure that the municipal planning and implementation are done in an integrated manner within all spheres of government.

## **Powers and Functions of Lim 345 Municipality**

The Municipality has the following functions and powers in terms of Section 84(1) of the Municipal Structures Act, No 117 of 1998

| <b>Key Roles / Functions</b>                | <b>Responsible</b> |
|---|--------------------|
| <b>Primary</b>                              |                    |
| <b>Roads and storm water</b>                | <b>Lim 345</b>     |
| <b>Waste management</b>                     | <b>Lim 345</b>     |
| <b>Promote local economic development</b>   | <b>Lim 345</b>     |
| <b>Sports and recreation facilities</b>     | <b>Lim 345</b>     |
| <b>Provision of grave sites for burials</b> | <b>Lim 345</b>     |

| Key Roles / Functions   |  | Responsible                  |
|---|--|------------------------------|
| Primary   |  |                              |
| <b>Traffic law enforcement</b>                                    |  | <b>Lim 345</b>               |
| Secondary   |  |                              |
| <b>Basic Services: housing, water and sanitation, electricity</b> |  | <b>Province and District</b> |
| <b>Disaster management</b>  |  | <b>Province and District</b> |
| <b>Education -</b>  |  | <b>Province</b>              |
| <b>Health and transport</b>                                       |  | <b>Province</b>              |

Table 1 Powers and Functions ( Source: Lim 345)

### Institutional Arrangements to drive IDP

| IDP/BUDGET STEPS             | PLANNING ACTIVITY                                  | TASK  | MECHANISM                         | PARTICIPANTS BUDGET MANAGERS        | DATE/TIME SCHEDULE |
|------------------------------|--|---|-----------------------------------|-------------------------------------|--------------------|
| <b>1. PRE PLANNING PHASE</b> | IDP/Budget process Plan for 2017/18 Financial Year | Compile a detailed IDP/Budget Process Plan for 2017/2018 complete budget evaluation checklist | Meeting                           | IDP/Budget Steering Committee       | 1 August 2016      |
|                              | IDP/Budget process Plan                            | Consideration of IDP/Budget process Plan  | IDP Representative Forum meetings | Meeting all key stakeholders        | 30 August 2016     |
|                              | IDP/Budget process Plan                            | Consideration of IDP/Budget process Plan  | EXCO Meeting                      | Councillors and Senior Managers and | 30 August 2016     |

|                          |  |   |                                  |   |                   |
|--------------------------|--|---|----------------------------------|---|-------------------|
|                          |  |   |                                  | designated Managers                                     |                   |
|                          | IDP/Budget process Plan                      | Approval of IDP/Budget Process Plan   | Council meeting                  | All Councillors   | 31 August 2016    |
| <b>2. PLANNING PHASE</b> | IDP Analysis Phase (1 <sup>st</sup> quarter) | Identification of Gaps & Collection of information  | IDP Office desktop               | IDP/Budget Steering Committee                           | 06 September 2016 |
|                          | IDP Analysis Phase                           | Identification of Gaps & Collection of information on Community needs                         | Cluster Meetings                 | Members of Sector Department and Parastatals            | 07 September 2016 |
|                          | IDP Analysis Phase                           | Consideration of Analysis Phase   | Meetings                         | Members of portfolio Committee, prioritization of needs | 09 September 2016 |
|                          | IDP Analysis Phase                           | Consideration of Analysis Phase , prioritization of needs                                     | IDP Representative Forum Meeting | Meeting all key Stakeholders                            | 17 September 2016 |
|                          | IDP Analysis Phase                           | Consideration of Analysis Phase , prioritization of needs and consolidation of Analysis Phase | EXCO Meeting                     | Councillors and Senior Managers and Designated Managers | 19 September 2016 |
|                          | IDP Analysis Phase                           | Consideration of Analysis Phase , prioritization of needs                                     | Council Meeting                  | All Councillors   | 30 September 2016 |
| <b>3.STRATEGIC PHASE</b> | IDP Strategies Phase                         | Confirmation of Development Vision, Strategic Objectives,                                     | Meeting                          | IDP/Budget Steering Committee                           | 06 October 2016   |

|                        |                      |   |  |  |                  |
|------------------------|----------------------|---|--|--|------------------|
|                        |                      | Development Strategies and Risk   |  |  |                  |
|                        | IDP Strategies Phase | Confirmation of Development Vision, Strategic Objectives, Development Strategies and Risk | Cluster Meeting                                    | Members of sector department and parastatals             | 07 October 2017  |
|                        | IDP Strategies Phase | Confirmation of Development Vision, Strategic Objectives, Development Strategies and Risk | Portfolio Committee Meeting                        | Members of Portfolio Committee                           | 10 October 2016  |
|                        | IDP Strategies Phase | Confirmation of Development Vision, Strategic Objectives, Development Strategies and Risk | IDP Representative Development Strategies and Risk | Meeting all key stakeholders of IDP representative Forum | 13 October 2016  |
|                        | IDP Strategies Phase | Confirmation of Development Vision, Strategic Objectives, Development Strategies and Risk | EXCO Meeting                                       | Councillors and Senior Managers and designated Managers  | 20 October 2016  |
|                        | IDP Strategies Phase | Confirmation of Development Vision, Strategic Objectives, Development Strategies and Risk | Council Meeting                                    | All Councillors  | 31 October 2016  |
|                        |                      |   |  |  |                  |
| <b>4.PROJECT PHASE</b> | Project phase        | Review Projects proposals identification, Costing/budget/ source of funding               | Meeting  | IDP/Budget steering Committee                            | 02 November 2017 |

|  |               |   |                                     |   |                     |
|--|---------------|---|-------------------------------------|---|---------------------|
|  | Project phase | Review Projects proposals identification, Costing/budget/ source of funding | Cluster Meeting                     | Member of Sector departments and parastatals            | 04 November 2016    |
|  | Project phase | Review Projects proposals identification, Costing/budget/ source of funding | Portfolio Committee Meeting         | Member of Portfolio Committee                           | 08 November 2016    |
|  | Project phase | Review Projects proposals identification, Costing/budget/ source of funding | IDP Representative Forum            | Meeting all key stakeholders                            | 11 November 2017    |
|  | Project phase | Review Projects proposals identification, Costing/budget/ source of funding | EXCO Meeting                        | Councillors and Senior Managers and designated Managers | 18 November 2017    |
|  | Project phase | Review Projects proposals identification, Costing/budget/ source of funding | Council Meeting                     | All councillors   | 30 November 2016    |
|  |               | Department prepare budget estimates   | Meeting                             | Department of Finance, Finance Portfolio Committee      | 04 November 2016    |
|  |               | Department return Budget estimates to office for consolidation              | Submitting written budget estimates | Municipal Departments                                   |                     |
|  |               | Presentation of draft projects and budget estimates for 2017/18             | Meeting/ Workshop                   | IDP/Budget Steering Committee, IDP Representati         | 02-11 November 2016 |

|                             |                   |   |                  |   |                  |
|-----------------------------|-------------------|---|------------------|---|------------------|
|                             |                   | (also budget adjustment for 2018/19 & MTEF)   |                  | ve Forum,EXCO Council   |                  |
|                             |                   | Presentation of draft projects and budget estimates for 2017/18 (also budget adjustment for 2018/19 & MTEF) | Meeting          | Portfolio Committees  | 02 November 2016 |
|                             |                   | Presentation of draft projects and budget estimates for 2017/18 (also budget adjustment for 2018/19 & MTEF) | Meeting          | IDP/Budget Representative Forum meeting   | 06 November 2016 |
|                             |                   | Presentation of draft projects and budget estimates for 2017/18 (also budget adjustment for 2018/19 & MTEF) | Meeting          | EXCO  | 09 December 2016 |
|                             |                   | Council   | Meeting          | Council   | 31 January 2017  |
| <b>3. INTEGRATION PHASE</b> | INTEGRATION PHASE | Integration of sector plans and local programme   | Meeting          | Steering Committee Representative Forum   | 03 February 2017 |
|                             |                   | 5/1 years Financial Plan for the Municipality   | Meeting/Workshop | Department of Finance, Finance Portfolio Committee                              | 06 February 2017 |
|                             |                   | Integrated Spatial Development Plan Recommendations & LED Strategies  | Meeting/Workshop | Department Planning & Development, Portfolio Committee on Legislation, Land Use | 13 February 2017 |

|                                     |                                   |   |                  |   |                  |
|-------------------------------------|-----------------------------------|---|------------------|---|------------------|
|                                     |                                   |   |                  | Management & Traditional Affairs & LED  |                  |
|                                     |                                   | Infrastructure Investment Strategies/Recommendations                                | Meeting/Workshop | Departmental Technical Services, Community Services and relevant Portfolio Committees | 15 February 2017 |
|                                     |                                   | Integrated Institutional Programme (HR Development Strategy Organogram)             | Meeting/Workshop | Department of Corporate Services, Portfolio Committee on Corporate Services           | 16 February 2017 |
|                                     |                                   | Compilation of drafts IDP/Budget documents  | Meeting/Workshop | Municipal Departments, Steering Committee   | 20-24 March 2017 |
|                                     |                                   | Development of Service Delivery targets & Management Indicators                     | Meeting/Workshop | Municipal Manager, All Sec 57 Managers  | March-May 2017   |
| <b>4. TABLING AND CONSOLIDATION</b> | IDP/BUDGET AND REPORTING          | Tabling of drafts of IDP and Budget and SDBIP and Management indicators for 2018/19 | Meeting          | Council   | 31 March 2017    |
|                                     | Public Participation and Comments | Public Participation on IDP and Budget for 2018/19 FY at nodal areas                | Meeting          | Office of the Speakers, Steering Committee, Portfolio Committees                      | 03-14 April 2017 |

|                                       |                      |  |                              |  |                  |
|---------------------------------------|----------------------|--|------------------------------|--|------------------|
|                                       |                      | Public Comments period and consideration of submitted inputs                           | Written submission of inputs | Office of the Speakers, Steering Committee, Portfolio Committees | 03-21 April 2017 |
|                                       |                      | IDP and Budget draft for 2018/19   | Meeting                      | IDP/Budget Representative Forum Meeting                          | 12 May 2017      |
| <b>5. APPROVAL</b>                    |                      | Budget speech , IDP and Budget approval  | Meeting                      | Council  | 31 May 2017      |
| <b>6. FINALIZATION AND SUBMISSION</b> | IDP/Budget Reporting | Submitting of IDP and Budget to CoGHSTA and Treasury                                   | Submission of documents      | IDP Office, Budget Office  | 01-7 June 2017   |
|                                       |                      | Approval of service delivery and budget implementation plan and performance Indicators | Signing of SDBIP             | Mayor  | 30 June 2017     |

Table 2 Approved Process Plan ( source Lim 345)

### The IDP and IGR

The IDP is the key instrument to achieve developmental local governance for decentralised, strategic, participatory, implementation orientated, coordinated and integrated development. Preparing an IDP is not only a legal requirement in terms of the legislation but it is actually the instrument for realising Municipalities' major developmental responsibilities to improve the quality of life of citizens. It seeks to speed-up service delivery by securing a buy-in of all relevant role-players and provides government departments and other social partners with a clear framework of the Municipality's development trajectory to harness implementation efforts.

Integrated development planning also promotes intergovernmental co-ordination by facilitating a system of communication and co-ordination between local, Provincial and national spheres of government. Local development priorities, identified in the IDP process, constitute the backbone of the local governments' budgets, plans, strategies and

implementation activities. Hence, the IDP forms the policy framework on which service delivery, infrastructure development, economic growth, social development, environmental sustainability and poverty alleviation rests. The IDP therefore becomes a local expression of the government's plan of action as it informs and is informed by the strategic development plans at national and Provincial spheres of government.

Further, in terms of the division of functions and powers between District and Local Municipalities as per S83 and S84 (1) of the Structures Act, a District Municipality has the following functions and powers:

- A District Municipality must seek to achieve the integrated, sustainable and equitable social and economic development of its area as a whole by ensuring integrated development planning for the District as a whole
- Integrated development planning for the District Municipality as a whole including a framework for integrated development plans for the Local Municipalities within the area of the District Municipality.

Moreover, in terms of S29 (2) & (3) of the MSA a District Municipality must plan integrated development for the area of the District Municipality as a whole but in close consultation with the Local Municipalities in that area. A Local Municipality must align its integrated development plan with the framework adopted in terms of S27 (i.e. the District Framework Plan).

### **Institutional arrangements for the IDP Process and Implementation**

In order to manage the drafting of IDP outputs effectively, LIM 345 Municipality institutionalized the participation process thereby giving affected parties access to contribute to the decision-making process. The following structures, linked to the internal organisational arrangements will be established:

- **IDP Steering committee** chaired by the Municipal Manager, and composed as follows: Senior Managers, Managers, Projects Managers, Technicians, Professionals
- **IDP Representative forum** chaired by The Mayor and composed by the following Stakeholder's formations "inter alia: LIM 345 Local Municipality and the District Municipality, Governmental Departments i.e. (District, Provincial and National Sphere's representatives), Traditional leaders, People with disability, Parastatals, NGO's and CBO's, pastors forum, traditional leaders, sector departments, youth, CDW's, ward committees, youth structures, business forum, women's structures
- **IDP Clusters** chaired by departmental Senior Managers and composed of experts, officials, and professionals from all spheres of government: Governance and Administration, Economic, Social, Infrastructure, and Justice Clusters.

## **SECTION 3 DEMOGRAPHIC PROFILE**

### **3.1 POPULATION TRENDS**

Table 3, below shows number population distribution by group in Lim 345 Municipality. A total of 347 975 people are residing in the municipal area. Africans (347109) had the highest number of people staying in Lim345 Municipal area, followed by Indian/Asian ( 301) Coloureds (294) and Whites ( 271).

|                     | <b>Black<br/>African</b> | <b>Coloured</b> | <b>Indian/Asian</b> | <b>White</b> | <b>Total</b> |
|---------------------|--------------------------|-----------------|---------------------|--------------|--------------|
| <b>LIM345 : New</b> | 347109                   | 294             | 301                 | 271          | 347874       |

Table 3 Population Distribution ( Source Stats SA, 2016 Community Survey)

### **3.2 POPULATION AGE AND GENDER DISTRUBUTION**

The age and gender profile provides valuable insight into the composition of the market population and will help establish the Potential Economically Active population (PEA). The PEA population refers to the population that falls within the working age group (between 15 and 64 years). It does not mean that this entire portion of the population is prepared or able to be employed. For example, some prefer to stay at home as housekeepers, some are disabled and others are fulltime students, or have given up looking for work. They do, however, form part of the potential labour pool. Depicting from Table 4, it is evident that the population in Lim 345 Municipal area is relatively young.

|                 | <b>LIM345 : New</b> |
|-----------------|---------------------|
| 0-14 (Children) | 126835              |
| 15-34 (Youth)   | 129019              |
| 35-64 (Adults)  | 66017               |
| 65+ (Elderly)   | 26104               |

Table 4 Age Distribution ( Source Stats SA, 2016 Community Survey)

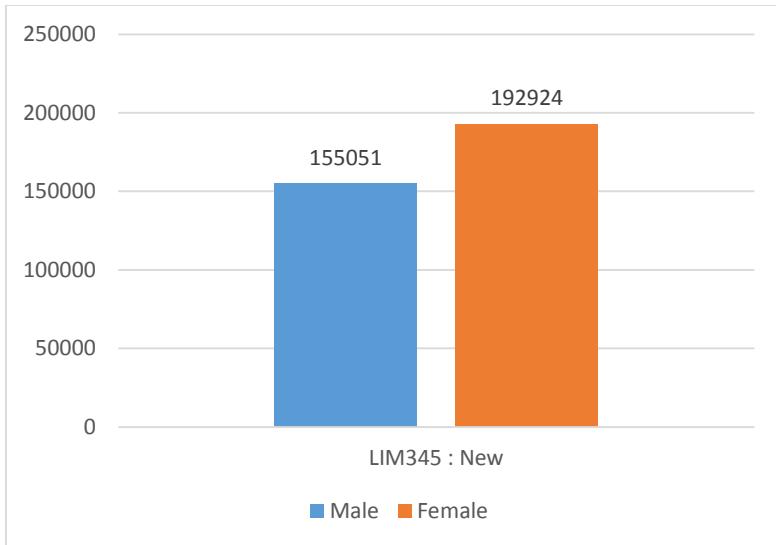


Diagram 2 Gender Distribution ( Source Stats SA, 2016 Community Survey)

Diagram 2 shows, that the male and female distribution of Lim 345 population is a little unequal, there is more women than men. Further, table shows the number of population that falls within the 0-14 age group is almost equivalent to the youth, which gives an indication of the large number of the population that will be entering the labour market in the future. This point at the need for employment opportunities to be created within the area in order to absorb the current unemployed as well as the future labour pool.

| LOCAL OFFICE | OLD AGE      | DISABLED    | WAR VETERAN | GRANT IN AID | FORSTER CARE GRANT CHILDREN | CARE DEPENDENCY GRANT CHILDREN | CHILD SUPPORT GRANT CHILDREN | TOTAL         |
|--------------|--------------|-------------|-------------|--------------|-----------------------------|--------------------------------|------------------------------|---------------|
| MALAMULELA   | 12199        | 2238        | 0           | 705          | 769                         | 387                            | 53068                        | <b>69366</b>  |
| HLANGANANI   | 10244        | 2325        | 1           | 218          | 492                         | 365                            | 30068                        | <b>43713</b>  |
| VUWANI       | 4456         | 569         | 0           | 43           | 187                         | 143                            | 15649                        | <b>21047</b>  |
| <b>TOTAL</b> | <b>26899</b> | <b>5132</b> | <b>1</b>    | <b>966</b>   | <b>1448</b>                 | <b>895</b>                     | <b>98785</b>                 | <b>134126</b> |

Table 5 Social grants (Sassa 2016)

Table 5, gives an overview of the social grant dependency in Lim 345 municipal area. The high number of child support grant indicates a high fertility and unemployment rate.

| Education Level  | LIM345 : New |
|--|--------------|
| Grade 0 - Grade 7/Standard 5                                       | 106927       |
| Grade 8 - Grade 12/Standard 10                                     | 145054       |
| NTC I/N1 - Higher/National/ certificate NQF                        | 3294         |
| Diploma NQF Level 6 - Post-Higher Diploma                          | 5029         |
| Bachelor's degree/NQF Level 7                                      | 2597         |
| Honours degree/ NQF Level 8  | 1857         |
| Masters/ NQF Level 9 degree  | 306          |
| PHD (Doctoral degree/Professional doctoral degree at NQF Level 10) | 243          |
| No schooling   | 79420        |

Table 6 Highest Level of Education

Lim 345 Municipality has a high level of illiteracy, table 6. However the number of people with Post – Higher Diploma is more than 5000.

## HOUSEHOLD PROFILE

|  | LIM345 : New |
|--|--------------|
| Formal dwelling/house or brick/concrete block structure on a | 268498       |
| Traditional dwelling/hut/structure made of traditional mater | 59387        |
| Flat or apartment in a block of flats                        | 332          |
| Cluster house in complex                                     | 385          |
| Townhouse (semi-detached house in a complex)                 | 4057         |
| Semi-detached house  | 663          |
| Formal dwelling/house/flat/room in backyard                  | 7424         |
| Informal dwelling/shack in backyard                          | 1450         |
| Informal dwelling/shack not in backyard (e.g. in an informal | 187          |
| Room/flatlet on a property or larger dwelling/servants quart | 158          |
| Caravan/tent   | -            |
| Other  | 5433         |
| Unspecified  | -            |
| Total  | 347974       |

Table 7 Main dwelling household

## **Situational Analysis**

### **Spatial Rationale**

#### **Purpose of spatial analysis**

The spatial analysis exercise provides a visual picture of the existing spatial pattern (that nodes, networks and areas) that has emerged in the municipal area. This analysis serves to describe the municipal area in spatial terms and understand how space is utilized in the municipality. It also looks at settlement patterns and growth points (nodes), population concentration areas, land claims and their socio-economic implications. All these aspects have a bearing on future land usage, infrastructure investment, establishment of sustainable human settlements, public transport and local economic development

District Growth Point: Malamulele

Municipal Growth Point: Mhinga Vuwani and Hlanganani

Local Service Points: Mukhomi , Xikhundu Olifanshoek and Tshimupfe A & B

Population Concentration Points: Magoro which include areas such as Mahatlani, Majosini, Ribungwani and Bungeni

Tshino which include areas such as Tshino, Tshivhazwaulu, Ramukhuba

Table 8 gives a breakdown of the settlement hierarchy in Lim 345 Municipality.

| Type   | Characteristics   | Areas  |
|--|---|--|
| First order<br>Settlement-<br>District growth<br>point | <ul style="list-style-type: none"><li>▪ Centre of business in municipality</li><li>▪ Existing infrastructure</li><li>▪ It has potential for growth</li></ul>                            | Malamulele and Vuwani                          |
| Second order –<br>Municipal growth<br>point            | <ul style="list-style-type: none"><li>▪ Villages are strategically located</li><li>▪ There is also some level of existing infrastructure as well as potential for development</li></ul> | Mhinga<br>Saselamani, Vuwani<br>and Hlanganani |

|  |  |                                |
|--|--|--------------------------------|
| Third order – high population concentration points | <ul style="list-style-type: none"> <li>▪ Different areas with high population density.</li> <li>▪ Limited economic activities</li> <li>▪ Need for infrastructure network to link the villages</li> </ul> | Chabani, Mukhomoni and Xikundu |
| Fourth order                                       | <ul style="list-style-type: none"> <li>▪ Challenges with huge Infrastructure backlog</li> <li>▪ Little economic activities</li> </ul>  | All other villages             |

Table 8 Settlement Hierarchy

### **Land Use composition and management tools – LUS and GIS**

Land use Management Scheme determines and regulates the use and development of the land in municipal area in accordance with the Spatial Planning and Land Use Management Act ( 2015) and SPLUMA Municipal By-law. Geographic Information System assists with the information regarding land development and upgrading. Lim 345 Municipality is still in the process to develop its own land development system, installation of GIS program.

### **Land Ownership**

| Type  | Number of Population |
|---|----------------------|
| Rented from private individual                                | 2456                 |
| Rented from other (incl. municipality and social housing ins) | 108                  |
| Owned; but not yet paid off                                   | 28161                |
| Owned and fully paid off                                      | 259314               |
| Occupied rent-free  | 48163                |
| Other   | 6726                 |
| Do not know   | 2939                 |
| Unspecified   | 108                  |
| <b>Total</b>  | <b>347974</b>        |

Table 9 Tenure Status

| Informal Settlements  |
|-----------------------|
| IRhulani              |
| Xipurapureni          |
| Mandonsi              |
| Mozambique settlement |

Table 10 Informal Settlements

## **Spatial Challenges**

Scattered settlements thus become too cost to provide services.

The apartheid residential is still very much evident with sprawling rural villages situated in traditional authority areas located far away from employment opportunities, thus become too costly for people to travel to their working places. State- owned land is mostly under the custodianship of Traditional Authorities. Large percentage of land is held under leasehold title and Permission to Occupy. Because of this, land ownership is regarded as insecure, which in turn acts as a hurdle to land development

## **ENVIRONMENTAL ANALYSIS**

### **Climate**

Lim 345 is located in an arid region and it has a very dry subtropical climate, specifically a humid subtropical climate with long hot and rainy summers coupled with short cool and dry winters. The climate here is mild, and generally warm and temperate. When compared with winter, the summers have much more rainfall. The area normally receives about 691 mm of rainfall per year, with most of rainfall occurring mainly during midsummer (WHE, 2016). Large variations are observed for seasonal temperatures, temperature can reach as far as 40°C during summer time.

### **Climate change**

In the South African political setup, local municipalities are the structures that are in direct contact with the communities, and they should include issues of climate change when drawing up their integrated development plans so that adaptation strategies can be established (Letlhoko, 2016). Anthropogenic greenhouse gases such as burning of fossil fuels and deforestation leading to carbon dioxide concentration in the air are main causes of the observed global warming that leads to climate change. Climate change is now a global reality. Water scarcity is now a generic challenge in the Lim 345 together with the extreme hot weather conditions. Climate effects are also felt by crop farmers and the live stock farmers within the whole municipality.

Focal areas such as ecosystems, livelihoods, economic activities, infrastructures, and utilities as well as public health and safety will mainstream climate change responses. This will allow for effective implementation of climate change responses on ground and strengthen climate change resilience within the province (EOR, 2016:16). Vhembe District Municipality has also involved its local municipalities to participate in the development of the district climate change adaptation strategy which is awaiting approval from the council.

## **Air quality**

Poor air quality has a direct impact upon the health and life expectancy of our citizen and improving it is an ambition of all of us. Sources of air pollution in Lim 345 includes industrial activities which include burning coal, oil, and other fuels that causes air pollution, such as clay brick manufacturing, pot manufacturing businesses, fuel stations, charcoal manufacturing, boilers, and wood processing. Other contributors of air pollution are dust fallout at mine such as Fumani gold mine at Mtititi area.

Mobile sources are mostly associated with transportation and internal combustion engines with pollutants being emitted allow the path taken. These services include motor vehicles (light duty vehicles, heavy duty vehicles, road dust from unpaved roads. Vehicle tailpipe emission is the main contributors of hydrocarbons.

Residential and commercial sources include emission from the following sources categories: wood stoves, backyard burning, households heating. And commercial sources include emissions from the following categories: Land clearing burning, unregistered restaurants, dry cleaning, building construction and demolitions.

## **Land cover/ Flora and fauna**

Lim 345 area has an amazing biological diversity of flora and fauna, this rich biological diversity can be attributed to its biogeographically location and diverse topography. The district falls within the greater savanna biome, commonly known as the bush veld with some small pockets of grassland and forest biomes. These and other factors have produced unique assortment of ecological niches which are in turn occupied by a wide variety of plant and animal species. There are large extensive areas within Lim 345 that are conservancies among other the natural protected area within the municipality include the Kruger national park.

## **Hydrology**

Lim 345 has a moderately inadequate supply of both the ground and surface water. The area comprises of few catchments areas which are stressed by high demand of water for development activities such as agriculture, human consumption. Water management within the municipality faces the following challenges: imbalance between the supply and demand for water, alien invasion, and inappropriate land uses in the river valley, the impact of fertilizers and pesticides, inadequate monitoring, poorly managed sewage systems, high concentration of pit latrines and droughts. Luvuvhu and Shingwedzi are the main rivers which are used to provide water to the population of Lim 345. There are also variety of wetlands within the municipality, amongst them include the Makuleke wetland which is one of the RAMSAR recognized wetlands in the entire Limpopo. The most prominent feature within the Makuleke wetland include the riverine forest, riparian floodplain forest, and floodplain grasslands, river channels and flood-pains.

## **Geology**

Lim 345 area is unique due to its geological formations (predominantly sandstone). Lim 345 has a fairly complex geology with relative high degree of minerals, and the minerals are found in dusters in varying concentration. The geology of the region comprises of Archean aged, granite-green stone terrane of the northern extremity (WHE, 2017).

## **Geomorphology**

Geomorphology strongly controls land surface, hydrology and ecosystem. Geomorphic features observed in Lim 345 are plains, low Mountain, and lowlands. The landscapes have been carved out by the meanderings and erosion activities. The soil in this region is as a result of Soutpansberg group of sandstones and smaller amount of conglomerate, shale and mostly basalt. The region also consists of deep sands to more shallower sandy litho-sols, with a few limited areas displaying B-horizons soil properties (Nesbitt, 2014).

## **Waste management**

The Lim 345 municipality collect waste in and around urban and rural areas, and they dump these waste at Thohoyandou Block J Landfill site as currently the municipality does not have any licensed landfill for disposing waste. Xigalo Waste Disposal Site has an ROD, Environmental Authorization, waiting for the Municipality to lodge waste management license application. However, the municipality has two transfer station which are found at Mulenzhe and Xikundu village. LIM345 collect 576 tons per month in town and 170 villages around the whole municipality due to adopt a river programme. The municipality have only 1 compactor truck for refuse removal, 1 half truck, 1 skip loader, and 1 TLB. The collection of waste is done daily in town and once per week in villages.

## **Basic Service delivery**

The RSA, Constitution of 1996, guarantees the rights to a basic amount of water and a basic sanitation service that is affordable. Strategic framework for water service define basic water supply as provision of basic water supply facilities, the sustainable operation of facilities and the communication of good water use, hygiene and related practices. Water should be available for at least 350 days per year and not interrupted more than 48 conservative hours per incident. Basic supply facility is defined as the infrastructure necessary to supply 25 liters of portable water per person per day supplied within 200metres of a household and with a minimum flow of 10 liters per minute i.e. in case of communal water points or 6000litres of portable water supplied per formal connection per month in case of yard and household connection.

## **Water and Sanitation Provision**

The table below reflects the number of households with access to the different sources/standards of water provision:

| <b>Source of water</b>                        | <b>Nº of households</b> |
|---|-------------------------|
| Piped (tap) water inside the dwelling / house | 16 475                  |
| Piped (tap) water inside yard                 | 139 247                 |
| Piped water on community stand                | 89 023                  |
| Borehole in the yard                          | 10 202                  |
| Rainwater tank in yard                        | 400                     |
| Neighbours tap                                | 13 643                  |
| Public / Communal tap                         | 61 633                  |
| Water carrier / tanker                        | 860                     |
| Borehole outside the yard                     | 11 518                  |
| Flowing water / stream / river                | 317                     |
| Other   | 4 658                   |
| <b>Total</b>                                  | <b>347 975</b>          |

(source STATSA Census 2011 : Community Survey 2016)

Vhembe District Municipality is the water Service Authority (WSA) and the Provider. Vhembe district is responsible for bulk water supply and sanitation infrastructure. The district purchase bulk raw water from the department of Water Affairs, then process or clean the water for reticulation. 88.3% of households in LIM345 have access to safe drinking water. The goal of Vhembe District Municipality WSA is to supply every household with an adequate and reliable water supply and to manage the water supply services in an affordable, equitable and sustainable manner.

There is a huge water and sanitation backlog in the area. A large number of households already have access to water; however upgrading, resource extension, operation and maintenance as well as refurbishment needs are immense. Infrastructure upgrading and refurbishment are the major problem:

### **Water Sources in the District**

The province's water resources are obtained from 4 Water Management Areas (WMAs), namely: the Limpopo, Olifants, Luvuvhu-Letaba and Crocodile West Marico WMAs. In terms of water resources, Nandoni and Vondo RWS falls within the Luvuvhu/Letaba water catchment area which spans across Vhembe and Mopani District Municipalities.

The sources of water in the district are from dams, weirs and boreholes: 12 dams are Nandoni, Albasin,Vondo, Nzhelele, Luphephe, Nwanedi, Tshakhuma, Mutshedzi, Capethorn , Damani , Cross and Tshirovha dam. 3 weirs are Mutale, Khalavha and Magoloi weir. Water sources are not adequate e.g Mutale; Makuya; Nzhelele; Some dams have no allocation for domestic use e.g Nzhelele dam and Formalise springs as water sources.

Groundwater is a very valuable source of water however borehole yields and groundwater monitoring are problems in the district. The total number of boreholes is 38 521 with 278 electric pumps, 241 uses diesel engine and 839 hand pumps. Challenges are poor quality (salty) ,drying of ground water at Sinthumule/Kutama and Masisi areas ,Insufficient funding to cover all dry areas , Pollution of water sources; Drying of springs, theft & vandalism on equipped boreholes, Separation of procurement of service providers for Borehole activities ( e.g survey) Dropping of water table on Boreholes are the areas of concern to the district.

**Main source of water for drinking for Household weight, LIM345 :**

| Type  | Number of Households |
|---|----------------------|
| Piped (tap) water inside the dwelling/house | 4373                 |
| Piped (tap) water inside yard               | 35745                |
| Piped water on community stand              | 24900                |
| Borehole in the yard                        | 2784                 |
| Rain-water tank in yard                     | 96                   |
| Neighbours tap                              | 4136                 |
| Public/communal tap                         | 15348                |
| Water-carrier/tanker                        | 160                  |
| Borehole outside the yard                   | 2946                 |
| Flowing water/stream/river                  | 78                   |
| Well  | -                    |
| Spring                                      | -                    |
| Other                                       | 1369                 |
| <b>Grand Total</b>                          | <b>91936</b>         |

Source STATSA Census 2011: Community Survey 2016

**Purification plant & Boreholes in LIM 345**

| Purification Plant     | CAPACITY IN M3/DAY |               |
|------------------------|--------------------|---------------|
|                        | Design             | Actual        |
| Malamulele water works | 21 600             | 16 000        |
| Xikundu water works    | 20 000             | 10 000        |
| Mhinga package plant   | 3 500              | 3 105         |
| Mtiti water works      | 760                | Under repair  |
| Albasini water works   | 10 368             | 9 700         |
| <b>Total:</b>          | <b>56 228</b>      | <b>38 805</b> |

## **Cost Recovery**

Vhembe District Municipality [VDM] as the Water Services Authority [WSA] & Provider purchase raw water from DWS and distributes it to consumers after purification. The district is therefore responsible for cost recovery related to this service. The district has the provincial gazetted bylaws (gazetted on the 26<sup>th</sup> September 2014), Tariffs, policies and is currently in the process of developing Revenue enhancement strategy, to manage the recovery of the cost associated with water. This is in line with the provisions of section 74 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and Section 64 of the Municipal Financial Management Act (Act No. 56 of 2003). Challenges are insufficient funding to procure enough water meters and its accessories water meter connection backlog, 15 000 unmetered connections due to past era water connections, Illegal water connection, delay in water meter installation, dilapidated water infrastructure and meters, water loss and street taps damages.

## **Water backlog and Challenges**

## **Sanitation**

The district is also the Authority and provider with regards to Sanitation services

Vhembe District has 9 waste water works (Thohoyandou, Makhado, Reitvlei, Malamulele, Maunavhathu, Watervaal, Elim Orbital, Musina Nancefield, Musina Singelele,) 11 Ponds (Mhinga, Tshufulanani, Madzivhandila, Matatshe, Tshitereke, Siloam, Dzanani, Lemana, Vleifontein, Phalama) and 10 Booster pump stations (Riphambeta, Maniini A, Maniini B, Nare Tswinga, Mbilwi, Shayandima, Eltivillas, SA Brewery, Musina) in the district as indicated in table 7.18 below. Challenges are Waste water plants receiving more inflow than the design capacity; Vandalism and theft of manhole covers and cables; Introduction of undesirable objects in the sewerage system, Lack of staffing to operate the plant, ageing Infrastructure, over grown shrubs and grass at plants and poor maintenance of sewerage system: Centralisation of workers

## **Sanitation**

| <b>Geography hierarchy 2016 by The main type of toilet facility used</b> |               |
|--|---------------|
| <b>Type</b>  | <b>Number</b> |
| Flush toilet connected to a public sewerage system                       | 21402         |
| Flush toilet connected to a septic tank or conservancy tank              | 3971          |
| Chemical toilet  | 8848          |
| Pit latrine/toilet with ventilation pipe                                 | 126268        |
| Pit latrine/toilet without ventilation pipe                              | 137066        |
| Ecological toilet (e.g. urine diversion; enviroloo; etc.)                | 945           |
| Bucket toilet (collected by municipality)                                | 145           |
| Bucket toilet (emptied by household)                                     | 101           |
| Other  | 11952         |
| None   | 37275         |
| Total  | 347974        |

### The main toilet facility in the dwelling/yard/outside the yard

| Type                  | Number |
|-----------------------|--------|
| In the dwelling/house | 32124  |
| In the yard           | 268839 |
| Outside the yard      | 9688   |
| Not applicable        | -      |
| Unspecified           | 37323  |
| Total                 | 347974 |
|                       |        |

Source (Stats Community Survey 2016)

### Water and Sanitation backlog

| Services   | Total HH | Level of services | Coverage | Backlog | % of backlog |
|------------|----------|-------------------|----------|---------|--------------|
| Water      |          |                   |          |         |              |
| Sanitation |          |                   |          |         |              |

### Free Basic Water and Free Basic Sanitation

| Geography hierarchy 2016 by The main type of toilet facility used |        |
|---|--------|
| Type  | Number |
| Flush toilet connected to a public sewerage system                | 21402  |
| Flush toilet connected to a septic tank or conservancy tank       | 3971   |
| Chemical toilet   | 8848   |
| Pit latrine/toilet with ventilation pipe                          | 126268 |
| Pit latrine/toilet without ventilation pipe                       | 137066 |

|   |               |
|---|---------------|
| Ecological toilet (e.g. urine diversion; enviroloo; etc.) | 945           |
| Bucket toilet (collected by municipality)                 | 145           |
| Bucket toilet (emptied by household)                      | 101           |
| Other   | 11952         |
| None  | 37275         |
| <b>Total</b>  | <b>347974</b> |

| Services       | No. of Indigents HH | Access | Backlog |
|----------------|---------------------|--------|---------|
| Water          |                     |        |         |
| Sanitation     |                     |        |         |
| Electricity    |                     |        |         |
| Refuse Removal |                     |        |         |

## Energy and Electricity

| Type   | Number |
|--|--------|
| In-house conventional meter                                  | 14487  |
| In-house prepaid meter                                       | 312563 |
| Connected to other source which household pays for (e.g. con | 401    |
| Connected to other source which household is not paying for  | 3245   |
| Generator  | 32     |
| Solar home system  | 768    |

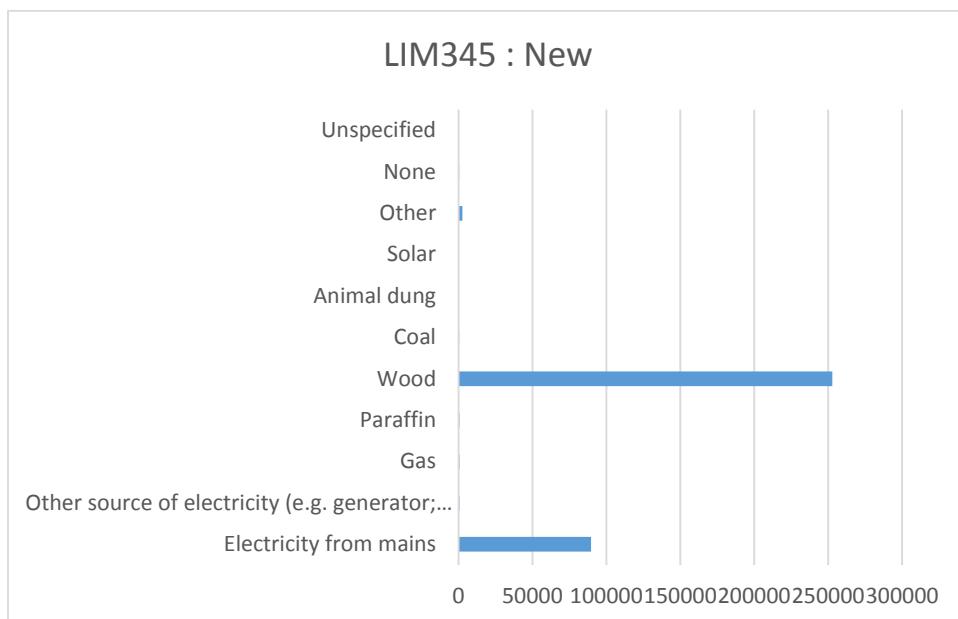
|                          |        |
|--------------------------|--------|
| Battery                  | 16     |
| Other                    | 636    |
| No access to electricity | 15827  |
| Total                    | 347974 |

**Table Number of Households electrified and energized**

Sources: Eskom & local Municipalities

In summary 95.5% of households have access to electricity (on and off grid)

Energy distribution has an important economic developmental implications with a potential to make considerable impact. This impact relates to improved living conditions, increased productivity and greater sustainability of the environment. The electricity in LIM 345 is supplied by Eskom. Depicting from the diagram below it is evident that wood is still the main source of energy for cooking



Main source of energy for cooking

In the main most household uses electricity for lighting followed, most Households uses wood for cooking...

**Indigent Register:**

Refuse removal

**Refuse removal for households LIM 345**

|  |               |
|--|---------------|
|  |               |
| Removed by local authority/private company/community members at least once a week        | 3836<br>..... |
| Removed by local authority/private company/community members less often than once a week | 120           |
| Communal refuse dump   | 1394          |
| Communal container/central collection point  | 80            |
| Own refuse dump  | 79045         |
| Dump or leave rubbish anywhere (no rubbish disposal)                                     | 6343          |
| Other  | 1117          |
| <b>Grand Total</b>   | <b>91936</b>  |

STATSA

The municipality collect waste in and around urban and rural areas, collected waste is dumped at Thohoyandou Block J Landfill site as currently the municipality does not have any licensed landfill for disposing waste. Xigalo Waste Disposal Site has an ROD, Environmental Authorization, waiting for the Municipality to lodge waste management license application. There are two transfer stations which are found at Mulenzhe and Xikundu village. 92.7% of households have access to some form of refuse removal while 87.3% of households have their own refuse dump (only 3.7% of refuse is removed at least once a week. The municipality collect 576 tons per month in town and 170 villages around the whole municipality. The municipality have only 1 compactor truck for refuse removal, 1 half truck, 1 skip loader, and 1 TLB. The collection of waste is done daily in town and once per week in villages

## **Transport Infrastructure**

### **Road Network**

| <b>Centre</b> | <b>Surface</b> | <b>Gravel</b> |
|---------------|----------------|---------------|
| Hlanganani    | 409.54         | 101.52        |
| Malamulele    | 362.35         | 113.8         |

### **Transport mobility**

#### **Development Corridor**

The following corridors link nodes in the municipality

D4 from N1, Vleifontein, Elim, Vuwani, Malamulele until Shagoni Gate- Kruger National Park, Thohoyandou to Malamulele- Along Road R524 north from Thohoyandou and turn right to R81 to Malamulele Basani to Saselamani - Along Road R524, Malamulele to Giant reefs- Along a gravel road south east from Malamulele up to Giant Reefs and Malamulele to Giyani - Along Road R81

#### **Routine maintenance**

Hlanganani cost center maintains about 129.5 km surfaced and 423.6 km unsurfaced roads while Malamulele caters for 138.1km surfaced and 378.2km unsurfaced roads.

### **Economic Analysis**

#### **A broad Economic Overview of South Africa Background**

LED is an economic development approach that emphasizes the importance of local activities: a participatory process where local people from all sectors work together to stimulate local commercial activity, resulting in a resilient and sustainable economy. LED is a result of joint planning by municipalities, its communities and business

sectors. The district therefore aims to create enabling local economic environment through infrastructure led growth and development that attract investment, generate economic growth and job creation

South Africa is a middle-income, emerging market with an abundant supply of natural resources; well-developed financial, legal, communications, energy, and transport sectors; a stock exchange that is 18th largest in the world; and modern infrastructure supporting an efficient distribution of goods to major urban centers throughout the region. Unemployment remains high and outdated infrastructure has constrained growth. Daunting economic problems remain from the apartheid era - especially poverty, lack of economic empowerment among the disadvantaged groups, and a shortage of public transportation.

Government has initiated interventions to address deep-seated inequalities and target the marginalized poor, to bridge the gap with the Second Economy, and ultimately to eliminate the Second Economy. AsgiSA includes some specific measures of response to the challenges of exclusion and the Second Economy. Accelerated and shared growth Initiative for South Africa (AsgiSA) is a micro-economic reforms within GEAR macro-economic framework which intend to link the first and second economy, create the better conditions for business and close the skills gap in both short and long terms. The main objective of AsgiSA is to reduce poverty and unemployment by half in 2014.

The AsgiSA process has also mandated the DPLG, in consultation with the DTI, to improve the capacity of local government to support local economic development. Local Economic Development (LED) is the process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. LED is based on local initiative, driven by local stakeholders and it involves identifying and using primarily local resources, ideas and skills in an integrated way to stimulate economic growth and development in the locality. The EPWP is a key Second Economy intervention. As part of AsgiSA, this programme will be expanded beyond its original targets (AsgiSA, 2006). South Africa is now embarked on a new economic growth path in a bid to create five-million jobs

and reduce unemployment from 25% to 15% over the next 10 years (Presidency Office, 2010).

Integrated Sustainable Rural Development Programme (ISRDS) is a national policy aimed at attaining socially cohesive and stable rural communities with viable institutions, sustainable economies and universal access to social amenities, able to attract and retain skilled and knowledgeable people, who are equipped to contribute to growth and development. Elements of ISRDS are rural development, sustainability, Integration and rural safety net.

The Limpopo Employment, Growth and Development Plan [LEGDP] has specific programmes that are designed to achieve structural change in critical areas of the provincial economy. It provides a framework for the provincial government, municipalities, the private sector and all organs of civil society to make hard choices in pursuit of the strategic priorities as encapsulated in the Medium Term Strategic Framework.

National Development Plan was developed and envisage an economy that serves the needs of all South Africans, rich and poor, black and white, skilled and unskilled, those with capital and those without, urban and rural , women and men. In 2030, the economy should be closed to full employment; equip people with the skills they need; ensure that ownership of production is less concentrated and more diverse (where black people and women own a significant share of productive assets); and be able to grow rapidly, providing the resources to pay for investment in human and physical capital. Vhembe District has developed Strategy LED depicts that, the district economic growth potential is in Agriculture, Tourism and Mining refer to for more information from LED Strategy summary. District through Supply Chain policy encourage procurement from local business and economic transformation thereby procuring from Historically Disadvantaged Individual (HDI) which are principles of Black Economic Empowerment (BEE).

Vhembe district has developed Enterprise, Tourism, Agriculture and Forestry strategies for smooth prioritization and proper planning in relevant field. The feasibility studies has been done on the following projects: Footsteps of Ancestors; Poultry

abattoirs; Development of fish farm; Preservation of dried fruit/vegetables; Goats milk dairy products; Mutale goats farming and Beneficiation of forestry products. The assessment done on biogas usage in the district shows that there is potential of using it as an alternative source of energy. There is a need to conduct feasibility study for an Exhibition and Convention center to promote Trade shows and Meetings, Incentives, Conferences and Exhibition (MICE) and Tourism signages, however they require funds to be implemented: the availability of funds will determine implementation time.

LIM 345 is yet to develop the LED strategy that will be focusing on the Local economy.

### **Employment status in the District**

### Employment in the district

|                         | Limpopo Province | Vhembe         |
|-------------------------|------------------|----------------|
| Agric                   | 120000           | 15,701         |
| mining                  | 86000            | 3,488          |
| <b>Primary sector</b>   | <b>206000</b>    | <b>19,189</b>  |
| manufacturing           | 81000            | 9,569          |
| Utilities               | 14000            | 1,652          |
| Construction            | 160000           | 23,715         |
| <b>Secondary sector</b> | <b>255000</b>    | <b>34,935</b>  |
| Trade                   | 303000           | 48,214         |
| Transport               | 51000            | 8,974          |
| Finance                 | 98000            | 13,319         |
| General govt services   | 340000           | 63,873         |
| Private Household       | 115000           | 17,496         |
| <b>Tertiary Sector</b>  | <b>907000</b>    | <b>151,876</b> |
| <b>Total</b>            | <b>1,368,000</b> | <b>206,000</b> |

### Employment in the district

|                       | Limpopo Province | Vhembe        |
|-----------------------|------------------|---------------|
| Agric                 | 120000           | 15,701        |
| mining                | 86000            | 3,488         |
| <b>Primary sector</b> | <b>206000</b>    | <b>19,189</b> |
| manufacturing         | 81000            | 9,569         |
| Utilities             | 14000            | 1,652         |
| Construction          | 160000           | 23,715        |

|                         |                  |                |
|-------------------------|------------------|----------------|
| <b>Secondary sector</b> | <b>255000</b>    | <b>34,935</b>  |
| Trade                   | 303000           | 48,214         |
| Transport               | 51000            | 8,974          |
| Finance                 | 98000            | 13,319         |
| General govt services   | 340000           | 63,873         |
| Private Household       | 115000           | 17,496         |
| <b>Tertiary Sector</b>  | <b>907000</b>    | <b>151,876</b> |
| <b>Total</b>            | <b>1,368,000</b> | <b>206,000</b> |



Source: LEDET 2016

Opportunities for economic growth and employment in LIM 345 .The LIM 345 has a comparative advantages local skills base challenges to the local economy .Strategically located land for economic development

The following nodal points are strategically located land in which LED could strive

- Economic Sector analysis
- Agriculture
- Mining
- Retail
- Tourism
- Manufacturing
- Job creation
- EPWP
- CWP

### Economic Development SWOT analysis

| <b>Strength</b>   | <b>Weakness</b>  |
|---|--|
| Potential to create zones for Agro – processing<br>Availability of land | Majority of people located far away from economic viable areas |

|   |  |
|---|--|
| Self- sufficient farming<br>Existing co-operatives  | General shortage of skills in the priority sectors<br><br>Huge infrastructure backlog<br><br>Large dependency on government grants<br><br>Lack of strategically located land for economic development<br><br>Land invasion |
| <b>Opportunities</b>  | <b>Threat</b>  |
| Growing retail and tourism sector<br><br>Proximity to Kruger National gate<br><br>Agriculture processing zones<br><br>Community tourism<br><br>Strategic Partnerships | High unemployment<br><br>shortage of water for economic development  |

## **FINANCIAL VIABILITY**

### **Background**

The purpose of analysing the financial status of municipality is to determine the financial soundness of the institution so that the municipality can improve its financial management capacity and revenues

It is about municipality being able to generate sufficient income to meet operating payments, debts commitment and, where applicable, allow growth while maintaining services levels. MFMA Act 56 of 2003 strive for

- Secure sound and sustainable management of financial affairs of the municipality and other institution the local sphere of government and
- Establish treasury norms and standards for local government sphere.

### Financial Management Policy

The Municipality has developed the following budget related policies

- Asset management policy
- Credit control and debt collection policy
- Bank and cash policy
- Budget policy
- Write-off policy
- Indigent policy
- Long term financial planning
- Supply chain management policy
- Tariff policy
- Veriment policy
- Property rates policy
- Subsistence and travel policy
- Investment and cash management policy

### LIM345 BUDGET

| Description   | 2017/18 Medium Term Revenue & Expenditure Framework |                           |                           |
|---|---|---------------------------|---------------------------|
|   | Budget Year<br>2017/18                              | Budget Year<br>+1 2018/19 | Budget Year<br>+2 2019/20 |
| R thousand  |   |                           |                           |
| <b>Revenue By Source</b>                                      |   |                           |                           |
| Property rates  | 11,000  | 11,800                    | 12,500                    |
| Service charges - electricity revenue                         | -   | -                         | -                         |
| Service charges - water revenue                               | -   | -                         | -                         |
| Service charges - sanitation revenue                          | -   | -                         | -                         |
| Service charges - refuse revenue                              | 4,814   | 5,005                     | 5,478                     |
| Service charges - other                                       |   |                           |                           |
| Rental of facilities and equipment                            | 2,398   | 2,535                     | 2,677                     |
| Interest earned - external investments                        | 2,200   | 2,400                     | 2,600                     |
| Interest earned - outstanding debtors                         | 960   | 980                       | 990                       |
| Dividends received  |   |                           |                           |
| Fines, penalties and forfeits                                 | 100   | 300                       | 317                       |
| Licences and permits  | 4,200   | 4,439                     | 4,688                     |
| Agency services   | 1,200   | 1,268                     | 1,339                     |
| Transfers and subsidies                                       | 309,752   | 327,473                   | 341,515                   |
| Other revenue   | 8,012   | 8,464                     | 8,940                     |
| Gains on disposal of PPE                                      |   |                           |                           |
| Total Revenue (excluding capital transfers and contributions) | 344,636   | 364,665                   | 381,044                   |
| <b>Expenditure By Type</b>                                    |   |                           |                           |
| Employee related costs  | 113,805   | 120,292                   | 127,029                   |
| Remuneration of councillors                                   | 30,098  | 31,784                    | 33,564                    |
| Debt impairment   | 15,257  | 16,112                    | 17,014                    |
| Depreciation & asset impairment                               | 38,000  | 42,000                    | 45,000                    |
| Finance charges   | 400   | 410                       | 420                       |
| Bulk purchases  | -   | -                         | -                         |
| Other materials   | 5,043   | 8,376                     | 12,000                    |
| Contracted services   | 18,858  | 19,545                    | 20,300                    |
| Transfers and subsidies                                       | 3,000   | 3,171                     | 3,349                     |
| Other expenditure   | 41,259  | 54,570                    | 59,010                    |
| Loss on disposal of PPE                                       |   |                           |                           |
| Total Expenditure   | 265,721   | 296,260                   | 317,684                   |
| <b>Surplus/(Deficit)</b>                                      |   |                           |                           |
| Surplus/(Deficit)   | 78,914  | 68,405                    | 63,359                    |
| Transfers and subsidies - capital                             | 106,615   | 95,345                    | 106,478                   |
| Surplus/(Deficit) after capital transfers & contributions     | 185,530   | 163,750                   | 169,837                   |

## GRANTS

## Conditional grants and equitable share

| Description                          | 2017/18 | 2018/19 | 2019/20 |
|--------------------------------------|---------|---------|---------|
| Equitable share                      | 304,695 | 325,128 | 339,170 |
| Financial management Grant           | 2,345   | 2,345   | 2,345   |
| EPWP                                 | 1,000   |         |         |
| Municipal Demarcation Transitional   | 6,847   |         |         |
| Municipal Infrastructure Grant       | 83,480  | 88,345  | 93,478  |
| Intergrated National Electrification | 18,000  | 7,000   | 13,000  |

The above table depicts the allocated conditional grants and equitable share to LIM345 Local municipality. The purpose of conditional grants is to deliver on national service delivery priorities and equitable is intended to fund municipal programmes, fund operational cost and provision of free basic services.

### Allocation in kind to Municipalities

#### (Eskom) Grant

| Description                                    | 2017/18 |
|--|---------|
| Intergrated National Electrification Programme | 53,116  |

The above represent funding for electricity to be implemented by Eskom within Lim 345 local Municipality

## Capital Expenditure

| Vote Description               | 2017/18 Medium Term Revenue & Expenditure Framework |                           |                           |
|--------------------------------|---|---------------------------|---------------------------|
|                                | Budget Year<br>2017/18                              | Budget Year<br>+1 2018/19 | Budget Year<br>+2 2019/20 |
| R thousand                     |   |                           |                           |
| Funded by:                     |   |                           |                           |
| National Government            | 106,615   | 95,345                    | 106,478                   |
| Transfers recognised - capital | 106,615   | 95,345                    | 106,478                   |
| Internally generated funds     | 25,000  | 20,000                    | 18,000                    |
| Total Capital Funding          | 131,615   | 115,345                   | 124,478                   |
| Capital Expenditure            | 131,615   | 115,345                   | 124,478                   |

The above table illustrate the types of funding capital expenditure for 2017/18 MTREF.

The national government funding is the conditional grants intended to implement capital projects and procurement of assets and internally generated funds is own funding to supplement capital projects and procurements of assets.

The key **challenges** facing municipality with regards to financial management are:-

- Lack of human capacity within BTO to render the unit effectively
- Delay of transferring financial information by Thulamela and Makhado Municipality
- Late implementation of the financial system
- Insufficient revenue streams to maximize own revenue
- Some of the transferred assets by donor municipalities are not in good condition which will warrant the municipality to allocate resources for repairs and maintenance and procurement of new assets

The **way forward** includes:

- Increase human capacity within BTO
- Supply chain management :To establish and implement **procurement processes** in line with Supply Chain Management Regulations and Capacitate members of bid committees and SCM practitioners through continuous training
- **Expenditure management:** in line with the applicable sections of the MFMA:
  - Money owing by the municipality to be paid within 30 days;
  - An adequate management, accounting and information system to be in place, which accounts for creditors;
  - An adequate management, accounting and information system to be in place, which recognizes expenditure when it was incurred / accounted for creditors / accounted for payments; and
  - Reasonable steps to be taken to prevent irregular as well as fruitless and wasteful expenditure.

**Revenue and receivables:** an effective system of internal control for revenue and debtors to be place, as required by the MFMA and Develop revenue enhancement strategy to expand revenue streams

- **Assets and liability management:** as required by the MFMA, to establish an adequate management, accounting and information system, which accounts for assets and for the internal control of assets (including an asset register).

## **GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

Good governance is at the heart of the effective functioning of municipalities. One of the objectives of Local governance is to encourage active citizenry in the matter of local government hence Local is everyone's business. One of the key pillars or performance area Back to Basic is **Good Governance, Public Participation, and Ward Committee.**

The focus of this pillar is to assess the running of council, establishment and functionality of the ward committees, assess the extent at which public participation is encouraged, and the level of corporate governance in the municipality, therefore municipalities are expected to use various forms of systems in order to involve communities in the matter of Local government.

### **Municipal Council and Committees**

LIM 345 is a category B even though the municipality has just been established (August 2016) the Executive and Portfolio committees are fully functional. Two Council meetings were held since inauguration of the council. Special sittings are convened when necessary

### **Relationship with Traditional Authority**

The relationship with Traditional Authority is good. There is Mayor/Traditional Leadership forum in place. Traditional leaders participate in the activities of Council

## **Oversight Committees**

### **Municipal Public Accounts Committee**

The municipality has established Municipal Public Accounts Committee in line with section 33 of Municipal Structures Act of 1998 the role of this committee is to provide oversight of council. The Municipal Public Accounts Committee consist of members

#### Internal Audit

There is no internal audit established yet

#### Anti-Corruption

#### Risk management

Aligned to the strategic goals, the TOP 15 RISKS that might may affect the realisation of the stated strategic objectives are summarised in the table below. The risks are clustered per goal and not listed in order of priority – the risk ranking will only take place upon conclusion of the risk evaluation/ assessment process of the municipality.

The following risks has been identified

| Risk  | Mitigation  |
|---|---|
| Lack of access to basic waste removal and management services | <ul style="list-style-type: none"><li>▪ Licensing agreement for landfill site to be concluded before 2017/18 financial year</li><li>▪ Develop the infrastructure, capacity and agreements with communities to expand RDP standard waste removal across the municipality</li></ul> |

|   |   |
|---|---|
| Inefficient and ineffective vehicle licensing and testing facilities  | Develop and implement a turnaround plan for the Malamulele vehicle licensing and testing station  |
| Community protests due to service delivery expectations and/ or commitments not met                         | <ul style="list-style-type: none"> <li>▪ Development of ward-based service delivery dashboards</li> <li>▪ Development and Implementation of ward improvement plans that address basic services, e.g. cutting of grass, working traffic lights, water leaks, potholes, grading of roads, etc.</li> </ul>   |
| Increasing services and infrastructure backlogs   | <ul style="list-style-type: none"> <li>▪ Development of infrastructure investment plan</li> <li>▪ Ensure adequate capacity and capability to manage infrastructure grants</li> <li>▪ Effective facilitation of infrastructure development by government sector partners</li> <li>▪ Mobilise additional funding for rehabilitation, refurbishment and replacement of ageing infrastructure</li> <li>▪ Establishment of functional sector-based stakeholder forums</li> </ul> |
| <b>Goal 2: Local economic development promoted for sustainable economic growth and improved livelihoods</b> |   |
| Lack of economic development and investment   | <ul style="list-style-type: none"> <li>▪ Comprehensive review and development of business friendly legislation</li> <li>▪ Nodal developments as economic growth points</li> <li>▪ Development of a spatial development strategy for various localities and spaces</li> <li>▪ Investment summit to be hosted – market the value proposition of the municipality</li> </ul>   |

|   |   |
|---|---|
| Degradation of newly developed infrastructure   | Allocation of 5-8% of operational budget to maintenance as per National Treasury guidelines   |
| Increased youth unemployment  | Create job opportunities through EPWP and CWP for economic development and service delivery projects  |
| <b>Goal 3: Financially sustainable and viable municipality</b>                          |   |
| Adverse audit outcomes  | <ul style="list-style-type: none"> <li>▪ Implementation of financial management, legislatively compliant systems and processes.</li> <li>▪ Enforcement of consequence management and accountability for transgressions</li> <li>▪ Effective MPAC, Audit and Performance Committees</li> </ul> |
| Inadequate revenue to support the expenditure demands/ requirements of the municipality | <ul style="list-style-type: none"> <li>▪ Implementation of the revenue enhancement strategy</li> <li>▪ Roadshows to stimulate payment for services</li> <li>▪ Negotiations with Traditional Authorities</li> </ul>  |
| Capital expenditure budget not fully spent  | <ul style="list-style-type: none"> <li>▪ Employment of technical staff in critical positions</li> <li>▪ Strengthened PMU</li> <li>▪ Development and implementation of effective project management and supply chain management processes</li> </ul>   |
| Lack of liquidity   | Credit control and debt management processes stringently implemented  |
| <b>Goal 4: Stable and progressive governance system and accountability</b>              |   |
| Ineffective public participation and ward committee structures                          | <ul style="list-style-type: none"> <li>▪ Ensure 100% ward committee functionality</li> <li>▪ Ensure all public participation structures in place and effective</li> </ul>   |

|  |  |
|--|--|
|  | <ul style="list-style-type: none"> <li>▪ Improvement of complaints management systems and municipal frontline offices.</li> <li>▪ Regular citizen satisfaction surveys conducted</li> <li>▪ Forums established for effective engagement with Traditional Authorities to gain agreement on development priorities and land provision</li> </ul>   |
| Fraud and corruption in the municipality                                 | <ul style="list-style-type: none"> <li>▪ Develop and implement the municipal anti-fraud and corruption policy</li> <li>▪ Establishment of a corruption hotline</li> <li>▪ Strengthened forensic investigative capacity established</li> </ul>  |
| <b>Goal 5: Capacitated, high performing municipality</b>                 |  |
| Organisational structure not aligned to the strategy and not capacitated | <ul style="list-style-type: none"> <li>▪ Conclude all Section 197 transfers</li> <li>▪ Comprehensive organisational design process to be undertaken – develop affordable organogram aligned to core business of the municipality</li> <li>▪ Effective recruitment processes and hiring of best available human capital – ensure all SMS and critical technical posts are filled</li> </ul> |
| Poor performance of municipal officials                                  | <ul style="list-style-type: none"> <li>▪ Development and implementation of performance management system – values driven</li> </ul>  |

The identified risks will inform the annual Risk Register and Risk Management Plan, which will be reported on quarterly basis to the Audit and Risk Committee.

### **Supply Chain Committee**

The municipality has established Supply Chain Committee in line with relevant legislations. The Bid Committee, bid adjudication as well as bid specification committees are all in place.

### **Functionality of the Ward Committees and CDW**

The municipality has inaugurated the ward committee members, the municipality however have 36 wards and 150 ward Committee members. The ward committee members have been inducted on their roles and responsibilities. They are expected to attend to municipal activities. There **are --- CDWs** in LIM 345. Both the Ward Committee members and CDW are the backbone of active citizenry

### **Complain Management System**

**There is no complain management system in place yet.**

### **Audit Outcome**

The municipality has just been established and therefore there is no Audit outcome yet.

### **Public Participation Strategy**

### **Communication System**

## **Special Programmes of Council**

Youth, Gender and Disability programmes have been identified. The office of the Mayor is responsible for these programmes.

### Municipal Transformation and Organisational development

The planning process identified the need to critically review the above organisation design of the LIM345 administration, and test its alignment to the strategy.

A process of structural review and alignment has therefore been initiated and upon approval will result in a revised organisational structure which will then require a review and refinement of job profile data, required competencies and job architecture. This project will unfold urgently in 2016/17, with a possible rollover into 2017/18.

The process of conducting the institutional assessment is to ensure that the municipality is capable to deliver on its mandates

### **Political structure**

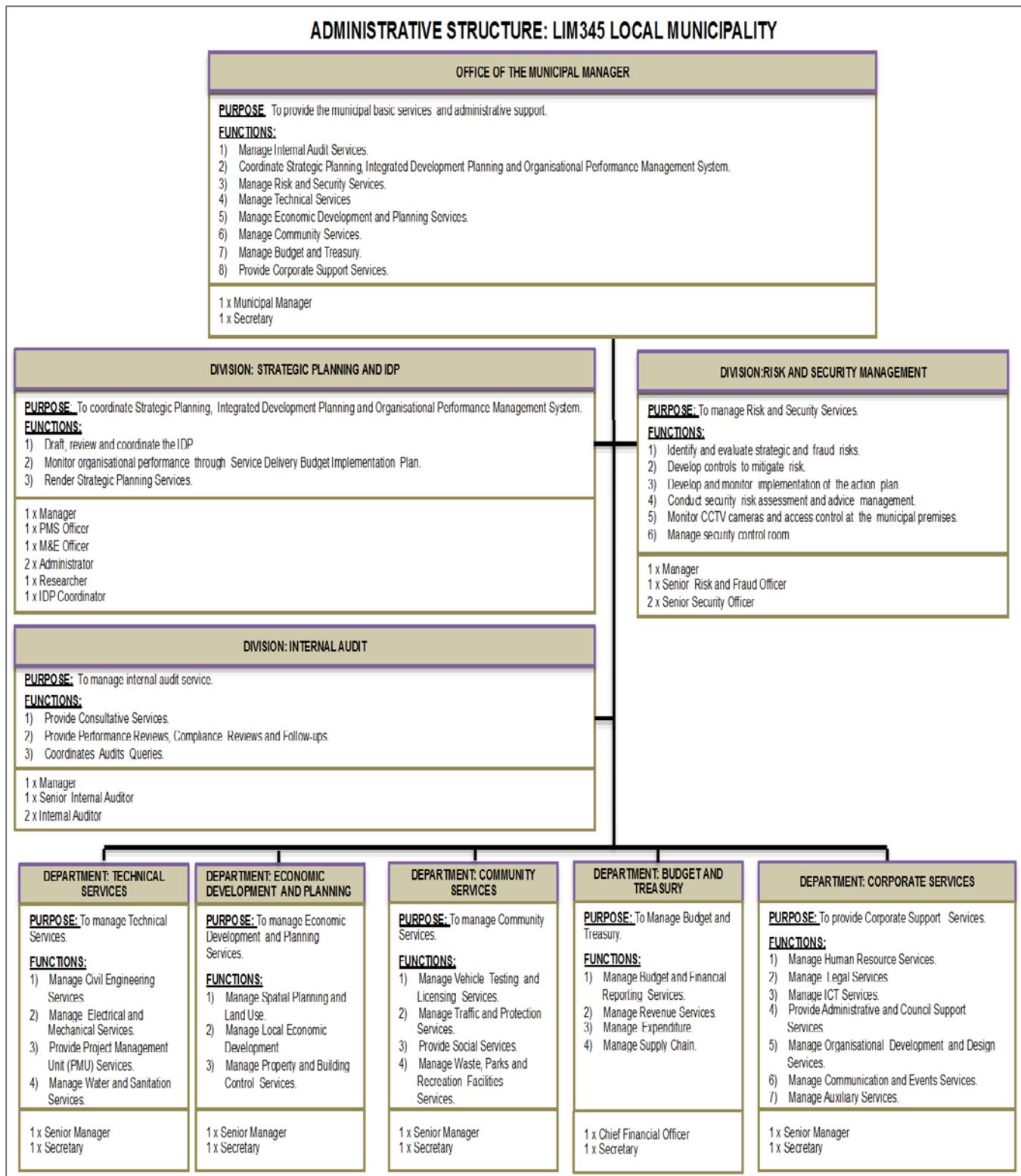
The council consists of 71 councillors 36 ward councillors and 35 proportional councillors. The Ward councillor for each ward is the Chairperson of that particular ward, meanwhile the Mayor heads the Executive committee which comprised of 71 councillors. The Municipality has 6 full time councillors

### Portfolio Committee

| Name of Portfolio      | Chairperson    | Department Supported     |
|------------------------|----------------|--------------------------|
| Finance                | Clnr Maluleke  | Finance                  |
| Planning & Development | Clnr Mashimbye | Planning and Development |
| Infrastructure         | Clnr Mavikane  | Technical                |
| Corporative Service    | Clnr Mutela    | Corporate Service        |
|                        |                |                          |

## Administration

The municipality was established in August 2017



## Social Services

### Integrated Human Settlements

Human settlement development is currently the sole mandate of CoGHSTA the municipality will only plays a role facilitation.

| Type of dwelling  | Figure |
|---|--------|
| Formal dwelling/house or brick/concrete block structure on a  | 69952  |
| Traditional dwelling/hut/structure made of traditional mater  | 16521  |
| Flat or apartment in a block of flats                         | 61     |
| Cluster house in complex                                      | 237    |
| Townhouse (semi-detached house in a complex)                  | 1162   |
| Semi-detached house   | 194    |
| Formal dwelling/house/flat/room in backyard                   | 1926   |
| Informal dwelling/shack in backyard                           | 389    |
| Informal dwelling/shack not in backyard (e.g. in an informal  | 67     |
| Room/ flatlet on a property or larger dwelling/servants quart | 68     |
| Caravan/tent  | -      |
| Other   | 1359   |
| Unspecified   | -      |
| Grand Total   | 91936  |

Statistics South Africa: Community survey 2016

The table shows the main dwelling that Household currently lives in

## Housing backlog

According to municipal information the current housing backlog exist in the rural villages. The housing backlog is estimated at ----- household. CoGHSTA has allocated the municipality ---- houses to be constructed this financial year. The department of Corporative Governance human Settlement and Traditional affairs still need assist the municipality to develop the Housing Chapter.

## Challenges

Poor quality of some houses constructed in the past

None availability of land for Human settlement development together with personal preference of housing to be constructed in the existing yards.

## Informal Settlement

The mushrooming of informal settlement poses a major challenge to development and provision of services. Lack of basic services in informal settlement has a negative effect on environment.

The municipality has 03 informal settlement which is Madonsi, Xipurapureni and Rhulani.

## Health Services

According to World Health Organisation (WHO) set of standards 1 professional nurse is responsible for 40 patients 1 health facility (clinic) should be found within a 5km radius the municipality has got a radius of 5 467 216 mq 2 which means that there is a huge backlog of Health facilities.

There is only one (1) hospital in the municipality. The municipality currently has 3 health care and 32 clinics. Backlogs and challenges in relation to health and social development services [e.g. Early childhood centres, access to social grants, old age facilities] (4)

Malaria is prevalent in Vhembe district and Mopani which leaves the municipality exposed to malaria.

## **Health challenges**

The following are some of the health challenges that our communities continue to face on a daily basis:-

Shortage of medicines and health professionals

The long distance that some of community

Patients stay long in the facilities

Retention of skilled health personnel

High number of defaulters in |HIV/ AIDS AND TB Patients

Clinics not working 24hrs

## **Social development**

LIM 345 is a rural municipality, most of the people do not have any form of formal employment. Social grants therefore play a very critical role in uplifting the livelihood of our communities, many people depend solely on social grant payout,

## **Safety and Security**

The South African Police service is responsible with safety and security with the municipality together with the department of Safety, Security and liaison department. For municipality to achieve economic growth, safety and security in the municipality is of paramount importance. Investor can only invest in a safe environment.

There are 02 Police stations in LIM 345 and there are Community Policing Forum in all the wards.

| Crime                             | Experience  | LIM345 : New |
|-----------------------------------|-------------|--------------|
| Theft of motor vehicle/motorcycle | Yes         | 127          |
|                                   | No          | 9713         |
|                                   | Unspecified | 338134       |
|                                   | Total       | 347974       |
|                                   | Yes         | 380          |

|                       |             |        |
|-----------------------|-------------|--------|
|                       | No          | 8969   |
|                       | Unspecified | 338625 |
|                       | Total       | 347974 |
| <b>Robbery</b>        | Yes         | 2344   |
|                       | No          | 7740   |
|                       | Unspecified | 337890 |
|                       | Total       | 347974 |
| <b>House breaking</b> | Yes         | 5382   |
|                       | No          | 5215   |
|                       | Unspecified | 337378 |
|                       | Total       | 347974 |
| <b>Home robbery</b>   | Yes         | 2618   |
|                       | No          | 7164   |
|                       | Unspecified | 338193 |
|                       | Total       | 347974 |
| <b>Murder</b>         | Yes         | 50     |
|                       | No          | 9868   |
|                       | Unspecified | 338056 |
|                       | Total       | 347974 |

Statsa 2011 and Community survey 2016

## **Education**

According to standards of the department of Basic education, a school should be located within a radius of 5km from the community it serves and the walking distance to and from school should not exceed 10km. There are ---- schools in the area --- primary **and** ---- secondary schools.

There is still a huge shortage of schools in the area. Provision of services such as water, sanitation and electricity in school is still a challenge.

The municipality does not have a single institution of higher learning. There is also a shortage of special schools in the area.

## **Sports, Art, Culture and Library services**

The purpose of this section is to provide overview of the current situation with regards to sports, art and culture and library services. These services is being coordinated by the department of Sports, Art and Culture in the province. Soccer is the most common sport in the municipality. There is one boxing gym in the municipality that has been constructed by Thulamela Municipality. Arts and culture activities are supported by the municipality. The municipality has 3 multi-purpose centres namely:- Malamulele Tiyani Bungeni (Dilapidated) and three multi-purpose stadium namely Merve, Mdabula and Malamulele. The municipality also has the following stadia Bungeni, Malamulele, Saselemani, Mdabula,

The municipality also have multi-purpose recreational halls Malamulele, Boxing gym ,Njakajaka/Bugeni Indoor, Vuwani Indoor. There are two community hall which is Waterval (Njhakanjhaka) and Vuwani and 1 recreational park in Malamulele.

Library plays an important role in learning and development, there are **06** libraries in the municipality

- 1Saselemane lybrary
- 1 Vuwani library
- 1Ntsako Matsakala modular library
- 1 Olifants hoek moduler
- 1Tshikonelo Moduler library
- 1 Makahlule moduler

The municipality are face the following challenges

- Vandalism of sports facilities
- Are Shortage of sporting facilities
- shortage of libraries
- Lack of interest in cultural activities

## Thusong Service Centre

Lim 345 is a rural municipality, the need for Thusong Service centre becomes significant in that community members receive the services at the close proximity. There is no Thusong service centre in the municipality.

## Telecommunication

Telecommunication is an information infrastructure that plays a crucial role in the development of a community, these infrastructure provides universal access.

## Disaster management

The objective of disaster management analysis is make an analysis of occurrences of disaster in the municipal area and come up with mitigating factors.

The following has been identified as disaster risk profile

| <b>Hydro Meteorologica l Hazards:</b> | <b>Biological Hazards:</b> | <b>Technological Hazards</b> | <b>Environmental Degradation:</b> | <b>Geological hazards:</b> |
|---------------------------------------|----------------------------|------------------------------|-----------------------------------|----------------------------|
| Drought                               | Food poisoning             | Dam failures                 | Air pollution                     | Landslide/mudflow          |
| Hail storms                           | Malaria                    | Derailment                   | Desertification                   | Earthquake                 |
| Cyclone                               | Foot& mouth disease        | Hazardous installations      | Deforestation                     |                            |
| Severe storm                          | Measles                    | Aircraft accidents           | Land degradation                  |                            |
| Storm surges                          | Rabies (animals)           | Hazardous material by rail   | Soil erosion                      |                            |
| Hurricane                             | Tuberculosis               | Hazardous materials by road  |                                   |                            |
| Floods                                | Bilharzias                 |                              |                                   |                            |
| Lightning                             | Cholera                    |                              |                                   |                            |
| Fire                                  | Typhoid                    |                              |                                   |                            |
|                                       | Diphtheria                 |                              |                                   |                            |

## **Developmental Strategies**

The Strategic Goals have been aligned to the five Key Performance Areas of local government, the building blocks and 10-point plan of the Back-to-Basics programme, and are framed as statements that describe the outcome expected as a result of LIM345 intervention in terms of the aligned focus areas/ priority projects identified by the strategic review process.

## **VISION**

In delivering on the mandate / value proposition of the municipality described above, LIM345 has set for itself the following Vision:

***A sustainable, spatially integrated and inclusive municipality with a vibrant, job creating local economy***

*The above vision is an inspiring picture of a preferred future for the municipality. It is not time bound and serves as a foundation for all policy development and planning, including strategic and integrated development planning.*

## **MISSION**

In working towards the achievement of its vision, LIM345 defines its mission as follows:

***To ensure the provision of sustainable basic services and infrastructure to improve the quality of life of our people and to grow the local economy for the benefit of all our citizens.***

*The word ensure has been utilised as LIM345 is not directly responsible for providing all services, however, the municipality has the responsibility to ensure optimal provision of services from sector departments and SOE's.*

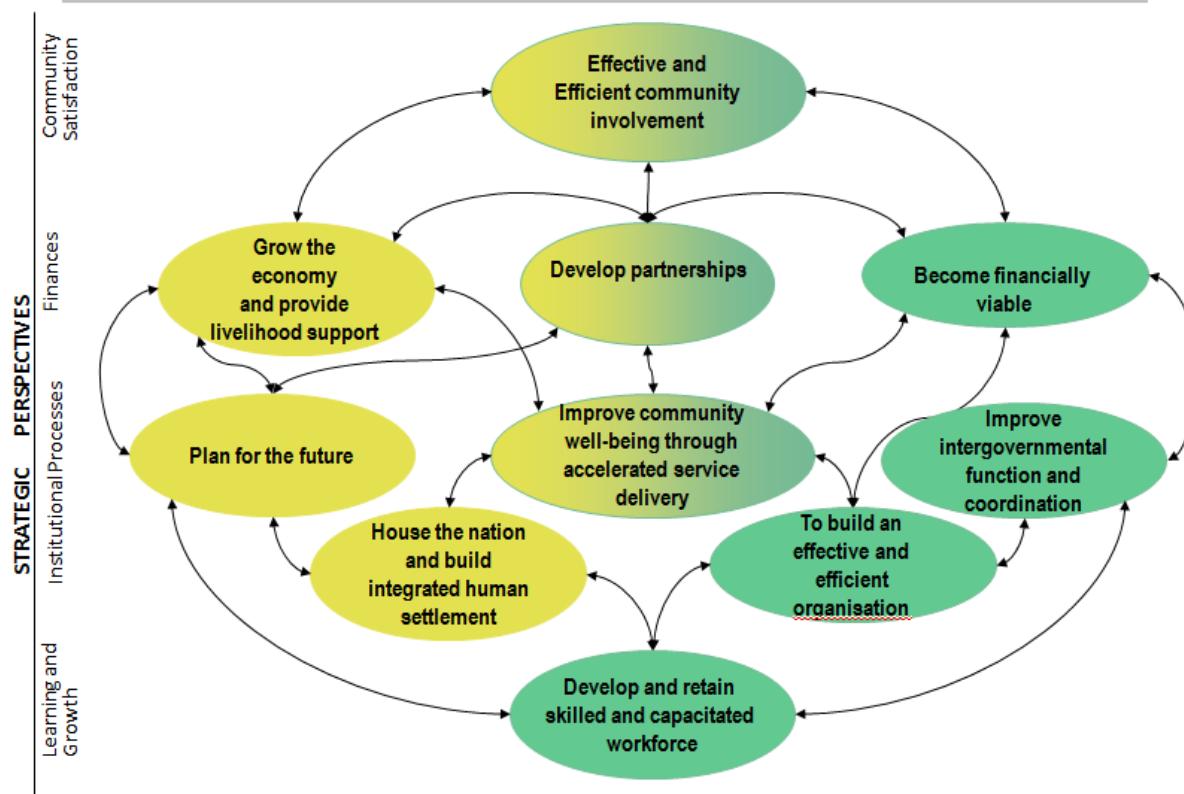
## **VALUES**

- Transparency
- Accountability
- Responsive
- Professional
- Creative
- Integrity

| <b>MTSF outcome</b>  | <b>NDP</b>   | <b>LDP</b>   | <b>Outcome 9</b>  | <b>Municipal Strategic Objective</b>   |
|--|--|--|---|--|
| Improved quality of basic education                                      | Improving education, training and innovation                 | Raise the effectiveness and efficiency of a developmental public service               |   | Develop and retain skilled and capacitated workforce   |
| A long and healthy life for all South Africans                           | Promoting health   | Improve the quality of life of citizens  |   |  |
| All people in South Africa are and feel safe                             | Building safe communities<br>Fighting corruption             | Prioritize social protection   | Deepen democracy through a refined ward committee model | Effective and efficient community involvement  |
| Decent employment through inclusive economic growth                      | Economy and employment<br>Economy infrastructure             | Create decent employment through inclusive economic growth and sustainable livelihoods | Improved access to basic services                       | Improve community well-being through accelerated service delivery<br>Grow the economy and provide livelihood support |
| Skilled and capable workforce to support and inclusive growth path       | Improving education, training and innovation                 | Raise the effectiveness and efficiency of a developmental public service               | Improve administrative capacity                         | To build effective and efficient organization  |
| An efficient, competitive and responsive economic infrastructure network | Economy infrastructure                                       | Raise the effectiveness and efficiency of a developmental public service               |   | Develop partnerships<br>Become financial viable  |
| Sustainable human settlements and improved quality of household life     | Transforming human settlement and the national space economy | Create decent employment through inclusive economic growth and sustainable livelihoods | Actions supportive to human settlement outcomes         | Plan for the future<br>House the nation and build integrated human settlement  |

|   |   |  |  |  |
|---|---|--|--|--|
| A responsive, accountable and efficient local government system   | Building a capable and a developmental state                                | Improve the quality of life of citizens                                  | Implement a differentiated approach to municipal financing, planning and support | To build effective and   |
| Environmental assets and natural resources that well protected and continually enhanced                         | Environmental sustainability: an equitable transition to low carbon economy | Prioritize social protection and social investment                       |  | Effective and efficient community involvement  |
| Create a better South Africa and contribute to a better Africa and the world                                    | Positioning South Africa in the World                                       | Improve the quality of life of citizens                                  | Single window of coordination  | Improve intergovernmental function and coordination<br>Grow the economy and provide livelihood support |
| An efficient, effective and development orientated public service and empowered, fair and inclusive citizenship | Building a capable and a developmental state                                | Raise the effectiveness and efficiency of a developmental public service |  | Develop and retain skilled and capacitated workforce   |
| Social protection   | Social protection   | Prioritize social protection and social investment                       |  | Effective and efficient community involvement  |
| National Building   | Transforming society and uniting the country                                | Improve the quality of life of citizens                                  |  |  |

**To be the powerhouse of socio-economic development through sustainable and integrated agriculture and tourism**



## KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

| <b>Key performance areas</b>             | <b>Strategic Objectives</b>        | <b>KPI</b>   | <b>BASELINE</b>   | <b>Annual Targets</b>                                     | <b>Responsible Manager</b> | <b>Budget</b> |
|--|------------------------------------|--|---|---|----------------------------|---------------|
| To develop a sound municipal institution | Good Governance and Administration | % review of the organizational structure<br>Review by June 2017. | Organisational Structure for 16/17 adopted                  | Organisational structure developed by June 2017           | Corporate Service          | R500 000.00   |
| To develop a sound municipal institution | Good Governance and Administration | % posts evaluated by June 2017                                   | Organisational structure adopted for 2016/17 financial year | 100% posts evaluated by June 2017                         | Corporate Service          | OPEX          |
| To develop a sound municipal institution | Good Governance and Administration | Number of HR policies rationalized                               | None  | 24 HR policies rationalized by 30 September 2016          | Corporate Service          | OPEX          |
|  | Good Governance and Administration | Number of critical by-laws rationalized                          | None  | 7 By-Laws rationalized by 30 <sup>th</sup> September 2016 | Corporate Service          | OPEX          |
| Integrated Development Planning          | Good Governance and compliance     | IDP /Budget Framework and Process Plan                           | None  | Process plan for 17/18 IDP/BUDGET developed               | Municipal Manager          | OPEX          |
| Integrated Development Planning          | Good Governance and compliance     | Draft IDP Compile and submitted to Council by 31 March 2017      | None  | Draft 2017/18 IDP/BUDGET in place                         | Municipal Manager          | OPEX          |
| Integrated Development Planning          | Good Governance and compliance     | Approved of final IDP  | None  | Final IDP/BUDGET for 2017/18 financial year adopted       | Municipal Manager          | OPEX          |
| Integrated Development Planning          | Good Governance and compliance     | Approved of final IDP  | None  | MSCOA Readiness   | Municipal Manager          | OPEX          |

| <b>Key Performance Area</b>                        | <b>Strategic Objective</b>         | <b>KPI</b>  | <b>Baseline</b> | <b>Annual Target</b>   | <b>Responsible Manager</b> |              |
|--|------------------------------------|---|-----------------|--|----------------------------|--------------|
| Human Resources                                    | Good Governance and Administration | Organisational Performance Management Framework approved by Council | None            | Organizational Performance Management Framework developed by June 2017 | Corporative Service        | <b>OPEX</b>  |
| <b>Basic Service Delivery</b>                      | Dignified Living                   | Number of Back to Basics reports compiled.                          | None            | 8  | Municipal Manager          | <b>OPEX</b>  |
| <b>Human Resources</b>                             | Good Governance and Administration | Work Place Skills Plan Developed by June 2017                       | None            | Work Skills Plan developed   | Corporative Service        | <b>OPEX</b>  |
| <b>Human Resources</b>                             | Good Governance and Compliance     | % training sessions conducted for councillors                       | None            | 100% training sessions conducted by June 2017                          | Corporate Service          | <b>OPEX</b>  |
| Human Resources                                    | Good Governance and Compliance     | % training sessions conducted for officials                         | None            | 100% training sessions conducted by June 2017                          | Corporate Service          | <b>OPEX</b>  |
| Fleet management services                          | Good Governance and Administration | Number of vehicles purchased for political office                   | None            | 1 mayoral vehicle purchased.   | Corporate Service          | <b>R1.2m</b> |
| Legal service , compliance and control environment | Good Governance and compliance     | % litigations attended.   | None            | 100% litigations attended by June 2017                                 | Corporate Service          | <b>OPEX</b>  |

## KPA 2 BASIC SERVICE DELIVERY

| Key performance areas         | Strategic Objectives | KPI  | BASELINE | Annual Targets                            | Responsible Manager | Budget |
|-------------------------------|----------------------|--|----------|---|---------------------|--------|
| <b>BASIC SERVICE DELIVERY</b> | Dignified living     | Level of project implementation  | None     | Sasela mani stadium upgraded by June 2017 | Technical Service   | R28 m  |
|                               | Dignified living     | Level of project implementation  | None     | Xikundu Ring Road completed by June 2017  | Technical Service   |        |
|                               | Dignified living     | Report to the Portfolio Committee on the process of forward regarding projects for 2018/19 | None     | 2   | Technical Service   |        |
|                               | Dignified living     | Report to the Portfolio Committee on the maintenance and                                   | None     | 3   | Technical Service   |        |

|  |  |                      |  |  |  |  |  |
|--|--|----------------------|--|--|--|--|--|
|  |  | repairs<br>conducted |  |  |  |  |  |
|--|--|----------------------|--|--|--|--|--|

| <b>Key performance areas</b>             | <b>Strategic Objectives</b>      | <b>KPI</b>  | <b>BASELINE</b>               | <b>Annual Targets</b>  | <b>Responsible Manager</b> |
|--|----------------------------------|---|-------------------------------|--|----------------------------|
| Human Settlement and Property Management | Preferred investment destination | Municipal Planning Tribunal established by 30 June 2017.  | None                          | Establishment and Operation of Municipal Planning Tribunal by the 30 June 2017 | Planning and Development   |
| Settlement and Property Management       | Preferred investment destination | Spatial Development Planning Framework  | None                          | Approved SDF by 30 June 2017   | Planning and Development   |
| Settlement and Property Management       | Preferred investment destination | Land Use Management Scheme  | None                          | Approved Land Use Management Scheme by the 30 June 2017                        | Planning and Development   |
| Settlement and Property Management       | Preferred investment destination | Report quarterly to the Portfolio on the process of land use applications in terms of the relevant legislations ( SPLUMA) | None                          | 2  | Planning and Development   |
| Human Settlement and Property Management | Preferred Investment Destination | Approved Business Park, Malamule Ext E ( 56 Erf's)  | Draft GP Approved Layout Plan | Proclaimed Township  | Planning and Development   |
| Good Governance and Administration       | Preferred Investment Destination | Municipal Valuation Roll  | None                          | Approved Valuation Roll  | Planning and Development   |
| Human Settlement and Property Management | Housing Administration           | Malamule extent ion B ( Not proclaimed)   | Draft GP Approved Layout      | Proclaimed Township  | Planning and Development   |
| Human Settlement and Property Management | Building Development Control     | Percentage of building plans received and processed by June 2017  | None                          | Percentage of building plans approved by June 2017.                            | Planning and Development   |
| Human Settlement and Property Management | Preferred investment destination | Number of illegal activities and land invasion cases attended   | None                          | 1  | Community Service          |

### KPA 3 LED

| <b>Key performance areas</b> | <b>Strategic Objectives</b>      | <b>KPI</b>  | <b>BASELINE</b> | <b>Annual Targets</b> | <b>Responsible Manager</b> |
|------------------------------|----------------------------------|---|-----------------|-----------------------|----------------------------|
| Local Economic Development   | Preferred investment destination | Providing training and workshops for entrepreneurs/ SMME and Cooperatives | None            | 5                     | Planning and Development   |

### KPA 4 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

| <b>Key performance areas</b>   | <b>Strategic Objectives</b>                                 | <b>KPI</b>   | <b>BASELINE</b> | <b>Annual Targets</b>  | <b>Responsible Manager</b> |
|--------------------------------|---|--|-----------------|--|----------------------------|
| FINANCIAL VIABILITY MANAGEMENT | To improve overall financial management of the municipality | Number of monthly budget statements prepared and submitted as required by MFMA | NONE            | 12 monthly budgets reports prepared by June 2017                                     | Chief Financial Officer    |
| FINANCIAL VIABILITY MANAGEMENT | To improve overall financial management of the municipality | Number of financial management policies reviewed and adopted by council        | NONE            | 9 financial management related policies reviewed and adopted by council by June 2017 | Chief Financial Officer    |

|                                |   |   |      |   |                         |
|--------------------------------|---|---|------|---|-------------------------|
| FINANCIAL VIABILITY MANAGEMENT | To improve overall financial management of the municipality | Number of mid - year budget assessment approved by council                                | None | 1 mid-year budget assessment approved by council by January 2017                | Chief Financial Officer |
| FINANCIAL VIABILITY MANAGEMENT | To improve overall financial management of the municipality | Number of annual budget approved by council   | None | 1 annual budget approved by council by June 2017                                | Chief Financial Officer |
| FINANCIAL VIABILITY MANAGEMENT | To improve overall financial management of the municipality | Percentage of payment made to creditors within 30 days receipt of invoice                 | None | 100% payment made to creditors within 30 days of receipt of the correct invoice | Chief Financial Officer |
| FINANCIAL VIABILITY MANAGEMENT | To improve overall financial management of the municipality | Number of tariff structures developed   | 1    | 1 tariff structure developed and adopted by May 2017                            | Chief Financial Officer |
|                                | To improve overall financial management of the municipality | # Deadline to conduct municipal assets verification                                       | 0    | Asset verification report submitted to council by 30 June 2017                  | Chief Financial Officer |
|                                | To improve overall financial management of the municipality | Capacitate SCM unit   | 0    | SCM training facilitated  | Chief Financial Officer |
|                                | To improve overall financial management of the municipality | % Timeous appointment of service providers with 90 days in accordance with SCM prescripts | 0    | 100% compliance to SCM prescripts   | Chief Financial Officer |

|                                       |   |   |     |  |                         |
|---------------------------------------|---|---|-----|--|-------------------------|
| <b>FINANCIAL VIABILITY MANAGEMENT</b> | Improved compliance to MFMA and Lim 345 policy framework    | Consolidated billed revenue and debtor's information from Thulamela and Makhado     | New | 1 consolidated revenue report              | Chief Financial Officer |
|                                       | To improve overall financial management of the municipality | Improved Municipal compliance to mSCOA  | New | mSCOA readiness to go live by 30 June 2017 |                         |
|                                       | To improve overall financial management of the municipality | % of municipality capital budget actually spent on capital projects by 30 June 2017 | 0   | 100%                                       | Chief Financial Officer |
|                                       | To improve overall financial management of the municipality | Number of Budget adjustment conducted   | 0   | 1 Adjustment budget report                 | Chief Financial Officer |

## KPA 5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

| <b>Key performance areas</b>   | <b>Strategic Objectives</b>                          | <b>KPI</b>                                       | <b>BASELINE</b> | <b>Annual Targets</b>                 | <b>Responsible Manager</b> |
|--------------------------------|--|--|-----------------|---------------------------------------|----------------------------|
| <b>Good Governance</b>         | Good Cooperative governance                          | Effective functioning of Council                 | None            | Scheduled Council meetings held       | <b>Corporative Service</b> |
| <b>Good Governance</b>         | Good Cooperative governance                          | Effective functioning of the Executive Committee | None            | Scheduled Executive meetings held     | <b>Corporative Service</b> |
| Good Cooperative governance    | Good Cooperative governance                          | IDP Rep Forum                                    | None            | Number of IDP Rep Forum Meetings held | <b>Municipal Manager</b>   |
| Good Cooperative governance    | Good Cooperative governance                          | Effective function of ward committee             | None            | Number of ward committee reports      | <b>Municipal Manager</b>   |
| Good Cooperative governance    | Good Cooperative governance                          | Mayoral Imbizos                                  | None            | Mayor Imbizo                          | <b>Municipal Manager</b>   |
| Good Governance and compliance | Good cooperative governance and public participation | Development of Municipal Information System      |                 |                                       | <b>Corporate Service</b>   |
|                                |  |  |                 |                                       |                            |

## PROJECTS

| 3 YEAR CAPITAL BUDGET PLAN |                                    |                           |                |               |               |                   |
|----------------------------|------------------------------------|---------------------------|----------------|---------------|---------------|-------------------|
| PROJECTS CURRENTLY RUNNING |                                    |                           |                |               |               | Source of funding |
| Vote number                | Projects                           | Comment/ Status Quo       | 2016/17        | 2017/18       | 2018/19       |                   |
|                            | Upgrading Saselemani Stadium       | 50% construction stage    | 28,011,195.82  | 0             | 0             | MIG               |
|                            | Xikundu Ring Road                  | 30% construction stage    | 48,135,325.29  | 10,000,000.00 | 0             | MIG               |
|                            | Total 1                            |                           | 76,146,521.11  | 10,000,000.00 | -             |                   |
| FUTURE PROJECTS            |                                    |                           |                |               |               |                   |
| Vote number                | Projects                           | Status Quo                | 2016/17        | 2017/18       | 2018/19       | Source of funding |
|                            | Xithleni Ring Road                 | Preliminary Design Report | 1,157,385.70   | 18,423,005.08 | 10,000,000.00 | MIG               |
|                            | Malamulele DCO to Hospital         |                           | 0.00           | 1,000,000.00  | 0.00          | MIG               |
|                            | Malamulele B Internal Streets      | Preliminary Design Report | 14,216,763.17  | 52,249,903.50 |               | MIG               |
|                            | Malamulele D Internal Streets      | Preliminary Design Report | 2,244,707.60   | 612,192.98    | 30,376,432.75 |                   |
|                            | Saselemani Traffic Testing Station |                           | 0              | 0             | 0             | MIG               |
|                            | Saselemani Market Stalls           |                           | 0              | 0             | 0             | MIG               |
|                            | Malamulele Hospital Trading areas  | Preliminary Design Report | 1,015,871.10   | 555,130.58    | 28,564,658.41 | MIG               |
|                            | Sasekani Ring Road (Partnership)   | Preliminary Design Report | 0              | 0             | 0             | MIG               |
|                            | Xigalo Landfill Site               |                           | 0              | 1,000,000.00  | 2,000,000.00  | MIG               |
|                            | Total 2                            |                           | 18,634,727.58  | 73,840,232.14 | 70,941,091.15 |                   |
|                            | PMU Budget                         |                           | 20,000.00      | 1,800,000.00  | 1,944,000.00  |                   |
|                            | Total 1 & 2 + PMU Budget           |                           | 94,801,248.69  | 85,640,232.14 | 72,885,091.15 |                   |
|                            | MIG ALLOCATIONS( 100% Commitment)  |                           | 100,777,000.00 | 84,023,000.00 | 88,920,000.00 |                   |

## PROJECTS BY SECTOR DEPARTMENTS

Eskom 2017/18

| Project Name           | Planned Capex | Planned Connections | YTD Actual CAPEX | YTD Actual Connections |
|------------------------|---------------|---------------------|------------------|------------------------|
| Mashua Magwenu/Misevhe | R927 429.90   | 33                  | 0                | 0                      |
| Tshitungulwane         | R3382 073.32  | 118                 | 0                | 0                      |
| Tiyani                 | R4560 000.00  | 269                 | 0                | 0                      |
| Nyavani                | R3140 950. 00 | 162                 | 0                | 0                      |
| Tshitumbuni            | R2330 043.72  | 83                  | 0                | 0                      |
| Makhasa                | R1183 879.74  | 33                  | 0                | 0                      |
| Nkuzana                | R2441 247.30  | 96                  | 0                | 0                      |
| Nwaxinyamani           | R1 417 397.34 | 54                  | 0                | 0                      |
| Tshipuseni             | R2419 647.72  | 93                  | 0                | 0                      |
| Fourways               | R684 000.00   | 15                  | 0                | 0                      |
| Olifantshoek           | R684 000.00   | 15                  | 0                | 0                      |
| Xifaxani               | R8900 187.21  | 621                 | 0                | 0                      |
| Ximixoni               | R7 447 332.23 | 617                 | 0                | 0                      |
| Shibangwa              | R1 889 325.42 | 68                  | 0                | 0                      |

**Department of Health : Projects identified for possible funding**

| Project Name                          | Description                         | Date Start | Date Finish   | Budget | Expenditure to date | MTEF Estimates | Forward Estimates | Status |
|---------------------------------------|-------------------------------------|------------|---------------|--------|---------------------|----------------|-------------------|--------|
| Malamulele Hospital bulk water supply | Revitalization of main water supply | April 2017 | November 2017 |        |                     |                |                   |        |

**Department of Education**

| Project Name   | Status              | Nature of Investment | Date Start   | Date Finish   | Budget R'000 |
|----------------|---------------------|----------------------|--------------|---------------|--------------|
| Botsoleni      | Identified          | Upgrade              | 1 April      | 31 March      | 419          |
| Hasani Primary | Closed              | Upgrade and addition | 10 Feb 2014  | 1 DEC 2016    | 673          |
| Hasani Primary | Practical completed | Upgrade and addition | 1 April 2014 | 31 March 2017 | 11609        |
| Hluvuka High   | Tender              | Upgrade and addition | 1 Jan 2017   | Dec 2018      | 14 736       |
| Humula         | On hold             | Refurbishment        | 1 April      | 1 Dec         | 11025        |
| Jaji Primary   | Practical           | Refurbishment        |              |               | 7205         |
| Jilongo        | Practical           | Upgrades             | 1 April      | 31 March      | 9416         |
| Malamule       | Construction        | New                  | 1 April      | 3 March       | 47019        |

|                    |                     |                         |              |               |        |
|--------------------|---------------------|-------------------------|--------------|---------------|--------|
| Maphophe           | identified          | Upgrades                | 1 April      | 1 Dec         | 286    |
| Mkhanchani Mzamani | Practical Completed | Upgrades and additions  | 1 Nov 2016   | 31 March 2017 | 17806  |
| Mphambo Secondary  | Practical Completed | Upgrades and additions  | 10 Feb 2014  | 1 Dec 2016    | 8752   |
| Mutititi Primary   | Identified          | Upgrades and additions  | 1 April      | 1 Dec         | 284    |
| Mutsweteni         | Tender              | Upgrades and additions  | 1 April      | 1 Dec         | 6235   |
| Nngwekhulu Primary | Identified          | Upgrades and additions  | 1 April      | 1 Dec         | 425    |
| Shikundu Secondary | On hold             | Maintenance and Repairs | 1 April 2017 | 1 Dec 2021    | 10 048 |

**Road Agency 2017-2018/ 2019/2020**

| RAL NO | Project Name   | Activity                 | Budget<br>2017/18 | Budget<br>2018/19 | Budget 2019/2020 |
|--------|--|--------------------------|-------------------|-------------------|------------------|
| T819   | D3817 Construction of bridge over Klei Letaba river on road D3817 from Bungeni to Wayeni to Mufeba | Flood damage             |                   |                   | R5, 000m         |
| T903   | D3640: Mphambo to Mdabula  | Upgrading                | R2, 500m          |                   | R10, 000m        |
| T832   | D4 Vuwani to Malamulele  | Preventative Maintenance |                   |                   | R10, 000m        |
| T836   | D4 Malamulele to Mtititi   | Preventative Maintenance |                   | R5, 000m          | R5,000m          |
| T839   | D3827 Njakanjaka to Olifantshoek   | Preventative Maintenance | R7, 500m          | R5, 000m          |                  |