



Final 2023/2024
Integrated Development
Plan (IDP) Review

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

By email: mayor@midvaal.gov.za ; gloryt@midvaal.gov.za

Cllr Alderman Peter J Teixeira

The Executive Mayor
Midvaal Local Municipality
P O Box 9
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Dear Cllr Teixeira

ASSESSMENT OF THE MIDVAAL LOCAL MUNICIPALITY (MVLN) INTEGRATED DEVELOPMENT PLAN (IDP) 2022-27

1. OVERALL CREDIBILITY OF THE IDP

- 1.1 The Gauteng Department of Cooperative Governance and Traditional Affairs (GCOGTA) acknowledges and appreciates the submission of the 2022-27 Integrated Development Plan (IDP) on 27 May 2022, one (1) day after its adoption by Council on 26 May 2022 (as per Council Resolution No. 2/9/2), in accordance with the Municipal Systems Act No. 32 of 2000 (MSA).
- 1.2 The Municipality's IDP indicates that there were no objections received during the consultation with the local community as required in Section 28(2). Based on this, there is no need to institute any action in terms of Section 32(2) of the MSA, against the reviewed municipal IDP process.
- 1.3 It is noted that the Municipality's IDP contains all core components of the IDP as specified in Section 26 of the MSA.
- 1.4 Therefore, having addressed the minimum core components in the IDP as well as undertaking public participation and adhering to the requirements of Chapter 5 of the MSA, the Municipality's IDP is deemed to be compliant and credible.

2. IDP ASSESSMENT AND OBSERVATIONS

The Municipality is hereby commended for developing a user-friendly document which is coherent in its compilation particularly on the following key performance areas (KPA's):

2.1 SPATIAL PLANNING AND SUSTAINABLE ENVIRONMENTAL DEVELOPMENT

2.1.1 It is noted and appreciated that Midvaal Local Municipality (MVLM) attached a full copy of the Spatial Development Framework (SDF) to the final Integrated Development Plan (IDP).

2.1.2 The SDF was reviewed and approved by Council on 26 May 2022, and the Directorate: Integrated Planning and Spatial Governance formed part of the Project Steering Committee providing input. The SDF addresses and improved on majority of the comments made during the draft IDP assessment.

2.1.3 Overall, the new SDF made immense strides in articulating current and future significant structuring and restructuring elements, development opportunities, key issues and development constraints which gives a spatial logic to spatially prioritised areas within the Local Municipality that will affect the spatial form.

2.1.4 What would further benefit the SDF and national and provincial spheres that provide services within the Municipality, is the inclusion of detailed mapping that indicates the optimal locations for service delivery linked to demand. The logic at a high-level is contained within the SDF but further illustrations through GIS and maps will provide clear evidence-based rationale for national and provincial service delivery.

2.2 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

2.2.1 The Municipality's commitment to sound financial management is noted particularly by achieving a clean audit for the past four consecutive years and this is highly commended by the Department.

2.2.2 The Department further notes the efforts by the Municipality to introduce a differentiated approach to municipal financing, planning and support. In the IDP, the Municipality has identified the following programmes:

- The annual review and maintenance of an indigent policy
- Maintenance and enhancement of the collection strategy
- The ongoing maintenance of an integrated asset management system
- The annual review and implementation of a borrowing policy

2.2.3 Based on the above, the Municipality has demonstrated stability in financial management over the past number of financial years. The attainment of good results and performance are further evident from the previous financial years.

2.2.4 The Municipality approved surplus cash budget on the 2022/23 financial year. After the reconciliation of cash backed reserves/accumulated surplus was taken into consideration, the municipality still maintains a surplus.

2.2.5 Historically, it is observed that the Municipality was able to generate sufficient revenue which is used to finance its capital expenditure. The Municipality's consistent ability to budget for surplus that is cash-backed enhances its capacity to fund its capital programme. The contribution from internally generated funds to the capital budget is 20 percent or R23 million.

2.2.6 It is noted that the Midvaal Local Municipality has sufficiently reflected its financial plans that will be addressed in the Annual budget where adequate maintenance and replacement of the Municipality's assets (property, plant, and equipment) will be provided for. It will be informed by Council's Asset Management Policy which is noted.

2.3 SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

2.3.1 The IDP has clearly reflected the Municipality's development strategies. It further demonstrates alignment to national and provincial priorities such as the National Development Plan, the District Development Model, and the Integrated Urban Development Framework (IUDF) to name a few.

2.3.2 In terms of sustainable energy and the promotion of renewable energy options, the IDP is silent. The Municipality is encouraged to initiate and introduce solar energy projects such as solar geysers or PV panels for low-income housing. Furthermore, the Municipality is encouraged to reduce dependence on fossil fuel generated electricity in public buildings.

2.3.3 The Municipality is commended for having a Green Buildings Policy and Implementation Plan in place with the intention to provide guidelines on energy efficient buildings.

2.4 LOCAL ECONOMIC DEVELOPMENT (LED)

2.4.1 The Municipality is commended for having a Local Economic Development Strategy in place, which was adopted by Council in May 2017.

2.4.2 Going forward, the Municipality should indicate when this strategy will be reviewed and how that process will unfold to ensure that it continues to leverage on comparative advantages and sustains links to other provincial and private sector initiatives. In doing so, the Municipality is urged to put in place strategies that will promote township economic revitalization with support programmes.

2.5 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

- 2.5.1 The Midvaal Local Municipality has all the critical posts filled with a functional Budget Steering Committee. Additionally, the Municipality's Budget and Treasury Office has the relevant capacity to promote good financial management and ensure the efficient application of financial resources in the rendering of services to the community.
- 2.5.2 As part of its broader service delivery efforts, the Municipality is further encouraged to consider the Asset Based Community Development (ABCD) model in engaging its citizenry and to enrich its ward committee system.
- 2.5.3 It is noted that the Municipality has not provided a list of challenges and areas of intervention/ collaboration to address these challenges in the coming five years of the IDP. The Municipality should also outline the targets that it is working on towards achieving these.
- 2.5.4 It is noted that the Municipality has sufficiently reflected its financial plans that will be addressed in the annual budget where adequate maintenance and replacement of its assets (property, plant, and equipment) will be provided for and is informed by Council's Asset Management Policy, this is commended.

3. CROSS-CUTTING ISSUES

- 3.1 **Township Economic Development Act (TEDA):** the Gauteng Legislature has recently approved the Township Economic Development Act aiming at supporting and revitalising township economy. Its custodian, the Gauteng Department of Economic Development, will facilitate workshops on the above-said Act to municipalities over the course of the current financial year. It is envisaged that all municipalities in Gauteng will participate in the fore-said workshops including regulatory discussions geared towards the successful implementation of the TEDA in Gauteng. When implemented collaboratively, TEDA has the potential to link the previously marginalised groups with the mainstream economy.
- 3.2 **Gender, Youth, and people living with Disabilities (GEYODI):** access to resource and opportunities by special groups of people is often hampered by a lack of policies and programmes at the macro-levels of the society that promotes the interests of the fore-said groups. An absence of willingness by societal institutions denies the fore-said group the right to participate and sense of self-determination. With aim of redressing the above-mentioned social exclusion, the government through various policies championed the inclusion and re-integration of fore-said marginalised groups into the mainstream economy, amongst others, through the development GEYODI Framework and Guidelines. The above-mentioned policy guidelines are meant to guide municipalities to mainstream GEYODI issues across their line departments to facilitate gender parity, youth development and women empowerment. The following are the specific indicators and targets that municipalities should apply when developing and

implementing the GEYODI policy or programmes within their respective spaces, namely:

- Employment equity (i.e., targets 50% Representation of Women in SMS. and 4% Employees with Disability);
- B-BBEE - Supply Chain Management (40% Women owned businesses, 5% Disability owned businesses, and 30% Youth owned businesses);
- Job Creation and LED (i.e., Women Small, Medium and Micro Enterprises (SMME) - Financial & Non-Financial Support, Persons with Disability SMMEs - Financial & Non-Financial Support, Youth SMMEs - Financial & Non-Financial Support, and EPWP); and
- Gender Based Violence and Femicide Programme (GBVF).

- 3.3 **District Development Model (DDM):** The process of developing an instrument to guide the first review of DDM One Plans is underway. It is thus important that municipalities continue to demonstrate their commitment to the DDM by participating in their respective DDM Technical Steering Committees as well as making meaningful contributions to the process of developing and implementing a framework to guide the DDM One Plan review process. The planned support workshops on the above-said matter will be coordinated by Gauteng COGTA in partnership with National DeCOG. Important to further note is the creation of integrated and sustainable human settlements, which demands a concerted effort between the Gauteng Provincial Government and the Municipality. Beyond consultation based on already conceptualised plans, the DDM Model provides an opportunity for joint planning wherein the Department of Human Settlements and the Municipality can jointly agree on spaces that need to be prioritised for future human settlements interventions. Once the Municipality has endorsed the DDM Model, a memorandum of understanding (MOU) needs to be put in place to detail the nature of the relationship and the necessary protocols clearly defining the roles and responsibilities.
- 3.4 **Medium-Term Expenditure Framework/ Committee (MTEF/ MTEC) Process:** The Municipality is requested to provide a list of priority needs collected during IDP Public participation processes to Gauteng COGTA-IDPC Unit for inclusion into Provincial MTEC Process by end of September 2022.
- 3.5 **Mid-Term IDP Analysis:** The Municipality is also requested to provide progress on projects earmarked for implementation in the previous financial year as part of Mid-term draft IDP Analysis process before the end of March 2023. This will assist in to track implementation and impact of the identified projects in the previous IDP.
- 3.6 **Organisational Development:** It is noted that most municipal organisational structures are not informed by the IDP, Service Delivery Models and business processes. The lack of clear functional structures misinforms the process of Job Description development. Subsequently, the migration and placement processes become unnecessarily long and tedious. To this effect, all municipalities are urged to pay close attention to the following:

- Prioritise the creation and funding of Organisational Development (OD) positions in the Organisational structure reviews.
- Plan, implement and monitor OD interventions and projects in responding to Volatile municipal environment.
- Advocate for the implementation of OD principles, norms, and standards.
- Continue to equip and upskill yourselves from the resources given by your respective Municipalities. As CoGTA will no longer have the financial resources sponsor big OD projects in the future.
- In all your OD processes strive to champion a culture of customer centricity, a culture of accountability and compliance.

4. IDP MONITORING AND SUPPORT

4.1 In 2017/18 and 2019/20 CoGTA conducted a Human Resource (HR) Audit in that provided diagnostic reports which assisted the department in identifying gaps and areas of excellence in the HR space in all Gauteng municipalities. The following were the 13 HR Standards measured: Strategic HRM, Talent Management, HR Risk Management, Workforce Planning, Learning and Development, Performance Management, Reward & Recognition, Employee Wellness, Employment Relations Management, Organisation Development, HR Service Delivery, HR Technology and HR Measurement. Most municipalities are struggling in most of the HR standards with:

- Performance Management and development System not cascaded.
- Vacant senior managers' positions not filled within 6 months of being vacant.
- Funded critical vacant positions not filled within 6 months of being vacant.
- Skills Development not conducted within a period of five years.
- Unethical conduct from both Councillors and Officials

4.2 Over the 2022/23 and subsequent financial years, Gauteng COGTA will be providing hands on support to municipalities towards addressing the above gaps. This includes conducting workshops to implement the Promulgated Municipal Staff Regulations i.e., recruitment, selection and appointment, Performance Management Development System as well as Skills Audit. The Department will further roll out Capacity Building Interventions aimed at developing the financial oversight of (MPAC, s79 committees) both councillors and officials. Including an intervention focussed on ethics and accountability.

4.3 COGTA convenes a Quarterly IDP Managers' Forum where new developments on IDPs, guidelines, sharing of ideas and specific areas of support are discussed and resolved on. The Municipality actively participates in these, and such should be maintained into the next IDP reviews.

4.4 DDM engagement sessions in specific Metros and Districts are intended to promote the coordination and alignment of the three spheres of government towards service delivery by means of improving intergovernmental relations and ensuring specific sector

department intervention where required. Therefore, the Municipality is encouraged to participate in and support such endeavours towards achieving coordinated service delivery by the three spheres of government within the municipal space. The identification and continuation of a DDM or IGR Champion dedicated to this process will be welcome.

5. RECOMMENDATIONS

The following recommendations are made to the Municipality and progress on these will be assessed amongst others, in the next IDP: -

- 5.1 Focus on investment attraction via re-industrialization of parts of the Municipality and hence, promoting the creation of sustainable employment opportunities.
- 5.2 The promotion of sustainable development of industrial hubs, economic hubs and digital hubs focusing on access for youth and vulnerable communities.
- 5.3 Support and fast track processes to ensure the establishment of the Special Economic Zone (SEZ) to promote economic growth, revenue generation and job creation and to attract investment (Vaal Special Economic Zone).
- 5.4 The Municipal Spatial Development Framework (MSDF) must link housing facilities to local economic development, nodal priorities, transport/mobility support in outer settlements. The MSDF must also focus on township regeneration efforts to create hubs in accordance with the National Development Plan's (NDP's) Urban Network Strategy.
- 5.5 Clarity must be provided on the Municipality's Public Participation Strategy i.e., its existence, levels of implementation and compliance as well as considering the Asset Based Community Development (ABCD) model in engaging its citizenry as well as developing the IDP Process Plan.
- 5.6 Regarding a Climate Change Mitigation and Adaptation Plan/Strategy, the Midvaal Municipality could adopt the Sedibeng District Municipality's Climate Change Mitigation Strategy and Adaptation Response Plan.
- 5.7 In improving the Municipality's environmental capacity, the Municipality is urged to pay attention to the development of its Integrated Waste Management Plan (IWMP). GDARD should be consulted to endorse the IWMP once finalised.

6. CONCLUSION

The assessment of your IDP concludes that it is one that is compliant, credible, and implementable.

A snapshot across the IDP KPAs, shows good overall progress by the Municipality with attention required on some areas in the next Review.

An assessment of the IDP highlighted that alignment remains a persistent challenge that should be tackled collectively with all role players involved in the Integrated Planning Process, since an IDP is a plan of all government or everybody's business. The inclusion of GEYODI indicators and its subsequent mainstreaming across the municipal functional areas is of critical importance if gender parity was to be achieved. The IDP participatory process could be revitalised and strengthened through the introduction of the Asset-Based Community Development (ABCD) approach across municipalities, especially in the context of limited resources. The potential of bulk-infrastructure to hamper the pace of service delivery at municipal space appeared to be a recurring issue that needs collaborative and urgent attention. Also issues around cash reserves, collection, and budget for infrastructure repairs and maintenance calls for speedy resolution from all of government and the private sector.

Alignment with provincial and national programmes and plans remains a challenge that requires collective intergovernmental relations in the IDP processes, as well as in the DDM approach to ensure that all role players involved play their part towards service delivery in the municipal space.

It is important, that in the next review of the IDP, an 'all of government' approach is evident to illustrate the socio-economic impact of the IDPs on the targeted communities.

Your Municipality is wished well towards the review and submission of its next Integrated Development Plan.

Yours faithfully,



MR LEBOGANG MAILE, MPL

MEC: COGTA, URBAN PLANNING AND HUMAN SETTLEMENTS

DATE: 05/10/2022

Cc: Municipal Manager