



Lodestone Edsupport NPC Collaboration School Programme Business Plan 2026 to 2031

May 2026

**"Coming together was the beginning. Staying together is progress.
Working together is success."**



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Lodestone Edsupport



Lodestone Edsupport



Lodestone-edsupport-za

Company No. 2021/134535/08

SASSA Reg. No. 272-197

Public Benefit No. 930075378

Income Tax Ref. 9206901259

First National Bank: Lodestone Edsupport NPC: Branch no. 250 655 Account No. 62941903454

Directors: SK Hiemstra MC Mkhize CR Strydom

1. Organisational Overview

Organisation	Lodestone Edsupport NPC
CIPC Registration	2021/134535/08 (Companies Act No. 71 of 2008 — Non-Profit Company)
PBO Status	SARS Public Benefit Organisation Ref. 930075378
Section 18A Authority	Tax-deductible donations — Income Tax Act No. 58 of 1962, s.18A
NPO Registration	SASSA Reg. No. 272-197 (Nonprofit Organisations Act No. 71 of 1997)
Income Tax Ref.	9206901259
Banking	First National Bank Ballito Branch No. 250 655 Account 62941903454
Directors	SK Hiemstra MC Mkhize CR Strydom
Chief Operating Officer	CS Mitchell
Programme Contact	Colin Mitchell colin@lodestone-ed.org · 083 777 4401
Website	www.lodestone-ed.org
Auditors	Witthoft Chartered Accountants, Ballito
Legal Advisors	NGO Law SA
Plan Period	1 January 2026 – 31 December 2031 (5 years)
Confidentiality	This document is confidential and intended solely for named recipients.

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2. Executive Summary

Lodestone Edsupport NPC (Lodestone) is a registered South African non-profit company and accredited Public Benefit Organisation established to implement the Collaboration Schools Programme (CSP). A programme to mobilise private sector resources and innovation to systematically reframe and improve public basic education, starting in KwaDukuza in the iLembe District of KwaZulu-Natal. This Business Plan sets out the strategic intent, operational framework, financial requirements, governance architecture, and five-year implementation roadmap for the CSP for the period 2026 to 2031.

THE CORE PROBLEM

South Africa's public education system produces a 90.6% matric pass rate in KZN yet youth unemployment in KwaDukuza Municipality in iLembe District exceeds 62% among those aged 15–24. Fewer than half of Grade 1 learners reach matric; 81% of Grade 4 learners cannot read for meaning; and 74% of all school leavers access no post-school education. These results are despite KwaDukuza being one of the fastest growing localities in South Africa. The system is not failing by accident — it is structured as a credential pipeline, not a community development engine.

The CSP addresses this structural gap through a legally tested public-private collaboration model — it is informed by the work of the DG Murray Trust and proven in the Western and Northern Cape since 2015 — The adaptation of the Lodestone model is that the CSP model operates on the “power with, not power over” principle that introduces accredited Collaboration School Partnerships (CSPs) to support and coach public schools to elevate or implement whole-school development, governance support, curriculum enrichment, and vocational pathways. The principle being that resilience and functionality of a school depends on its intrinsic capability rather than depending on external agents or experts.

Lodestone applies a 'wagon-wheel' governance and management model to ensure financial prudence and potential to replicate the collaboration model at scale. A lean core Hub leadership team plans, organises, Spokes are the network of collaboration schools relentlessly committed to context relevant, outcomes measurable three-stream education. The Rim is the network of technical specialists available to meet the specific needs of individual schools. The axle is the community of practice for learning and knowledge sharing.

The first spoke is the Groutville High School (GHS) innovation pilot in KwaDukuza. Groutville has formally adopted the collaboration model through a School Governing Body resolution and signed Service Level Agreement. A primary school pilot, selected in partnership with the Citizen Leadership Lab, will be confirmed by Q3 2026.

The programme aligns with the South African Constitution (s.29), the SA Schools Act No. 84 of 1996, the National Development Plan, the DBE Action Plan 2024, the National Skills Development Plan 2030, and UN Sustainable Development Goals 4, 8 and 10. All operations comply with the Companies Act No. 71 of 2008, the NPO Act No. 71 of 1997, the Public Finance Management Act, and applicable labour legislation.

3. Organisational Profile and Legal Status

3.1 Legal Registration and Standing

Lodestone Edsupport NPC is constituted as a Non-Profit Company under the Companies Act No. 71 of 2008, regulated by the Companies and Intellectual Property Commission (CIPC). Its Memorandum of Incorporation (MOI) prohibits distribution of profit to members and directors. It also ring-fences all assets for the stated public benefit objects. The organisation holds the following statutory registrations:

Companies Act (s.71 of 2008)	Non-Profit Company · Reg. 2021/134535/08 · CIPC registered
NPO Act (No. 71 of 1997)	SASSA Registration No. 272-197 Annual compliance reporting obligation
Income Tax Act (s.58 of 1962)	PBO Ref. 930075378 · s.18A donation deductibility authority granted
Income Tax Reference	9206901259 SARS registered taxpayer (exempt from income tax per s.10(1)(cN))
King IV Compliance	Governance aligned with King IV Report on Corporate Governance (2016)
PFMA Awareness	Operations designed in compliance with PFMA best practice for PBO fund management
B-BBEE	Section 18 NPO — exempt from B-BBEE scorecard requirements; social value contribution documented
POPIA	Personal information processing governed by POPIA (Act No. 4 of 2013) — Information Officer appointed
PAIA	Public Access to Information Manual maintained per PAIA (Act No. 2 of 2000)

3.2 Public Benefit Activity

Lodestone's approved PBO activities fall under Schedule 1 of the Income Tax Act Part II — Welfare and Humanitarian, specifically the provision of support, assistance and development of public basic education as a public benefit. All income and assets are applied exclusively to these activities in accordance with s.30 of the Income Tax Act.

3.3 Accredited School Operating Partner

Lodestone is an accredited Collaboration School Partner (CSP) its operational model is informed by the Collaboration Schools Programme intellectual property framework of the DG Murray Trust (DGMT). The legitimacy of collaboration schools' approach has been legally tested in the Western Cape High Court. The Lodestone accreditation is formalised through cooperation agreements between Lodestone, iLembe Department of Education and Enterprise iLembe.

4. Problem Statement and Context

4.1 The National Education Crisis

South Africa's public education system has achieved near-universal enrolment (95%) but has structurally failed to translate access into outcomes. The evidence is unambiguous and extensively documented:

Dimension	Key Metric	Verdict
Foundational Literacy	81% of Grade 4 learners cannot read for meaning (PIRLS 2021 — SA ranked last of 43 countries)	Critical Failure
System Throughput	Only 51% of Grade 1 entrants complete matric; ~590 000 lost per annual cohort	Critical Failure
Credential Quality	30% minimum pass threshold; matric fails to signal literacy, numeracy, or work-readiness to employers	Severe Weakness
Tertiary Access	16% reach university; 8–10% enter TVET; 74% access no tertiary education	Critical Failure
Employment Readiness	NEET rate 45.1% (ages 15–34); youth unemployment 70% among matric holders	Severe Weakness
Vocational Pathways	556 000 TVET enrolments; graduate employment rate only 20–35%	Severe Weakness
Equity	Dual system: same certificate, vastly different competence between quintile 1–3 and former Model C schools	Critical Failure
Community Link	Education designed for individual mobility, not community capacity-building; no regional economic co-planning	Severe Weakness

4.2 The iLembe District Context

iLembe District Municipality (KwaDukuza, Mandeni, Maphumulo, Ndwedwe) sits strategically on the N2 corridor between Durban, Richards Bay to Maputo. The southeastern coastal strip — Ballito, Umhlali, Salt Rock — is one of South Africa's fastest-growing economic zones, anchored by the R2.6 billion Club Med development, light industry, tourism, and the Dube Special Economic Zone.

Yet despite this growth total unemployment stands at 32% (youth 44.3%–62%+); 10% of the district population has zero income; entrepreneurship lags at 3.7%; and poverty has intensified in all four municipalities. There are 394 quintile 1–3 schools in iLembe but new 4 and quintile school development has significantly lagged population growth. Estimates are that up to three new schools are needed in the KwaDukuza southern coastal belt alone. The paradox is stark: economic growth without community benefit is a coordination and education-design failure, not a resource shortage.

ROOT CAUSE	The CDC Silent Crisis Report (2023) concluded: 'Something is deeply wrong with our education system. We cannot solve this complex challenge simply by throwing more money at it.' Lodestone's analysis concurs: the problem is a system designed to produce credentials, not community capacity. For 90% of learners, school is their final qualification. Yet the curriculum is structured for the 10% who can get to university.
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5. Mission, Vision, and Values

MISSION Together we will relentlessly challenge the disparities, relevance, and effectiveness of public education and the low expectations of learners, teachers, and parents for inadequate outcomes. We will stop tolerating a system that gives up on our youth, their needs, potential, and aspirations.	VISION iLembe District public schools are the beating heart of the communities they serve — the benchmark for education relevance and success. Effective teaching, sport, and co-curricula opportunity thrives, ensuring that no one in iLembe is left behind.	PURPOSE Education is a means to an end, not an end in itself. It should be the key enabler of individual empowerment, community development, and sustainability — equipping people to scale the social and economic ladder by choice, not migration from necessity.
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5.1 Core Values

- **Change is inspired, not imposed:** Transformation must be invited, driven from within communities, and grounded in legitimacy.
- **Longer table over higher walls:** Inclusion and shared investment outperform exclusion and self-sufficiency for all stakeholders.
- **Community first:** Schools exist to build community capacity, not to extract individuals from it.
- **Accountability and transparency:** Formal governance, measurable outcomes, and independent oversight in all activities.
- **Cultural respect:** All partnerships honour the anthropological anchors — language, tradition, and local leadership — of each community.
- **Innovation and learning:** Good practice is captured, shared, and scaled through the Community of Practice.

6. Strategic Framework and Theory of Change

6.1 Strategic Alignment

The CSP is positioned to complement — not replace — government's constitutional education mandate. Every programme element is designed for co-existence with, and contribution to, the following national and international frameworks:

SA Constitution, Chapter 2, s.29	Right to basic education; enables private supplementation of state provision
SA Schools Act No. 84 of 1996	s.16, 17, 19, 20, 36: SGB mandate; parallel SGB authority; schools' obligation to supplement state resources
National Development Plan 2030	Education as the primary enabler of economic inclusion and capability development
DBE Action Plan 2024 (Schooling 2030)	Governance, teacher development, learner support, community engagement — all addressed by CSP
National Skills Development Plan 2030	Vocational pathways, QCTO alignment, employer co-design of curricula
Skills Development Act No. 97 of 1998	TVET articulation, learnerships, apprenticeship pipeline from school vocational campus
SDG 4 — Quality Education	Inclusive, equitable, quality education and lifelong learning for all
SDG 8 — Decent Work and Growth	Employment-ready graduates supporting local economic sectors
SDG 10 — Reduced Inequality	Equitable access to vocational pathways across quintile 1–3 schools
OECD Education at a Glance 2025	Benchmark for evaluation and MERL frameworks — relevance, efficiency, coherence, effectiveness, impact, sustainability

6.2 Theory of Change Summary

The Theory of Change sets out causal intendencies across six linked levels — from Activities through to Impact. The causal logic is. Efficiently applied, structured inputs/ activities contribute to stakeholder buy-in, improved governance, mobilised networks, and specialist support. These then generate predictable outputs like improved SGB leadership, continuous professional development of staff, diverse context relevant vocational pathways, and focused School Improvement Plans. These outputs are then the building blocks for the strategically targeted intermediate outcomes, i.e., short to medium term improvement in teaching, engaged learners, community participation, and ownership. Intermediate outcomes will in the longer term contribute to outcomes of collaboration schools as community hubs and graduates with relevant skills. These outcomes generate measurable impact of resilient, economically capable communities, and upwardly mobile school graduates.

IMPACT	Resilient, capable, sustainable communities — measured by employment, reduced poverty, and personal well-being — where schools are the catalysts for community and regional social and economic transformation.
FINAL OUTCOME	Public schools valued as the beating heart of their communities; graduates equipped for local economic participation; virtuous circle of community investment in education.
INTERMEDIATE	Schools as community hubs; education-economy alignment; deepening private sector collaboration; regional stakeholders investing in youth employment.
IMMEDIATE	Improved teaching quality; engaged learners; active community participation; strengthened school governance; contextually relevant curriculum and vocational pathways.
OUTPUTS	Functional SGBs; improved School Improvement Plans; specialist support networks active; Community of Practice live; QCTO vocational programmes registered and delivering.
ACTIVITIES	Principal coaching; governance support; CPD delivery; curriculum development; community facilitation; private sector resource mobilisation; SLA compliance monitoring.

6.3 Lodestone Operating Principles

THREE OPERATIONAL PRINCIPLES	Principle 1 — Legitimacy Before Resources: SLA governance and community buy-in must precede resource deployment. Principle 2 — Leading Indicators Predict Lagging Outcomes: SGB functionality, CPD engagement, parental participation is tracked 2–3 years ahead of academic outcome improvement. Principle 3 — Community Ownership Converts Programme to Institution: The programme is designed to become self-sustaining when the community takes ownership through SGBs, alumni networks, and private sector partnerships.
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7. Programme Design and Scope of Work

7.1 Programme Streams

The CSP operates across three complementary but distinct programme streams, each with its own delivery model, funding structure, and success indicators:

7.1.1 Stream 1 — Whole-School Development: Existing No/Low-Fee Schools

Lodestone collaborates with quintile 1–3 public schools committed to systematic improvement. Selection criteria rests on demonstrated SGB commitment, principal readiness (assessed in partnership with the

Citizen Leadership Lab), geographic accessibility, and community champion presence. Eligible schools must sign an SLA before any resources are deployed.

Scope of support includes: SGB governance coaching and technical support in collaboration with regional networks of NGO’s CBO’s for example - principal leadership development in association with Citizen Leadership Lab; Continuous Professional Development (CPD) for teachers aligned; coaching for classroom practice change and specialist learner support (i.e., neurodiversity, occupational therapy, counselling) through the Rim network; School Improvement Plan (SIP) development and quarterly monitoring; OECD-aligned MERL; and Community of Practice participation.

Groutville High School is the confirmed pilot high school with SLA signed and SGB resolution. A pilot primary school in KwaDukuza is being identified in collaboration with Citizen Leadership Lab and is targeted for Q3 2026).

7.1.2 Stream 2 — Vocational Campus: Context-Relevant Technical Education

The flagship innovation is the establishment of a dedicated vocational and technical campus on the Groutville High School property. This campus will deliver QCTO-aligned occupational programmes at NQF Levels 2–4, selected based on: regional labour market demand; entrepreneurship potential; resilience to AI displacement; and alignment with iLembe's dominant economic sectors. The sectors with high potential are:

Automotive Mechanics	NQF Level 2–4
Construction & Civils	NQF Level 2–4
Hospitality	NQF Level 2–4
Early Childhood Development	NQF Level 2- 4

Progress to date: Preliminary infrastructure design is complete: i.e., 1800m² campus with 8 fully equipped technical workshops; 12 associated theory classrooms and for digital learning and entrepreneurship support. Dormitory accommodation for 200 male and female learners: i.e., 2x 900 m² residential.

The approval processes of Environmental Impact Assessment, hydrological assessment, architectural design, engineering studies, and QCTO programme registration will be addressed under the R3.08 million preparatory budget.

7.1.3 Stream 3 — New Public-School Development

The iLembe District's rapid population growth has created an acute shortage of public high school capacity in the Ballito/Umhlali/Salt Rock area. There is an identified the need at least 3 new publics schools to meet the growing middle class KwaDukuza population unable to afford the explosion of private schools develop in locality.

In this regard iLembe/ KwaDukuza IDP’s have earmarked R8.6 million toward an 'Umhlali College' in the iLembe IDP.

Lodestone, as the registered Quality Learning and Teaching Campaign (QLTC) PBO for iLembe, will take a coordination, facilitation, and governance role in the development of these new schools using a build-operate-transfer (BOT) model.

8. Organisational Structure and Governance

8.1 Governance Architecture

Lodestone's governance architecture is designed to meet the requirements of the Companies Act (No. 71 of 2008), the NPO Act (No. 71 of 1997), the Income Tax Act (s.30 and s.18A), SARS PBO compliance requirements, and the King IV Report on Corporate Governance for South Africa (2016). The architecture works across three tiers:

8.1.1 Tier 1 — Board of Directors

The Board of Lodestone Edsupport NPC exercises fiduciary responsibility over the organisation's compliance, finances, and strategic direction. Current directors: SK Hiemstra, MC Mkhize, Dr, R Naiker, CR Strydom. The Board meets six monthly, or as needed in compliance with King IV principles of ethical leadership, strategy oversight, delegated authority, and stakeholder accountability.

8.1.2 Tier 2 — Collaboration Guidance Council (CGC)

A CGC will be set up as a strategic advisory council making up of individuals with the necessary gravitas, legitimacy and influence across education, civil society, and the private sector. Membership will include iLembe DoE district leadership, Enterprise iLembe, faith-based community leaders, committed private sector CSI representatives, and independent education experts. The CGC will meet as needed while the establishment of the Groutville High and still to be appointed primary school takes shape. The CGC will be charged with the strategic guidance influence needed to build investor confidence the conduit to the regional CSI and philanthropy sector. The CGC is not a governance body of Lodestone — it is a stakeholder council. Its proceedings will be recorded and accessible on the community of practice.

8.1.3 Tier 3 — Programme Management (The Hub)

Day-to-day programme management is the responsibility of the core Hub team under the direction of the Chief Operating Officer and Programme Manager. The Hub deploys a lean, professional model — no unnecessary fixed overhead — with specialists brought in from the 'Rim' network as and when needed.

8.2 Hub Personnel and Responsibilities

Programme Manager	Colin Mitchell — overall programme leadership, donor relations, SLA management, governance, reporting. R100 000/month.
Curriculum Advisor(s)	Natasha Dickinson – Full time expert curriculum development coordinator. R80,000 per month Deployed on a school-by-school basis. R3 500/day benchmark. Costed into each school's project budget from Stream 2 onwards.
Academic Support Advisor	TBA Experienced retired principal providing whole-school coaching support to pilot to train teachers and coach the pilot schools SMT and SGB. This will on a contractual and outcomes measured contract. R60,000/month (consultant basis in pilot phase).

Community Facilitator	Jeanne Hayley: Specialist social facilitator for community engagement at school-community interface. Part-time during pilot phase. R2 500/day. R60 000/month equivalent during active phases.
Communication Convenor	TBA - IT, digital, and social media specialist. Manages website, CoP platform, LinkedIn, Facebook, Instagram. Part-time at an estimated R40 000/month.
Administrator	TBA - Full-time position activated once pilot school reframing approvals are confirmed. R40 000/month.

8.3 Financial Governance and Compliance

- All financial accounting and governance compliance is outsourced to Witthoft Chartered Accountants, Ballito — registered CA(SA) firm.
- Annual independent audit, where required by appointed accountants, will be conducted following the NPO Act (s.18) and SARS PBO requirements.
- Section 18A donation certificates issued within 10 days of receipt of qualifying donations.
- A maximum of 30% of donor funding, if needed may be applied to fund the central operating hub.
- Separate 'ring-fenced' project bank accounts will be maintained to account to donor that fund specific projects.
- Management accounting and financial statements are prepared on an accrual basis in accordance with Generally Recognised Accounting Practice (GRAP) as applicable to NPOs.
- Annual report submitted to CIPC (within 30 days of AGM), SARS, and the NPO Directorate (annually by 31 March).
- Board resolutions and conflict of interest register kept and available for donor inspection.
- Procurement policy: all procurement above R50 000 requires three competitive quotes; above R200 000 requires Board approval and open tender process.

9. Operational Model

9.1 The Wagon-Wheel Architecture

The operational model is a 'wagon-wheel' structure designed to optimise resource deployment across geographically dispersed schools with contextually different needs, without building an unsustainable fixed overhead:

THE HUB	Core Lodestone management team — programme leadership, governance, administration, MERL, donor relations, Community of Practice management. Fixed cost; lean; accountable for all programme outcomes.
THE SPOKES	Individual collaboration schools and their communities. Each school is constituted as a self-contained project with its own SLA, project budget,

	SIP, and dedicated specialist allocation. This ring-fences funding accountability per school and per donor.
THE RIM	The continuously expanding network of technical specialists — educational psychologists, occupational therapists, curriculum advisors, legal experts, IT specialists, CPD facilitators, QCTO curriculum developers — deployed on a contracted, case-by-case basis. Cost is proportional to demand; no idle capacity.
THE AXEL	The Community of Practice - built on Etienne Wenger's framework. A web-enabled knowledge and learning platform (hosted at www.lodestone-ed.org) that captures, synthesises, and publishes programme learning for benefit of the entire collaboration school ecosystem — including schools not yet in the programme.

9.2 Service Level Agreements — The Accountability Architecture

All programme relationships are formalised through formally constituted agreements as follows:

Public Guidelines: iLembe District DBE and Enterprise iLembe anchors Lodestone's operation of the CSP in iLembe; sets, public sector compliance conditions, IP conditions, and provincial reporting obligations.

School Collaboration: Parties: Lodestone Edsupport, individual collaboration schools (SGB and Principal) — Sets roles, obligations, performance indicators, and exit conditions for each school. School-specific and time-bound.

Technical Specialists: Parties: Lodestone Edsupport, contracted Rim specialists — Terms, rates, professional standards, confidentiality, and intellectual property for all specialist contractors.

Donor Agreements: Parties: Lodestone Edsupport, CSI/philanthropy donors — Designated fund conditions, reporting obligations, branding rights, Section 18A certificate protocols, and M&E access.

9.3 Coaching Rather Than Consulting

Lodestone's support model is explicitly coaching-oriented. Coaching builds internal school capacity that survives the departure of the external partner — it does not create dependency. This is the critical difference from a consulting or mentoring model. All Rim specialists work under coaching frameworks: the principal keeps decision-making authority; the CSP provides the expert sounding board, the analytical tool, and the network connection.

10. Monitoring, Evaluation, Research and Learning (MERL)

10.1 MERL Philosophy

Lodestone's MERL framework is built on the principle that leading indicators predict lagging outcomes. DoE academic results — the metric government focuses on — are lagging indicators that reflect decisions made as many as six years prior. The Lodestone MERL system tracks leading indicators i.e., SGB functionality, career guidance, teacher CPD engagement, parental participation, attendance rates, specialist referrals that allow adaptive management before lagging outcomes manifest.

10.2 MERL Framework — Six OECD Criteria

All MERL activities are aligned to OECD Development Assistance Committee evaluation criteria, required by most international donors and increasingly by South African foundations:

Relevance	Do SIP objectives and programme design respond to outcomes relevant to academic capability, learning divergence, economic opportunity, and community needs, and priorities?
Efficiency	Are resources deployed effectively and represent value for money in relation to outputs and outcomes produced?
Coherence	Does the programme fit the aspirations and priorities of the locality, the DoE, and national development goals?
Effectiveness	Do activities and outputs achieve the stated objectives within agreed timeframes?
Impact	What positive and negative changes are produced by, or attributable to, the programme?
Sustainability	What is the likelihood of continued improvement and community resilience once external coaching ends?

10.3 Indicator Architecture

Indicators are structured across three horizons and four levels of change (individual, community, social, economic). A selection of key programme-level indicators:

Indicator	Source	Frequency	Target (Yr 3)	Target (Yr 5)
Grade 4 reading-for-meaning rate	Annual literacy assessments	Annual	20pp improvement vs baseline	≥70% at CS schools
Dropout rate (Grades 9–11)	School attendance registers	Termly	30% below district baseline	≤2% per grade
Matric pass rate	NSC results	Annual	District average +10pp	District average +20pp
NQF 2–4 vocational certifications	QCTO records	Annual	50–100 per year	≥200 per year
Post-school pathway documented	School exit surveys	Annual	80% of Gr12 learners	90% of Gr12 learners
Local employment (12 months post-exit)	Graduate tracer study	Annual	30% vocational graduates	60% of all CS graduates

Community satisfaction (school governance)	Parent surveys	Annual	Measurable improvement	≥75% satisfaction rating
Private sector partnerships active	Partnership register	Annual	≥3 per school	≥5 per school

10.4 Reporting Obligations

- Half yearly narrative and financial reports to all active donors — aligned to individual donor SLA requirements.
- Annual impact report published publicly on www.lodestone-ed.org — in compliance with King IV stakeholder reporting principle.
- SLA compliance reviews at each collaboration school — bi-annual, with corrective action protocols.
- Annual independently produced financial statements — submitted to CIPC, SARS, and NPO Directorate.
- MERL data fed into the Community of Practice for replication and scaling — open-access publication.
- Contribution to DBE Action Plan 2024 tracked and reported annually to iLembe DoE district office.
- International donor reporting: compliant with Global Reporting Initiative (GRI) standards (where applicable), OECD DAC criteria, and individual foundation reporting templates.

11. Financial Plan and Budget (2026–2031)

11.1 Budget Principles

- All figures in South African Rand (ZAR) at May 2026 prices.
- Inflation provision: 10% per annum on all cost lines as per operational budget model.
- Each collaboration school is ring-fenced as a separate project with budget aligned to donor designated fund requirements.
- Hub budget is the core organisational operating cost, not attributable to individual school projects.
- Infrastructure (CAPEX) for Groutville campus is funded through a separate capital campaign — not included in Hub OPEX.
- Contingency of 10% applied to all budget lines.
- All Rim specialist costs are costed into individual school project budgets once schools are admitted.

11.2 Hub Operational Budget 2026–2030

The Hub annotated budget reflects the predicted costs for centralised planning, organising, leading, and controlling of the Collaboration School Programme. Developed in December 2025 with adaptation with expected scaling and annual at 10% inflation:

Lodestone Edsupport: Operational Budget for Pilot Schools							
		Monthly Baseline	2026 - Half Year	2027	2028	2029	2030
Number of Schools	1		2	2	4	5	6
Personel							
Programme Manager	2	100 000	600 000	660 000	726 000	798 600	878 460
Curriculum Advisor	3	60 000	360 000	720 000	792 000	871 200	958 320
Academic Support	4	60 000	360 000	720 000	792 000	871 200	958 320
Community Facilitator	5	60 000	360 000	720 000	792 000	871 200	958 320
Communication Convenor	6	40 000	240 000	480 000	528 000	580 800	638 880
Administrator	7	40 000	240 000	480 000	528 000	580 800	638 880
Subtotal Payroll			2 160 000	3 780 000	4 158 000	4 573 800	5 031 180
Administration							
Accounting		1 500	18 000	19 800	21 780	23 958	26 354
Association Membership		1 200	14 400	15 840	17 424	19 166	21 083
Bank Charges		1 000	12 000	13 200	14 520	15 972	17 569
Communication & Media		2 500	30 000	33 000	36 300	39 930	43 923
Director stipends / Expenses		3 000	-	39 600	43 560	47 916	52 708
Networking Expenses		2 000	24 000	26 400	29 040	31 944	35 138
Legal & Statutory fees		1 000	12 000	13 200	14 520	15 972	17 569
Supplies		250	3 000	3 300	3 630	3 993	4 392
Telephone and Internet		750	9 000	9 900	10 890	11 979	13 177
Travelling		2 500	30 000	33 000	36 300	39 930	43 923
Sub-total Administration		15 700	152 400	207 240	227 964	250 760	275 836
Budget			2 312 400	3 987 240	4 385 964	4 824 560	5 307 016
Contingency @ 10%			231 240	398 724	438 596	482 456	530 702
Total Budget			R 2 543 640	R 4 385 964	R4 824 560	R5 307 016	R 5 837 718

Notes

1) Number of Schools	One existing high and one primary no-fee school in KwaDukuza are planned for reframing in the pilot phase. A new fee-paying academic high school is envisaged for the Ballito/Umhlali area. The programme is expected to add two more schools in the KwaDukuza municipality per year from 2028 after proof of concept After proof-of-concept schools from other localities will be considered for inclusion if they have dedicated champions. Each school will be 'packaged' as a project with its own funding and management structure but under the Lodestone Edsupport governance structure.
2) Programme Manager	One of only three full time positions to plan, organise, lead, and control the Lodestone Edsupport hub of technical and operational resources, school development planning, and Community of Practice. Salary is benchmarked by experience aligned with NGO Salary Expert Explora.

3) Curriculum Advisors	No full-time positions as each school are appointed. A network of experts will be developed and deployed on a case-by-case basis. The cost of curriculum development for the pilots is benchmarked for the pilot schools at R3500 per day. This cost will be factored into the establishment budget of incoming collaboration schools once formal approval has been reached for its reframing strategy.
4) Academic Support	An experience ex-principal will be deployed on a consultant basis to advise on the development of the pilot curriculum and support the recruiting and developing the academic staff needed for reframing success. S(he) will become full time appointed full time once the pilot school reframing process is fully operational.
5) Community Facilitator	Community 'ownership' of a collaboration school is key to its success. An experienced social facilitator will be a key member of the team on a part-time basis during the pilot phase and the development phase on admission of new schools to the programme. Baseline rate of R2500. Ongoing fees will be costed into the establishment phase of each new school on a case-by-case basis
6) Communication Convenor	A decentralised hub and spoke organisational structure and Community of Practice depends on exceptional quality of IT sophistication and management but not full time. Baseline rate of R2500. Ongoing fees will be costed into the establishment phase of each new school on a case-by-case basis
7) Administrator	A full-time position with appointment to be made when all approval to reframe the pilot school are secure and implementation of technical and vocational streams start.

Total five-year Hub budget (2026–2031): approximately R22.9 million.

10.5 Individual School Project Budgets

Each collaboration school, on admission, will have a ring-fenced project budget developed through a joint SIP planning process. Costs will vary by school context, scale of need, and programme depth.

12. Funding Strategy and Resource Mobilisation

12.1 Funding Architecture

Lodestone's funding model is deliberately diversified across seven revenue streams, reducing dependency on any single donor and creating long-term financial sustainability:

Corporate Social Investment (CSI)	Primary funding source in Years 1–3. Target: iLembe coastal strip corporates — retail, tourism, property, light industry. Value proposition: locally employed graduates reduce recruitment costs; s.18A tax efficiency; ESG/Social Impact reporting benefits.
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Philanthropy and Family Foundations	Medium-to-long term. South African and international foundations with education, employment, social and economic development mandates.
Development Finance Institutions	EU, USAID, GIZ, FCDO instruments for scalable education-employment interventions with OECD-compliant MERL. Applicable from Year 3 (post proof-of-concept at Groutville).
Government Co-funding	iLembe IDP allocation (i.e., R8.6 million committed for Umhlali College); KZN Department of Public Works for CAPEX and KZN Department Basic Education for OPEX; Sector Education and Training Authorities (SETA's) for QLTC programme funding.
Community and School Fundraising	Crowdfunding (legacy campaigns); alumni giving; community events; SGB-mobilised donations. Builds community ownership while diversifying revenue.
In-Kind Contributions	Specialist services (legal, medical, psychological, IT) contributed at preferential or pro-bono rates by Rim network members. Valued and reported in financial statements as required by donors.
User Pays	Significantly improved education elevated schools and will require supply/demand management. Moving collaboration school from no-fee to quintile 4 and 5 introduces another potential revenue stream. This stream has the added benefit of a vested interest in the school by parents.

12.2 Donor Compliance Standards

All donor relationships will be governed by SLAs that meet the following standards, which Lodestone has designed its governance architecture to satisfy:

- Designated fund management: project-based accounting per donor where needed; auditor confirmation available.
- Section 18A certificates: issued within 30 days of qualifying donation receipt, with full SARS-required particulars.
- Reporting: quarterly management accounts, Annual Financial Statements – Audited if needed.
- Intellectual property: Lodestone Edsupport has been developed from Intellectual Property and the at risk four years of research and development undertaken by its Chief Operating Office. In response a 5% royalty agreement is in place.
- Political neutrality: the programme works across political affiliations; it has no political party endorsed or funded.
- POPIA compliance: all donor and beneficiary personal data processed following POPIA — consent obtained; data retention schedules documented.

12.3 The Investment Case

For CSI and philanthropy partners, the Lodestone CSP offers:

- **Systemic impact:** not a single project but a scalable, replicable model. Investment in the Groutville pilot is the foundation for innovation and learning to enable replication within iLembe and regionally.
- **Measurable outcomes:** graduate employment, NEET reduction, local enterprise formation, community social development, and transformation are directly attributable to education investment.
- **High leverage:** the Hub cost of R2.5 million in Year 1 deploys a specialist network increasingly able to serve multiple schools and, a Community of Practice that will help 394 quintile 1–3 schools in iLembe and accessible across South Africa.
- **Tax efficiency:** all qualifying donations receive s.18A certificates enabling 100% deductibility up to 15% of Taxable Income for SARS purposes.
- **Naming rights:** Primary donors at the Groutville campus and any new school developments may receive permanent naming recognition.
- **Environmental, Social, and Governance:** .ESG alignment: direct contribution to B-BBEE Social Development pillar, Integrated Reporting stakeholder value framework, and JSE Sustainability Disclosure Guidance.

13. Risk Management

13.1 Risk Register

Category	Risk	Likelihood	Impact	Mitigation Strategy
Political	DoE or SADTU opposition to collaboration model	Medium	High	CSP is legally tested in the Western Cape High Court. SA Schools Act s.16 and 20 devolve management to the SGB — collaboration is school-initiated, not imposed. DoE SLA formalises co-existence.
Political	Selection of pilot schools perceived as inequitable	Medium	Medium	Citizen Leadership Lab's 9-year track record provides objective principal-readiness assessment. Selection criteria are transparent and published. Community of Practice shares learning with all 394 iLembe schools.
Operational	Inadequate funding for Hub operations	Medium	High	Three-stream diversified funding model; ring-fenced school project budgets; 10% contingency reserve; Board authority to scale activity to available resources.
Operational	Key person dependency (Programme Manager)	Medium	High	Succession plan documented; governance outsourced to Witthoft CA and NGO Law; Board capable of interim management. Knowledge management via CoP reduces individual dependency.

Operational	Principal or SGB disengagement mid-programme	Low	High	SLAs include performance milestones and exit conditions. Quarterly compliance reviews allow early-warning intervention. CLL coaching builds principal resilience before entry.
Operational	QCTO programme registration delays	Medium	Medium	Preparatory phase budget includes QCTO research and planning. Common Good network includes QCTO-experienced curriculum developers. Registration commenced before infrastructure construction.
Financial	CAPEX overrun on Groutville infrastructure	Medium	High	Fatal-flaw assessment and feasibility study completed. Professional quantity surveyor engaged before tender. Phased construction — Phase 1 fundable independently of Phase 2.
Financial	SARS PBO compliance risk	Low	High	NGO Law SA retained on standing brief. Annual audit by registered CA. Immediate notification protocol to Board if compliance risk identified.
Reputational	Safeguarding incident at partner school	Low	Critical	Child protection policy mandatory in all SLAs. All Rim specialists cleared; all adult volunteers vetted. Incident response protocol aligned to the Children's Act No. 38 of 2005.
Reputational	Programme outcomes below expectation in pilot phase	Low	Medium	MERL leading indicators allow corrective action 2–3 years before lagging outcome data. Under-promise, over-deliver communication strategy. Board maintains expectation-management responsibility.
Systemic	AI disruption of vocational curriculum relevance	Medium	Medium	Vocational programme selection criteria explicitly include AI-displacement resilience. Annual curriculum review aligned to Enterprise iLembe labour market intelligence.
Environmental	Climate and infrastructure risk at school sites	Low	Medium	Environmental Impact Assessment needed before construction. Green building principles incorporated in campus design. Water harvesting and energy efficiency built into SIPs.

14. Legislative and Donor Compliance Framework

14.1 South African Legislative Compliance Matrix

Companies Act No. 71 of 2008	NPC registration; MOI — no profit distribution; annual CIPC return; director obligations and conflict of interest register; audit requirements for NPCs.
NPO Act No. 71 of 1997	Annual narrative and financial report to NPO Directorate (DSD) by 31 March; financial statements; registration renewal; Section 18 audit compliance.
Income Tax Act No. 58 of 1962	PBO exemption (s.10(1)(cN)); s.18A donation authority; s.30 public benefit activity compliance; annual IT14 return; donor certificate record-keeping for 5 years.
SA Schools Act No. 84 of 1996	SCP role within s.16 (SGB mandate), s.17 (parallel SGB), s.20 (SGB functions), s.36 (resource supplementation obligation). SLAs must not conflict with SGB authority.
Public Finance Management Act (PFMA)	Collaboration schools are state entities. Lodestone's support framework is designed not to conflict with PFMA compliance at partner schools, not to substitute for it.
Basic Conditions of Employment Act	All staff employed under Lodestone contracts receive Basic Conditions of Employment Act (BCEA) compliant contracts. UIF contributions maintained. No unpaid overtime or non-compliant practices.
Labour Relations Act No. 66 of 1995	All employment contracts, disciplinary procedures, and HR policies are Labour Relations Act (LRA) compliant. NGO Law retained for HR legal advice.
Occupational Health and Safety Act	OHSA compliance needed in all SLAs for school infrastructure activities. Vocational workshop design and operations must meet OHSA standards.
Children's Act No. 38 of 2005	Child protection policy mandatory in all school contractor agreements. All adults working with children are subject to Section 120 screenings.
Protection of Personal Information Act (POPIA)	Information Officer appointed. Privacy notices deployed. Learner and parent data processed under lawful basis. Data retention and destruction schedules maintained.
Promotion of Access to Information Act (PAIA)	PAIA obligations published and available. Lodestone is a private body; PAIA applies to requests for access to records.
Broad-Based Black Economic Empowerment	Lodestone as a Section 18 NPO is exempt from B-BBEE compliance scorecard requirements. Programme's social impact contribution documents toward donor and partner B-BBEE Social Development spend.

14.2 International Donor Compliance Standards

For applications to international foundations and development finance institutions, Lodestone's operations are aligned to:

OECD DAC Evaluation Criteria	Relevance, Efficiency, Coherence, Effectiveness, Impact, Sustainability — all addressed in MERL framework (Section 9).
GRI Standards (GRI 4 — Education)	Impact reporting aligned to GRI material topics where applicable to foundation donors.
UN SDG Reporting	Annual SDG 4, 8, and 10 contribution narrative published in the Annual Report.
USAID/EU Grant Standards	If applicable: separate project accounting; auditor access; anti-fraud and anti-corruption protocols; no-debarment certification; conflict of interest disclosure.
UK FCDO / Comic Relief	Child safeguarding policy; due diligence documentation; anti-terrorism screening for key personnel; financial management capacity self-assessment.
MasterCard Foundation / Luminos	Theory of Change documentation; MERL framework with learning agenda; gender equity and inclusion analysis; financial reporting per foundation template.
Financial Action Task Force (FATF)	NPO sector anti-money-laundering and counter-terrorism financing compliance — Lodestone keeps beneficial ownership register; No cash transactions are entertained to ensure source-of-funds documentation.

15. Sustainability Plan

15.1 Institutional Sustainability — Lodestone Edsupport

Lodestone's sustainability rests on five pillars: funding diversification, institutional knowledge management, coaching model, diverse rim, and the virtuous circle of community ownership.

- **Funding diversification:** Seven revenue streams ensure no single-donor dependency. The hub-and-spoke model means each school is a self-contained project — if one school's funding lapses, others continue unaffected.
- **Coaching Approach:** The power with not power over approach ensures capacity and resilience is built in schools so that there is no extended dependence on external experts.
- **Diversity of Rim:** An ever-growing rim of technical ability will reduce risk of dependency on individual employees or service providers
- **Knowledge management:** the Community of Practice captures and publishes all programme learning openly — ensuring institutional knowledge is not lost with personnel changes.
- **Governance professionalisation:** outsourcing of financial accounting (Witthoft Chartered Accountants) and legal compliance (NGO Law) creates institutional continuity independent of volunteer director capacity.

15.2 Programme Sustainability — Individual Schools

The ultimate test of the Theory of Change is whether schools continue to improve after the SCP withdraws. Sustainability is built in from the start through:

- **Community ownership:** the school is positioned as a community institution, not a government facility. When parents, alumni, and faith communities invest in the school, it becomes self-sustaining.
- **Parallel SGB and Leadership capability:** governance capacity built in partner school SGBs reduces dependence on Lodestone support over time.
- **Alumni networks:** graduate give-back programmes (mentorship, bursaries, SGB participation) create a self-funding sustainability loop.
- **Teacher retention:** CPD and recognition culture reduce teacher turnover — the most expensive and disruptive sustainability risk.
- **Vocational campus and boarding income generation:** once operational, the Groutville vocational campus and boarding establishment has income-generation potential through short-course delivery to community and industry, reducing school-level dependency on donor funding.

15.3 Environmental Sustainability

All new school designs and SIP reviews incorporate environmental sustainability requirements, water harvesting and management, energy efficiency and solar provision, eco-responsible agriculture as both curriculum content and school resource.

16. Implementation Roadmap

16.1 Phase 1 — Foundation (January–December 2026)

Milestone	Owner	Deadline	Status
Execute Agreements: iLembe DBE, Enterprise iLembe,	Programme Manager	Q1 2026	In progress
Execute SLA: Groutville HS — School Collaboration Agreement	Programme Manager	Q1 2026	Signed
Identify and execute SLA: Primary school pilot	Programme Manager + CLL	Q3 2026	In progress
Establish Collaboration Guidance Council — appoint members, adopt Charter	Board	Q2 2026	Planned
Launch fundraising: preparatory phase (R3.08m target)	Programme Manager	Q1 2026	Active
Convene RIM network of expertise	Rim specialist	Q2 2026	Ongoing
Launch Community of Practice platform at www.lodestone-ed.org	Communication Convenor	Q2 2026	Planned
Submit annual NPO return and SARS compliance documentation	Witthoft CA	March 2026	Complete

16.2 Phase 2 — Pilot Delivery (2027)

- Full CPD cycle operational at both pilot schools; classroom observation and coaching active.
- Specialist learner support network deployed; referral system live at both pilot schools.
- Groutville vocational campus: construction commencement pending capital fundraising.
- Two more schools identified, assessed, and SLAs executed.
- First annual MERL report published; pilot data submitted to KZN DBE.
- Community of Practice: minimum four case studies published; 50 school users registered.
- Construction of vocational campus at trigger point for QCTO registration.

16.3 Phase 3 — Evidence and Expansion (2028–2029)

- First cohort enrolled in QCTO programmes (if construction timeline met).
- First complete year of pilot cohort data available; proof of concept documented.
- CSP network expanded to four schools (2028) and five schools (2029).
- Groutville vocational campus operational; first NQF 2–4 graduates entering labour market.
- Replication documentation published for use by other communities nationally.
- New public school (Umhlali/Ballito) design, approvals, and capital campaign in progress.

16.4 Phase 4 — Scale (2030–2031)

- Graduate tracer study launched; employer satisfaction surveys conducted.
- Six collaboration schools across iLembe District; network self-sustaining in governance.
- Annual vocational graduate cohort ≥ 200 learners; local employment rate tracking.
- Lodestone collaboration school model proven as basis for regional and wider scaling framework.
- Community of Practice nationally accessible; minimum ten districts active beneficiaries.
- Financial sustainability review: programme generating sufficient alumni, community, and employer contribution to reduce external donor dependency for operational costs.

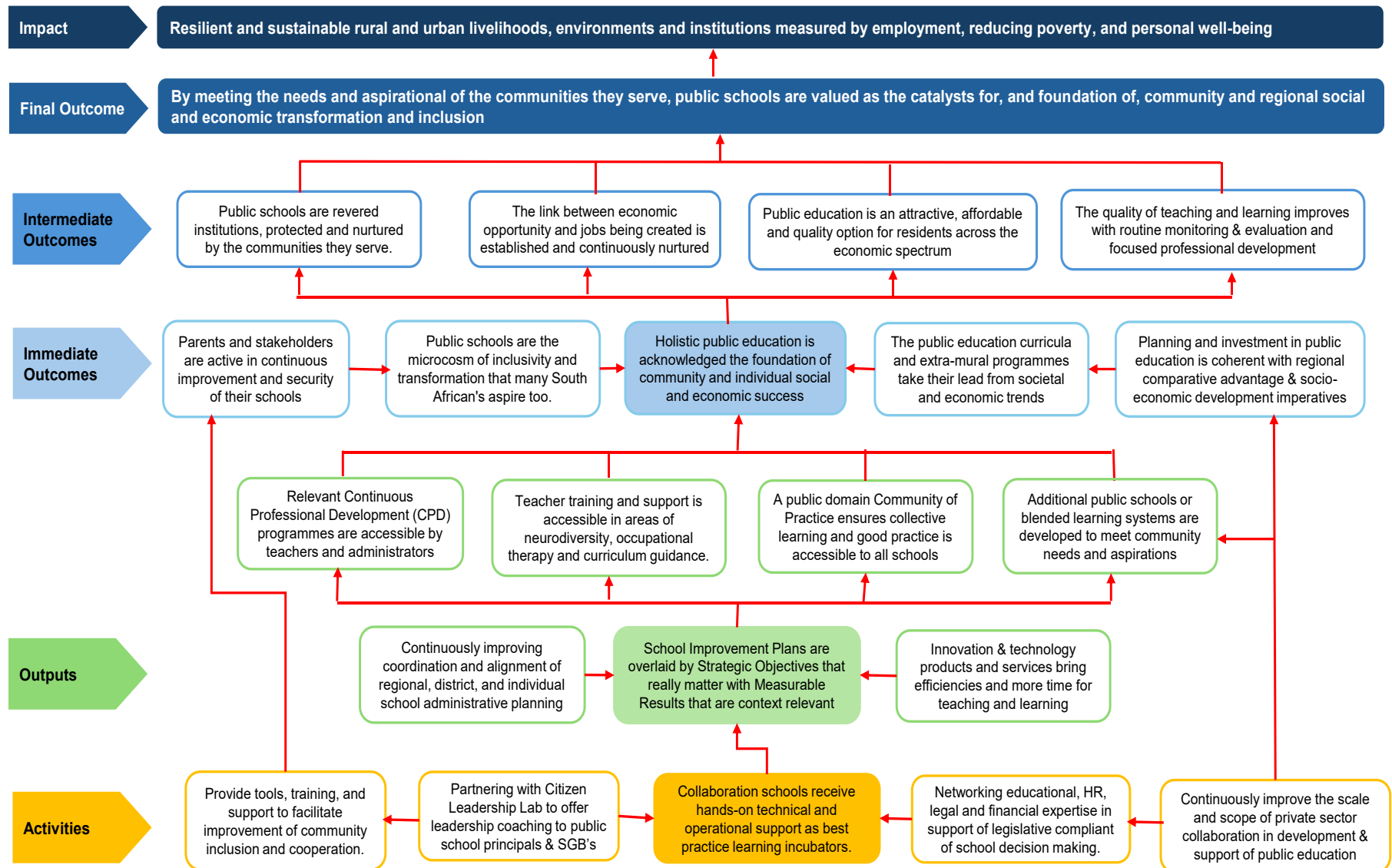
17. ANNEXURES

The following annexures referenced by this Business Plan and are available on request from the Programme Manager:

Annexure A: Available Research and Documentation.

- Memorandum of Incorporation (MOI) — Lodestone Edsupport NPC
- CIPC Company Registration Certificate (No. 2021/134535/08)
- SARS PBO Letter of Approval (Ref. 930075378) and s.18A Authority
- NPO Registration Certificate (SASSA No. 272-197)
- Audited Financial Statements — most recent completed financial year
- Groutville High School SGB Resolution and Signed SLA
- Hub Operational Budget Detail — 2026–2030 (Excel model)
- Groutville Vocational Campus Preliminary Feasibility Report and Fatal-Flaw Assessment
- Theory of Change Narrative (full annotated document — May 2026)
- MERL Framework — Indicator Definitions and Data Collection Protocols
- Child Protection Policy and Safeguarding Protocol
- POPIA Information Officer Registration and Privacy Notice
- Procurement Policy
- CVs of Core Hub Personnel

Annexure B: Theory of Change



Annexure C: Abbreviations

AQF	Australian Qualification Framework
BCEA	Basic Conditions of Employment
BoQ	Bill of Quantities
CAPEX	Capital Expenditure
CAPS	Curriculum and Assessment Policy Statement
CATHSSETA	Culture, Arts, Tourism, Hospitality, and Sport Sector Education and Training Authority
CETA	Construction Education and Training Authority
CoP	Community of Practice
CPD	Continuing Professional Development
CSI	Corporate Social Investment
DBE	Department of Basic Education
DFI	Development Finance Institutions
DGMT	DG Murray Trust
DHET	Department of Higher Education and Training
DOCRA	Dolphin Coast Residents and Ratepayers Association
EIA	Environmental Impact Assessment
ETQA	Education and Training Quality Assurance
GDP	Gross Domestic Product
GHS	Groutville High School
ICC	iLembe Collaboration Council
ICCI	iLembe Chamber of Commerce Industry & Tourism
IDoE	iLembe Department of Education
IDP	Integrated Development Planning
KZN	KwaZulu Natal
LES	Lodestone Edsupport NPC
M&E	Monitoring & Evaluation
MEL	Monitoring, Evaluation & Learning
MERL	Monitoring, Evaluation, Research, and Learning
MERSETA	Manufacturing, Engineering, and Related Sector Education and Training Authority
MoU	Memorandum of Understanding
NASCEE	National Association of Social Change Entities in Education
NEET	Not in Employment, Education or Training
NEPA	National Education Policy Act
NPC	Not for Profit Company
NQF	National Qualification Framework
OECD	Organisation for Economic Co-operation and Development
OHS	Occupation Health and Safety
OHSA	Occupational Health & Safety Act
OPEX	Operational Expenditure
PAYE	Pay as you Earn
PBO	Public Benefit Organisation
PFMA	Public Finance Management Act
PPP	Public Private Partnership

PV	Photovoltaic solar energy
QCTO	Quality Council for Trades and Occupations
QLTP	Quality Learning and Teaching Campaign
QS	Quantity Surveyor
Rol	Return on Investment
SACE	South African Council for Educators
SADTU	South African Democratic Teachers Union
SANS	South Africa National Building Standards
SASA	South African Schools Act
SCP	School Completion Programme
SDG	Sustainable Development Goals
SETA	Sector Education and Training Authority
SGB	School Governing Body
SGB-SPT	School Governing Body – Special Project Team
SIP	School Improvement Programme
SLA	Service Level Agreement
SME	Small and Medium Enterprise
SMT	Senior Management Team
SOP	School Operating Partner
SPLUMA	Spatial planning and land use management
UK	United Kingdom
UPS	Umhlali Preparatory School
USA	United States of America
VAT	Value Added Tax
VET	Vocational Education and Training