



The home of harmony, prosperity and growth

FINAL REVIEWED IDP 2016/17

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Official Sign-Off:

It is hereby certified that this Integrated Development Plan:

- Was reviewed in accordance with section 34 of Municipal Systems Act 32 of 2000
Takes into account all the relevant policies, legislation and other mandates for which the Ngwathe Local Municipality is responsible
- Accurately reflects the strategic outcome oriented goals and objectives which Ngwathe Local Municipality will endeavour to achieve over the period of this plan.

[Surname & Initials]: _____ Signature: _____

Manager: Integrated Development Planning

[Surname & Initials]: _____ Signature: _____

Chief Financial Officer

[Surname & Initials]: _____ Signature: _____

Acting Municipal Manager

APPROVED BY COUNCIL ON: 30th June 2016

[Surname & Initials]: _____ Signature: _____

Mayor

1. Introduction

1.1 What is the Integrated Development Plan?

Integrated Development Plan (IDP) is an end product of integrated development planning process through which the municipality prepares a strategic development plan which extends over a five-year period. The IDP is an instrument that lies at the centre of the system of developmental local government in South Africa and represents the driving force for making municipalities more strategic, inclusive, responsive, and performance driven in character.

The IDP is the principal strategic planning instrument which guides and informs all planning, budgeting, investment, development, management and implementation in the medium-term decision-making in local government. Each municipal department is required to conclude a detailed annual Service Delivery and Budget Implementation Plan (SDBIP) that gives operational expression to the IDP.

The Senior and Middle Management of the municipality is accountable for the implementation of the IDP, and this must be reflected in the municipality's integrated Performance Management System that links the IDP to the strategic framework, to the macro-scorecard, and from there to performance contracts for the Municipal Manager and Managers that are accountable to the Municipal Manager. The Municipality is required to consult with communities and other stakeholders in developing the IDP and on its performance.

1.2 Policy and legislative context

The Constitution of the Republic of South Africa, 1996 (the Constitution) outlines the kind of local government needed in the country. According to the Constitution (sections 152 and 153), local government is in charge of the development process in municipality, and notably is in charge of planning for the municipal area. The constitutional mandate is to relate management, budgeting and planning functions to its objectives and gives a clear indication of the intended purposes of municipal integrated development planning so as to:

- a) ensure sustainable provision of services;
- b) promote social and economic development;
- c) promote a safe and healthy environment;
- d) give priority to the basic needs of communities; and

- e) encourage involvement of communities.

The Constitution also demands local government to improve intergovernmental coordination and cooperation to ensure integrated development across the community.

The White Paper on Local Government gives municipalities responsibility to “work with citizens and groups within the community to find sustainable ways to address their social, economic and material needs and improve the quality of their lives”.

The Municipal Systems Act, 32 of 2000 (Systems Act) defines integrated development planning as one of the core functions of a municipality in the context of its developmental orientation. The plan should be strategic and inclusive in nature. The plan should link, integrate and coordinate other plans, while taking development proposals into account. It should be aligned with the municipality’s resources and capacity, while forming policy framework on which annual budgets are based. The Integrated Development Plan must be compatible with national and provincial development plans and planning requirements.

The Constitution assigns the developmental mandate to local government. This implies that municipalities must strive to achieve the objects of local government within its financial and institutional capacity, namely:

- a) to promote democratic and accountable government for local communities.
- b) to ensure that provision of services to communities in a sustainable manner.
- c) to promote social and economic development.
- d) to promote a safe and healthy environment
- e) to encourage the involvement of communities and community organisations in the matter of local government.

It further requires of municipalities to 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 whilst participating in national and provincial development programmes.

The above mandate should therefore be captured in the IDP of the municipality and therefore the stronger focus on local development programmes that address the needs of the community.

1.3 Purpose of the IDP

The IDP is the single and inclusive strategic planning document for the municipal area and it therefore does not only inform the municipal management; it is also supposed to guide the activities of any agency from the other spheres of government, corporate service providers, NGOs and the private sector within the municipal area. This municipality will therefore be accountable for the objectives related to their municipal mandate while other service providers and development agencies will be responsible for rendering appropriate services in terms of the non-core functions of the municipality.

Once published for public comments and adopted by the Council, the IDP becomes a statutory document and according to section 36 of Systems Act, the municipality must give effect to the IDP and conduct its affairs in a manner that is consistent with the IDP.

On the other hand, section 35(2) stipulates that the Spatial Development Framework (SDF) contained in an IDP prevails over a plan as defined in section 1 of the Physical Planning Act, 1991. The SDF therefore guides future land use management in the area.

1.4 Approach to the IDP Review Process

Ngwathe Local Municipality followed the following important activities and process to meet the requirements of legislations governing integrated development process:

Table 1: The IDP Activity Plan

IDP Phases	Deliverables And Process Management	Responsibility	Output
Preparation Phase	Development of the IDP and Budget Process Plan	IDP Manager and Budget and Treasury Officer	Approved IDP and Budget Process Plan
	Draft Process Plan to IDP and Budget Steering Committee	IDP Manger and Budget and Treasury Officer	
	Tabling of the IDP and Budget Process Plan to Council by the Municipal Manager		
Analysis Phase	Compilation of existing information, community stakeholder level analysis on environment, economic, institutional, spatial, infrastructure and cross cutting issues.	IDP Manager	Determine and assess the current level of development and what are emerging challenges, opportunities and priority issues.

IDP Phases	Deliverables And Process Management	Responsibility	Output
	Committees and consultation forum for the budget process	Chairperson: Standing committee on Finance and IDP	
	Briefing session with standing committee on Finance and IDP committee by the Municipal Manager and the CFO	Municipal Manager and CFO	
	One day briefing session with Senior Management Team and Councillors	Municipal Manager	
Strategies Phase	Compile strategic guidelines on Sector Plans, LED, Infrastructure development projects and identifying and/ or review projects.	IDP Manager	Develop and/ or refine objectives for priority issues.
	IDP steering committee to review emerging issues/changes and to prioritize IDP and Budget items	Management and Chairperson IDP and Finance Standing Committee	Determine programmes to achieve the municipal strategic intent.
	Management to submit budget inputs on capital projects	Municipal Manager	Develop organisational score card.
	Refining municipal strategies, objectives, KPA's, KPI's and targets so as to influence the budget.	Management Team	
	Initiate public participation process in line with MTREF	Office of the Mayor/Speaker	
	Confirmation of IDP, SDBIP and Budget priorities	Municipal Manager	
	Review tariffs and budget policies	CFO	
Project Phase	Prioritisation of projects per ward on MTREF basis and setting of key performance indicators for each project in consultation with the community	IDP Manager and Performance Manager	Identify projects and set output and targets
	Set and agree on IDP priority issues/projects	Municipal Manager and Management Team	
	Review and align National and Provincial Allocations for inclusion in the Draft IDP	Municipal Manager and CFO	Agree on the spatial location of the projects

IDP Phases	Deliverables And Process Management	Responsibility	Output
	and MTREF budget.		
	Draft MTREF Budget developed	CFO	Develop draft budget
	Directorates develop draft 2016/2017 SDBIP and present to steering committee IDP and Budget.	PMS Manager	
Integration Phase	Institutional plan refined to deliver on the municipal strategy	Municipal Manager	Integrate and align with existing sector plans
	Directorates identifying programmes and projects with external stakeholders	All Managers	Incorporate programmes and projects into IDP.
	Integration of sector plans and institutional programmes	IDP Manager	
	Horizontal and vertical alignment with District, Province and other stakeholders	IDP Manager	
	Financial Plan and Capital Investment plan developed	CFO	
Approval Phase	Tabling of the draft IDP including proposed revisions and MTREF Budget and related resolutions	Municipal Manager	Approved IDP, Budget and SDBIP.
	Advertise the draft MTREF Budget and IDP for public inputs and comments	Municipal Manager	
	Submission of draft IDP and MTERF Budget to MEC's Treasury and Cooperative Governance and Traditional Affairs and National.	IDP Manager and Budget and Treasury Officer	
	Public Participation process including hearings on draft IDP and Budget	IDP Manager and Budget and Treasury Officer	
	IDP and Budget Strategic Planning Session	IDP Manager	
	Council meeting to consider submissions, representation and recommendations from hearings. Mayor to be provided with an opportunity to respond to submissions during consultations and table amendments to council consideration	Council	

IDP Phases	Deliverables And Process Management	Responsibility	Output
	Mayor and councillors recommend approval by council after considering inputs from council and other sectors.	Mayor	
	Council meeting to approve the MTREF Budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before the start of the budget year.	Council	
	Publication of the approved IDP and Budget for 2016/2017	IDP Manager	

As a low capacity municipality which may adopt a revised IDP framework, Ngwathe Local Municipality therefore drafted this IDP using a revised IDP framework which is structured in the following format:

- Section A: Executive Summary**
- Section B: Status quo analysis**
- Section C: Municipal Development Strategy**
- Section D: Sector Projects and Sector Plans**
- Section E: *Integration Phase***
- Section F: Sector alignment**
- Section G: Financial Plans**
- Section H: Performance Management System**

The above sections are therefore the core components of this document and each contain the details that are relevant to each such section.

Section A: Executive Summary

As a low capacity municipality, Ngwathe Local Municipality has been identified by the provincial government as one of municipalities in the Free State Province which need to compile it integrated development plan with the newly introduced framework for the revised IDP. That is, its IDP should respond to output one (1) of outcome nine (9) which spell-out the implementation of differentiated approach to municipal planning.

Moreover, as part of the identified municipalities, it was important during the drafting of this IDP to re-consider the core components of the IDP as espoused in the IDP Framework Guide issued by the Department of Provincial and Local Government (now called Department of Cooperative Governance). One of the critical aims of the Integrated Development Plan Framework Guide is to provide clarification on the packaging and contents in preparation of the revised IDP and beyond. In our view, these guidelines are not meant to replace the contents of the IDP as contained in the Municipal Systems Act, 2000 and Performance Management Planning Regulations, 2001, but to intensify understanding and clarification of such contents accordingly.

It is worth-noting that this last reviewed IDP took a cognisance of the priorities of the African National Congress as a leading and ruling party in Ngwathe Local Municipality. As such, this strategic document focus and is aligned to ANC LG Manifesto, MTSF, FSGDS and IDP and is presented in this fashion:

Pursuing a “legally compliant IDP”

Subsequent to the provincial IDP assessment session that was held between the 13th and 17th April 2015 during which legally compliant IDP was introduced, municipality saw it necessary to reflect and incorporate legally compliant IDP as a guideline tool.

Legally compliant IDP refers to the municipal IDP document that has been developed in line and in accordance with the legislative framework that governs, regulate and guide the municipality on the development and coordination of the municipal IDPs.

Ideally, an IDP should meet all the legislative framework guidelines in terms of the process, procedures, timeline as well as all necessary stakeholder and public and community participation activities. To this effect, the fundamentals of a legally compliant IDP are amongst others:

- Approved IDP Process Plan,
- Core components of the IDP in accordance with section 26 of Systems Act,
- Community Participation Process in terms of Chapter 4 of Systems Act,
- Timelines adherence in accordance with section 21 and 24 of Municipal Finance Management Act, 56 of 2003 (MFMA)

The above assertion, clearly categorizes IDP within three dimensions viz,

- IDP as a process (PROCESS/Steps),
- IDP as a product (CONTENTS) and
- the PROCEDURES to be followed

Based on the foregoing, the municipality then took a deliberate effort to re-engineer its efforts to meet the legislative requirements and to speed-up the process of service delivery to communities of Ngwathe municipality through this IDP. The municipality also understand that the IDP must, other than complying with relevant legislation convey the following:

- a) Compliance and adherence to constitutional and policy mandate for developmental local government;
- b) Awareness by municipality of its role and place in the regional provincial and national context and economy. The Municipality must also show how it would contribute to the fight against poverty, the creation of jobs and improving the quality of lives of its citizens;
- c) Awareness by municipality of its own intrinsic characteristics and criteria for success;
- d) Comprehensive description of the area – the environment and its spatial characteristics including backlogs;
- e) A clear strategy, based on local developmental needs on a ward-by-ward basis. The IDP must not be a 'wish-list' but subjected to the realities of what can be delivered by the budget over the three to five year horizons;
- f) Insights into the trade-offs and commitments that are being made re: economic choices, integrated service delivery;
- g) The key deliverables for the next 4 years;
- h) Clear measurable budget and implementation plans aligned to the SDBIP ;
- i) A monitoring system (Organisational Performance Management System);
- j) Determines capacity of municipality;
- k) Communication, participatory and decision-making mechanisms;
- l) The degree of intergovernmental action and alignment to government wide priorities;
- m) Reporting timeframes and the regulatory periods for reporting;

- n) Alignment with, and indication of, an aligned organogram; and
- o) Alignment between the SDBIP and the performance contracts of the Municipal Manager & Senior Manager.

The Municipality's Powers and Functions

Section 156 of the Constitution assign executive authority municipalities to administer Local Government Matters listed in Part B of Schedule 4 and Part B of Schedule 5 and any other matter assigned to it by national or provincial legislation.

Powers and functions assigned to local government are unique and appropriate to the lower sphere of government. Similar to the position on national and provincial spheres, local government powers and functions are constitutionally entrenched and protected and cannot be unilaterally taken away by another sphere of government. Albeit constitutionally protected, the powers and functions of municipalities are not absolute and are subject to both constitutional and national legislative requirements.

Chapter 3 of Systems Act states that a municipality has all the functions and powers assigned to it in terms of the Constitution, and must exercise them subject to Chapter 5 of the Municipal Structures Act, 117 of 1998 (Structures Act). Furthermore, a municipality is empowered by legislation to do anything reasonably necessary for, or incidental to, the effective performance of its functions and the exercise of its powers.

The table below outlines powers and functions assigned to Ngwathe Local Municipality in terms of the Constitution:

Table A1: Powers and Functions of Ngwathe Local Municipality

Function	Definition of function
Municipal Roads	Construction, maintenance and control of a road used by members of the public, including streets in built up areas.
Electricity reticulation	Bulk supply of electricity, which includes for the purpose of such, the supply, the transmission, distribution, and where applicable the generation of electricity. Regulation, control and maintenance of the electricity reticulation network. Provision and maintenance of public lighting which includes street lights, high mast lights, etc. Tariff policies, monitoring of the operation of the facilities for adherence to standards.
Water (Potable)	Establishment or procurement, operation, management, and regulation of a potable water system, including the services and infrastructure required for the regulation of water conservation, purification, reticulation and distribution
Sanitation	Establishment or procurement, where appropriate, provision, operation, management, maintenance and regulation of a system, including infrastructure for the collection, removal and disposal or purification of human excreta and domestic waste-water.
Cemeteries and crematoria	The establishments conduct and control of facilities for the purpose of disposing of human and animal remains. This includes funeral parlours and crematoria.
Refuse Removal, refuse dumps and solid Waste	Removal of any household or other waste and the disposal of such waste in an area, space or facility established for such a purpose. It further includes the provision, maintenance and control of any infrastructure or facility to ensure a clean and healthy environment.
Storm water	Management of systems to deal with storm water in built-up areas
Firefighting	Fighting and extinguishing fires, the rescue and protection of any person, animal or property in emergency situations not covered by other legislations or powers and functions
Traffic	Management and regulation of traffic and parking, which includes control over speeding of vehicles on municipal roads.
Municipal Planning	Compilation of IDPs, preparation of the SDFs as a sectoral plan, development and implementation of a town planning scheme or land-use management scheme
Local Sport and recreation facilities	Provision and maintenance of sports and recreational facilities

Internal Roles-Players and their roles and responsibilities in the IDP Process

In order to give effect to the implementation of the process plan, the internal key role players presented on the table below were identified and distributed various roles and responsibilities in order to ensure efficient and effective management of the IDP drafting process. This table of role-players and roles and responsibilities was tabled to council for adoption as part of the process plan.

Table A2: Internal Role-Players in the IDP Process

Role-Player	Roles/Responsibilities
Municipal Council	<ul style="list-style-type: none"> - Monitoring of the process and the final approval of the IDP
Councillors	<ul style="list-style-type: none"> - Organize public participation in their respective constituencies - Linking IDP process to their constituencies
Speaker-Mayor and Councillors	<ul style="list-style-type: none"> - Political oversight of the IDP
Portfolio Committee responsible for IDP matters	<ul style="list-style-type: none"> - Responsible for assisting the Speaker- Mayor in their oversight role - Summarizing /and processing of inputs from the participation process - Commenting on inputs from other specialists
Municipal Manager	<ul style="list-style-type: none"> - Overall responsibility of the IDP
IDP Manager	<ul style="list-style-type: none"> - Responsible for managing the IDP process through: <ol style="list-style-type: none"> a) Facilitation of the IDP Process b) Coordinating IDP related activities including capacity building programmes c) Facilitate reporting and the documentation of the activities d) Making recommendations to the IDP Portfolio Committee e) Liaising with Provincial Sector Departments f) Providing secretariat functions for the IDP Steering Committee and Representative Forum
Chief Financial Officer	<ul style="list-style-type: none"> - Ensure that the municipal budget is linked to the IDP - Coordinating budget implementation as per IDP - Development of the 5-year Municipal Integrated Financial Plan
IDP Steering Committee	<ul style="list-style-type: none"> - Responsible for IDP processes, resources and outputs - Oversees the status reports received from departments - Makes recommendations to Council - Oversees the meeting of the Representative Forum - Responsible for the process of integration and alignment of the projects

Role-Player	Roles/Responsibilities
IDP Representative Forum	<ul style="list-style-type: none"> - Forms the interface for community participation in the affairs of the Council - Participates in the annual IDP review process
Municipal Officials	<ul style="list-style-type: none"> - Provide technical expertise and information - Prepare draft project proposal - Mobilize funding for the IDP projects - Provide scheduled reports on the IDP implementation process

Ward Priorities In Line With The 2016 Local Government Ward Based Elections As Determined By The Municipal Demarcation Board.

Ward	Ward Priorities	Priority	Location
HEILBRON			
1	Sites	A	H
	Incomplete houses	A	
	Bucket eradication	A	
	Bridge between Sandersville and S section	A	
	Clinic	A	
3	Community College (Township)	A	H
	Refuse trucks	A	
	Streets and storm water	A	
4	Solar Geysers	A1	H
	Sites	A	
	Roads (Graveling, paving and tarring)	A	
	Community college	A	
	High mast lights	B	
	Speed humps	A	
	Cemeteries	A	
	Incomplete houses	A	
5	Electric Poles	A	H
	Cable transfer	A	
	Incomplete houses	A	
	Refuse trucks	A	
	Streets and storm water	A	
7	Lack of household taps	A	H
	Bucket eradication	A	
	Sites	A	
	Fencing reservoirs	A	
	Roads storm water drainage	A	

PARYS			
6 & 8	Sites	A	P
	Refuse bins	A	
	Incomplete houses	A	
	High mast lights	B	
	Streets	A	
9	Wet lands	A	P
	Power Station be fenced	A	
	Roads Gravel (Lusaka)	A	
	Recreational Park	A1	
	Open Spaces be converted to sites (Behind Barnard – Lengoeleng)	A	
	Speed humps	A	
	Extension of Thusanong Clinic	A	
10	ROADS	A	P
	- Speed humps		
	- Paving		
	- Storm water		
	- Gravelling Removal of big rocks		
High mast lights	A		
Incomplete RDP houses	A		
11	Bridged meters (Tumahole)	A	P
	Roads (Maintenance/Paving)	A	
	Illegal dumps/ Refuse removal	A	
	Water (last 5 streets) Malindi	A	
	Ablution facilities and water at cemeteries	A	
12	Removal of big Boulders	A1	P
	High mast lights/Apollo	A1	
	TAXI RANK	A	
	- Shelter - Ablution facility		
	Illegal dumping	A1	
13 & 18	Replace missing concrete covers on irrigation canals	A	P
	Buy material (cement, sand and concrete) to fix broken irrigation furrows.	A1	
	Put up street name boards	A1	
	Fix or replace streetlight switches and globes.	A	
	Replace broken electrical poles, and rustproof and paint rusty poles.	A	
	<ul style="list-style-type: none"> Replace all stolen copper electrical cables with bundle cable. Sell existing copper cable and make provision for enough bundle electrical cable 	A	
	<ul style="list-style-type: none"> Fix broken transformer boxes. Replace ring feeds in transformers 	A	

	<ul style="list-style-type: none"> Replace close-up valves in main water pipelines. 	A	
	<ul style="list-style-type: none"> Replace fire hydrant valves where rusted or non-existent. 	A1	
	<ul style="list-style-type: none"> Introduce a clocking system <i>with a controlling system</i> for the water purification works and waste water plant. 	A	
	<ul style="list-style-type: none"> Illegal dumps Install waste bins in the CBD 	A	
	<ul style="list-style-type: none"> Move poles in Grewar Avenue to enable angle parking instead of the existing parallel parking along the river bank. 	B	
14	Zone 6	A	P
	- Youth development		
	- Streets and storm water (Gravelling and paving)	A	
	- High mast lights	A	
	- Sites	A	
	- Removal of big rocks	A	
	Sisulu	A	
	- Water (Shortage and quality)		
	- Removal of big rocks	A	
	- Incomplete RDP	A	
	- EMS (accessibility)	A	
	- Refuse bins	A	
	- Satellite police station	A	
	- Youth development	A	
	Schonkenville	A	
	- Streets and storm water (Gravelling and paving)		
	- High mast lights	A	
- Park (Renovation)	A		
		1	
VREDEFORT			
15	Water Compact Plant	A	V
	Roads and storm water	A	
	Sites	A	
	RDP houses	A	
	Clinic	A1	
	Community Hall	A1	
	MPCC	A1	
	Bar renovation	A1	
16	Water compact plant	A	V
	Water compact plant	A	
	Bucket eradication	A	
	Roads and storm water	A1	
	Sites	A1	
	Clinic	A1	
	Community Hall	A1	

20	Compact Water Plant	A	V
	Bucket Eradication	A	
	Roads	A	
	Sites	A1	
	Housing	A1	
	High Mast Lights	A	
	Sport Facility	B	
	Clinic (24Hours)	B	
	Ambulance (EMS)	A	
	Vredefort Dome Development	A	
KOPPIES			
02	Housing	A	K
	Water supply and good quality	A	
	Roads and storm water (Gravel/ Paving)	A1	
	Sites	A	
	Street lights	A1	
17	Sports facilities (MPCC)	A	K
	Roads (Gravel/paving)	A	
	Sites	A1	
	Street lights (maintenance)	A1	
	Reservoir	A	
	Clinic	B	
EDENVILLE			
19	Sports Facilities	A	E
	Bulk water supply and connection of water taps in ext. 4	A	
	Bucket eradication ext. 4	A	
	Sports complex	A1	
	Storm water drainage (Chris Hani)	A	
	Sites	A	
	Completion of RDP houses	A	
	EMS	A1	
	Paving of roads	A	
	Completion of bakery and car wash	A	
	Youth centre	A1	

Priorities per Town

TOWN PRIORITIES	PRIORITY No:	TOWN
Water compact plant	A	V
Sports facility	A	H
Solid waste water treatment plant	A	H
Police station (Phiritona)	A	H
Compact plant	A	K
Compact plant	A	E
Police station	A	E
Water reservoirs	A	P
Removal of big rocks	A	P
Gravelling/ Paving of roads	A	P
Renovation of 2 taxi ranks	A	P

Municipal Priorities

TOWN PRIORITIES	PRIORITY No:	TOWN
Water	A	All towns
Sites and services	A	All towns
Incomplete houses	A	All towns
Roads and storm water	A	All towns

Definitions

- A** Highly Recommended
- A1** Second High
- H** Heilbron
- P** Parys
- V** Vredefort
- K** Koppies
- E** Edenville

The Vision, Mission and Core Values of the Municipality

The vision

- A vision provides a clear, easily understood image of a better future
- The nature of a vision should foster commitment and engage both the heart and mind
- You create visions by examining what you want, defining values and engaging in informed dreaming
- Although the vision is an imagination of the future it needs to remain realistic to serve as an inspiration
- It should be something which can be accomplished and that people are willing to work hard

Section 26 (a) of the Systems Act states that – *“An Integrated Development Plan must reflect, the municipal council’s vision for the long term development of the municipality with special emphasis on the municipality’s most critical development and internal transformation needs”*

Ngwathe local municipality Vision statement:

“To provide excellent and sustainable municipal services”

Mission

Mission statement is the specific ways, mechanisms to realize or attain the vision.

The mission statement of Ngwathe local municipality:

“To provide quality and sustainable services in an efficient, effective & economic manner to all communities through the promotion of community participation, good governance & improved intergovernmental values”

Core Values

The municipality has adopted the following set of core values in order to guide their day-to-day activities and engagement with communities and both internal and external stakeholders:

Transparency: We practice good corporate governance, openness and strive to understand the needs of our community at all times.

Commitment: We are dedicated to the services we render to the community. We are committed to realize the objective of local government in South Africa.

Accountability: We respect and value our people and ensure that we are accountable and responsible on all aspects of our work.

Integrity: We perform our work diligently with integrity and courage to ensure that our communities are able to trust and believe in us.

Democracy: We encourage adherence to the constitution of the country, by allowing everybody to exercise their rights.

Section B: *Status Quo* Analysis

1. Municipal Area of Jurisdiction

Ngwathe Local Municipality is situated in the northern part of the Fezile Dabi District Municipality. The Vaal River forms the northern boundary of the area, which also serves as the boundary between the Free State, Gauteng and North West provinces. The Renoster River also drains through the region and is dammed up in the vicinity of Koppies in a series of dams, namely the Weltevrede, Rooipoort and Koppies Dams. The rivers, together with the respective dams, are prominent water sources for agricultural purposes in the region.

Other prominent topographical features include the Vredefort Dome in Parys. The form of the dome consists of a central cone of granite surrounded by concentric ridges of quartzite belonging to the Witwatersrand System. The Parys District has unique natural and environmental assets, like the Vaal River, with several islands in the proximity of Parys, and the Vredefort Dome, that present exceptional tourism potential. Parys has a well-developed airfield that supports commercial and tourism development in the area. It has a strong commercial component and provides a wide range of services regarding health, education and professional services to the district. Prominent towns include Edenville, Heilbron, Koppies, Parys and Vredefort. Vredefort is the only town that formed the former Vredefort District. The former Heilbron District is predominantly an agricultural area, although major manufacturing industries contribute largely to the Gross Geographic Product of the district.

Koppies is located in an area of agricultural significance and mainly provides services in this regard to the surrounding rural areas. The three well-established and developed irrigation schemes subsequently enhance the agricultural character of the area. The strategic location of Koppies between the larger centres of Kroonstad and Sasolburg influence growth and development within the community. The bentonite exploitation near Koppies and the initiative for coal mining in the vicinity of the town provide significant future growth potential. Koppies is becoming known for its tourist attractions. Specific reference is made to the R82 Battlefield Route, which consists of several historical battlefields. These that are envisaged to be further developed along with the Koppies Dam Nature Reserve.

Edenville is also located in an area of agricultural significance. The main road linking Kroonstad and Heilbron runs adjacent to the area. The main economic sectors include agricultural, mining, manufacturing, services

2. Political Governance & Administration

2.1 Composition of the Municipal Council:

Table B1:

Political Party	Nr of seats
ANC	28
DA	9
FFP	1
COPE	1
Total	39

2.2 Political Leadership:

The municipality is headed by the Mayor and Speaker who are the two full time Councillors:



The Mayor: **Cllr MJ Mochela**



The Speaker: **Cllr P Ndayi**

2.3 Responsibilities of the Municipal Council

Section 151 of the Constitution, 1996 states that the executive and legislative authority of a municipality is vested in its municipal council

The municipality has all the powers assigned to it in terms of the Constitution as well as national and provincial legislation. The municipality has the right to do anything reasonably necessary for or incidental to the effective exercising of its powers.

The executive and legislative authority of the municipality vest in the Council, and the Council takes all the decisions of the municipality except -

- (a) decisions on those matters that have been delegated;
- (b) decisions on those matters that have by law been assigned to a political structure, political, office bearer or employee of the Council;

2.4 Decision Making

There are various decision making structures within Council which include the following:

- o Municipal Council;
- o Executive Committee;
- o Portfolio Committees,
- o Officials with delegated powers.

2.5 EXCO

The Executive Committee (EXCO) which is chaired by the Mayor and draws membership from the chairs of the following Municipal Portfolio Committees (Section 79/80 committees):

Table B2: Municipal Exco Members

COMMITTEE	CHAIR
INFRASTRUCTURE & LED	Cllr TL Vandisi
FINANCE & BUDGET	Cllr GP Mandelstam
URBAN, RURAL, PLANNING & HOUSING	Cllr N Mopedi
CORPORATE SERVICES	Cllr M Serathi
SOCIAL & COMMUNITY DEVELOPMENT	Cllr C Serfontein
PUBLIC SAFETY & TRANSPORT	Cllr A Schoonwinkel

Table B3: Municipal Corporate Services Committee Members

NAME	POSITION
Cllr M Serathi	Chairperson
Cllr SM Vermaak	Member
Cllr RJ Molotsane	Member
Cllr LL Tlali	Member
Cllr DM Radebe	Member
Cllr IM Ramabitsa	Member

Table B4: Municipal Finance Committee Members

NAME	POSITION
Cllr GP Mandelstam	Chairperson
Cllr M Ranthako	Member
Cllr EC Sothoane	Member
Cllr A Schoonwinkel	Member
Cllr VE Mthombeni	Member
Cllr PP Van Der Merwe	Member

Table B5: Municipal Infrastructure and Local Economic Development Committee Members

NAME	POSITION
Cllr TL Vandisi	Chairperson
Cllr PM Molaphene	Member
Cllr DV Modiko	Member
Cllr KJ Khumalo	Member
Cllr MD Mofokeng	Member

Table B6: Municipal Ordinary Social & Community Development Committee Members

NAME	POSITION
Cllr C Serfontein	Chairperson
Cllr ML Hlapane	Member
Cllr ML Mofokeng	Member
Cllr PS Choni	Member
Cllr LR Mehlo	Member
Cllr AM Oliphant	Member

Table B7: Municipal Urban, Rural, Planning & Housing Committee Members

NAME	POSITION
Cllr N Mopedi	Chairperson
Cllr MJ Masooa	Member
Cllr MM Mofokeng	Member
Cllr F Scholtz	Member
Cllr N Ndlovu	Member
Cllr A Sehume	Member

Table B8: Municipal Public Safety & Transport Committee Members

NAME	POSITION
Cllr A Schoonwinkel	Chairperson
Cllr AM Mbele	Member
Cllr AP Swart	Member
Cllr PS Choni	Member
Cllr L Mvulane	Member

Table B9: Municipal Section 32 Committee Members

NAME	POSITION
Cllr K J Khumalo	Chairperson
Cllr ME Motsumi	Member
Cllr ML Mofokeng	Member
Cllr IM Ramabitsa	Member
Cllr VE Mthombeni	Member

The following Councillors are not part of any of the committees

1. Cllr SHF De Jager
2. Cllr AJ De Jager
3. Cllr RS Ferendale
4. Cllr S Mthimkhulu

2.6 Administrative Management

The Administration of the municipality is under the leadership of the Municipal Manager, supported by 4 other Senior Managers appointed in terms of section 56 of Municipal Systems Act. During the period under review, the senior management team of the municipality consisted of the following officials:

Table B10: Administrative governance structure for the period under

CAPACITY	NAME
ACTING MUNICIPAL MANAGER	Mr. PS Tsekedi
CHIEF FINANCIAL OFFICER	Ms. N Samyala
ACTING DIRECTOR: CORPORATE SERVICES	Mr. ZJ Majivolo
DIRECTOR: COMMUNITY SERVICES	Mr. AB Netshivhodza
DIRECTOR: TECHNICAL SERVICES	Mr. NE Shabalala

Other Managers

Internal Audit Manager	-	Mr L Moseme
Acting Manager in the Office of the Mayor	-	Mr S Naale
Public Participation Manager	-	Mr LD Jaers
Acting Human Resource Manager	-	Me ME Mathamelo
Acting Supply Chain Manager	-	Mr T Mathibeli
Acting Public Safety and Recreation Manager	-	Mr LA Marumo
Acting Risk and Compliance Manager	-	Me GM Dlamini
Manager Technical Services	-	Mr HW Coetzer
Acting Strategic Executive Support Manager	-	Me P Ndhlovu
Acting LED Manager	-	Mr EC Pule
Acting Budget and Expenditure Manager	-	Mr AT Mpindo
Revenue and Debt Collection Manager	-	Me KD Mtimkulu
Acting Learning and Development Manager	-	Me ME Motha
Project Manager	-	Mr ZC Ngubentombi
PMU Coordinator	-	Mr T Jona
Chief Fire and Rescue	-	Mr A Legodi
Head: Security	-	Mr M Magashule
Manager: Mimosa Resort	-	Mr P Rocolo
Acting Superintendent Traffic	-	Me SA Poonyane

3. Demographic Profile of the Municipality

In a municipal context, demographic profiling is an important tool utilised by decision makers so that they may be as efficient as possible with measuring service delivery needs within a municipal area. By targeting certain groups, e.g. poor people, disabled, aged, etc who should be the targeted as the primary beneficiaries of subsidised municipal services, it will be more efficient for the municipality expend resources for basic services so that it may garner the maximum amount beneficiaries of basic municipal service.

The demographics as presented below are based on the 2011 STATSSA Census and where appropriate, compares movement between the period 1996, 2001 and 2011.

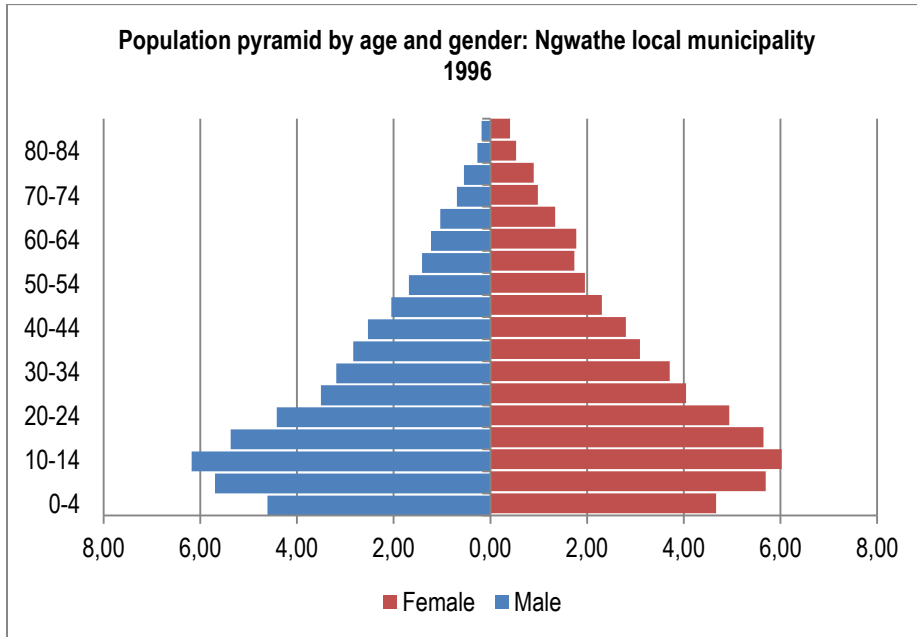
Table B11: Population and population growth rates by municipality, Fezile Dabi District, 1996, 2001 and 2011

Municipality	1996	2001	Growth Rate (1996-2001)	2011	Growth Rate (2001-2011)
Moqhaka	169 440	167 892	-0.2	160 532	-0.4
Ngwathe	120 007	118 810	-0.2	120 520	0.1
Metsimaholo	106 912	115 955	1.6	149 108	2.5
Mafube	52 005	56 637	1.7	57 876	0.2
Fezile Dabi	448 365	459 294	0.5	488 036	0.6

Source: STATSSA, Census 1996, 2001 and 2011

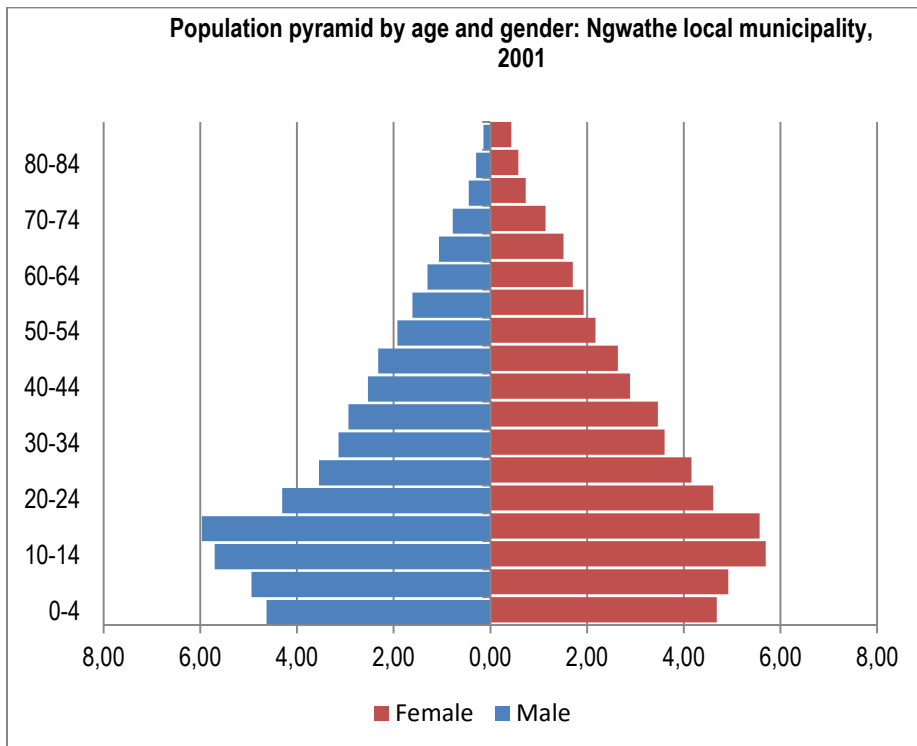
Table B11 indicates that Ngwathe Local Municipality experienced a negative growth from 1996 to 2001. This means that the municipality is losing people either to other municipalities or to other provinces.

Figure B1: Population pyramid by age group and gender, 1996



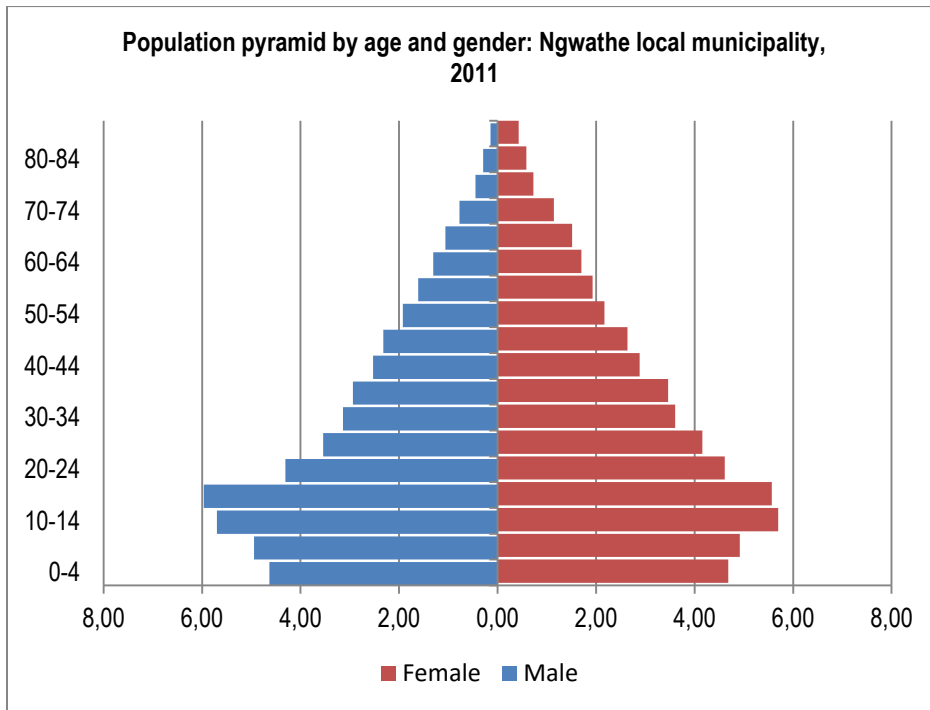
Source: STATSSA, Census 1996

Figure B2: Population pyramid by age group and gender, 2001



Source: STATSSA, Census 2001

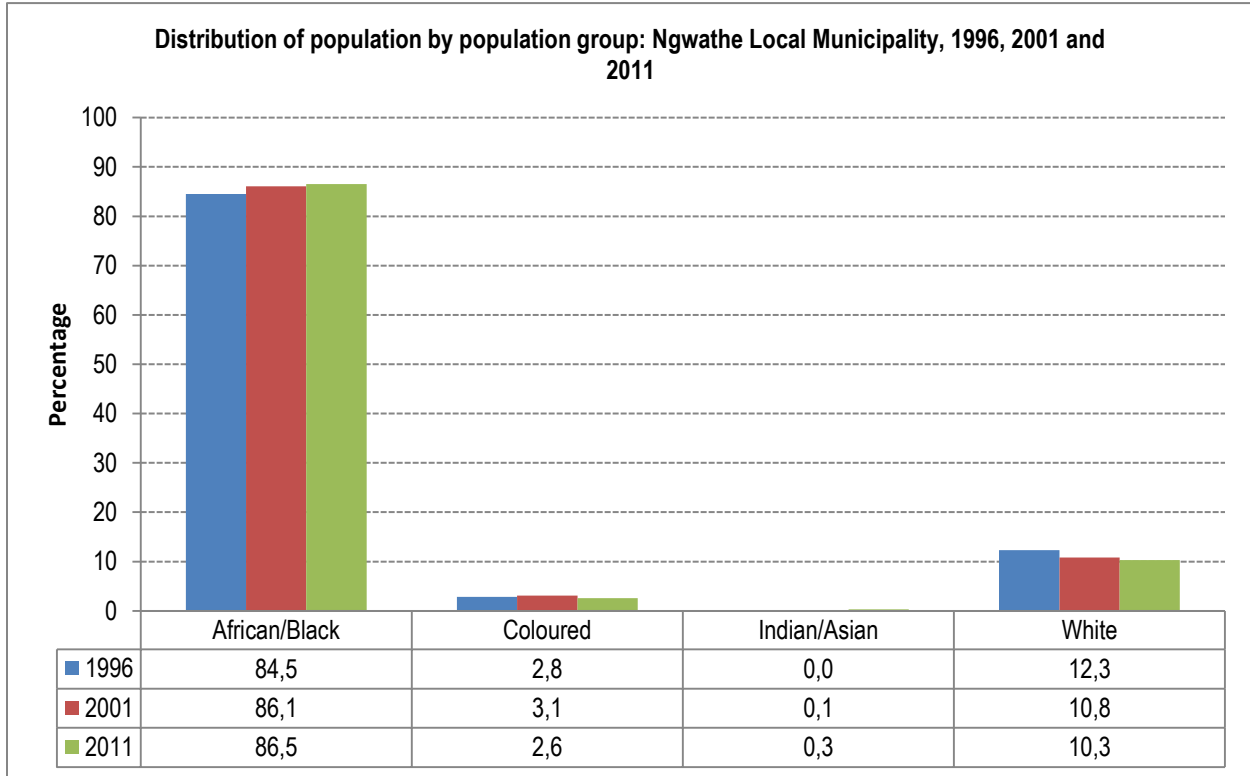
Figure B3: Population pyramid by age group and gender, 2011



Source: STATSSA, Census 2011

Population pyramid (Figure B1, B2 and B3) for 1996, 2001 and 2011 respectively shows a bulge at the lower levels age groups 10- 19 years old. This shows that the municipality consist of the young population who still needs to go to school and enter the labour market in few years. It also shows that the older population 60 years and above lives longer. Females seem to be out living the males as shown in the pyramid that on the female side for older population it is wider than the male side.

Figure B4: Distribution of population by population group: Ngwathe Local Municipality, 1996, 2001 and 2011



Source: STATSSA, Census 1996, 2001 and 2011

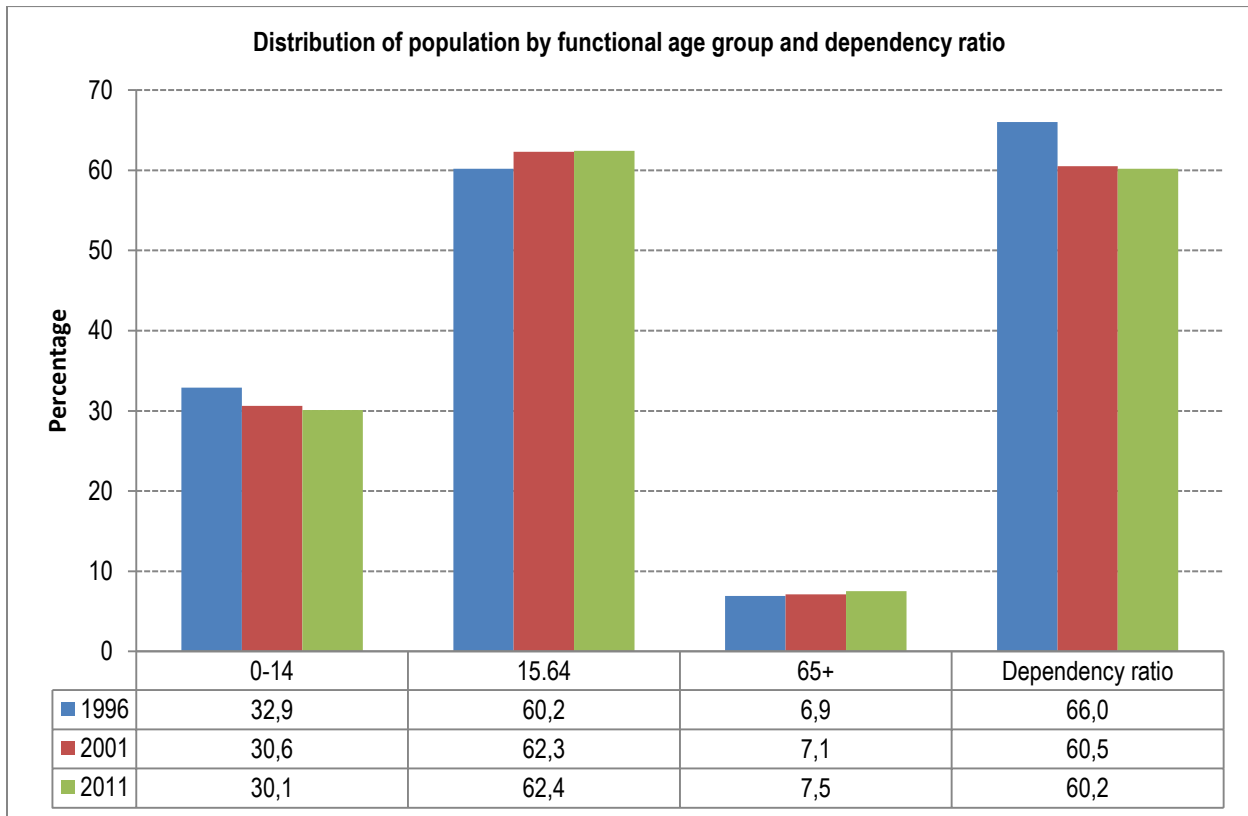
Figure B4 shows that the municipality consists of the large number of Black African population followed by whites then coloureds. Though the Indian population is the smallest it has been growing from less than 0.1% in 1996 to 3% in 2011.

Table B12: Distribution of population by wards: Ngwathe LM, 1996, 2001 and 2011

	Male			Female			Total		
	1996	2001	2011	1996	2001	2011	1996	2001	2011
Ward 1	6946	6824	4014	7052	6976	3895	13999	13800	7909
Ward 2	2616	2659	2644	3002	2967	2926	5618	5626	5570
Ward 3	3296	2878	2662	3808	3226	2859	7104	6103	5520
Ward 4	1316	1686	1635	1496	1828	1840	2813	3514	3474
Ward 5	2682	2567	2103	3238	3010	2569	5921	5577	4672
Ward 6	1889	1475	1128	1878	1421	1082	3767	2896	2210
Ward 7	2003	2958	4531	2189	3304	5266	4191	6262	9797
Ward 8	3506	3103	5820	4042	3683	6364	7548	6786	12183
Ward 9	3069	2897	2718	3539	3277	2958	6608	6174	5676
Ward 10	1544	2117	2616	1713	2338	2845	3258	4456	5461
Ward 11	2976	2625	1996	3349	2932	2233	6324	5557	4228
Ward 12	3314	2587	2599	3702	3096	2859	7016	5683	5458
Ward 13	1927	2476	2458	2396	2829	2981	4322	5305	5439
Ward 14	1785	2913	2894	1999	3165	3253	3784	6078	6147
Ward 15	2605	2494	2097	2944	2954	2425	5549	5448	4523
Ward 16	1923	2402	4075	2177	2765	4695	4099	5167	8770
Ward 17	2104	1028	3334	2390	1172	3804	4494	2200	7138
Ward 18	4190	2718	2424	4388	2880	2475	8578	5598	4899
Ward 19	2361	3398	3195	2703	3723	3534	5064	7121	6729
Ward 20	4901	4714	2482	5049	4744	2234	9949	9458	4716
Total	56953	56519	57425	63054	62290	63097	120006	118809	120519

Source: STATSSA, Census 1996, 2001 and 2011

Figure B5: Distribution of population by functional age groups and dependency ratio: Ngwathe LM, 1996, 2001 and 2011



Source: STATSSA, Census 1996, 2001 and 2011

Dependency ratio for the municipality decreased from 66% in 1996 to 60% in 2011. Though there has been a decrease in dependency ratios, 60% is still high. This means that the dependent population (0-14 years and 65+ years) are many. The proportion of persons 65 years and older increased from 6.9% in 1996 to 7.5% in 2011.

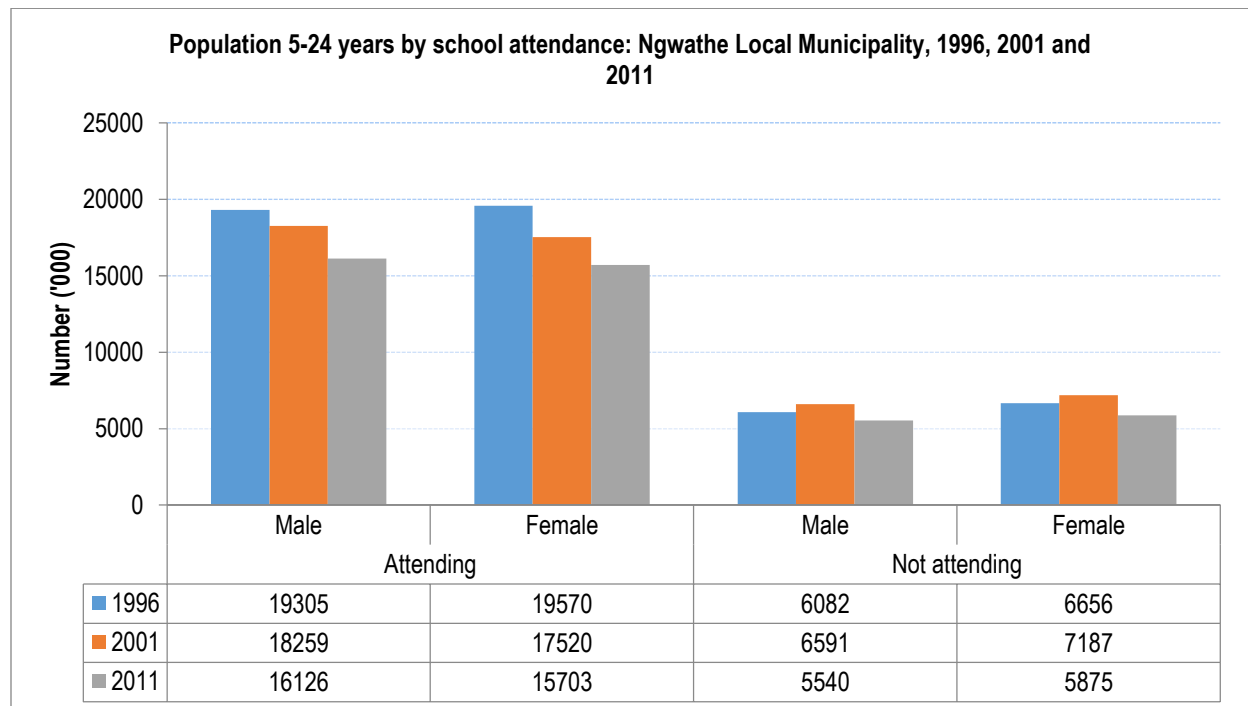
1. Socio Economic Indicators

Table B13: Distribution of population aged 20 years and older by highest level of education and gender: Ngwathe LM, 1996, 2001 and 2011

	1996		2001		2011	
	Male	Female	Male	Female	Male	Female
No schooling	4680	6247	5066	6839	2657	3531
Some primary	7132	8709	7250	8783	5820	7910
Completed primary	2356	3019	2259	2812	1696	2172
Some secondary	10083	11779	9617	11385	11780	13338
Grade 12 / Std 10	3780	4153	5329	5803	9148	9586
Higher	1699	1698	1763	1877	2202	2440

Source: STATSSA, Census 1996, 2001 and 2011

Figure B6: Distribution of population aged 5 – 24 years by school attendance and gender: Ngwathe LM, 1996 2001 and 2011



Source: STATSSA, Census 1996, 2001 and 2011

Table B3 and Figure B6 above show that: the number of persons aged 20 years and above with no schooling decreased from 1996 to 2011. This means that the number of people who get the chance to go to school is improving. This can be seen on the increased number of people who attained Grade 12/ std 10 and higher education. The number of persons aged 5-24 years who were not attending school shows a decrease from 1996 to 2011. Though there is a decrease in numbers of persons aged 5- 24 year not attending school, there is still a high number of females who are not attending school compared to males.

Table B14: Distribution of population by employment status and unemployment rate: Ngwathe LM, 1996 2001 and 2011

Period	Employed	Unemployed	Unemployment rate
1996	26313	13335	33.6
2001	22064	19643	47.1
2011	25376	13814	35.0

Source: STATSSA, Census 1996, 2001 and 2011

The unemployment rate in the municipality was high in 2011 at 35%. Though it was high in 2011 there was an improvement from the highest unemployment rate experienced in 2001 whereby almost halve of the labour force was unemployed.

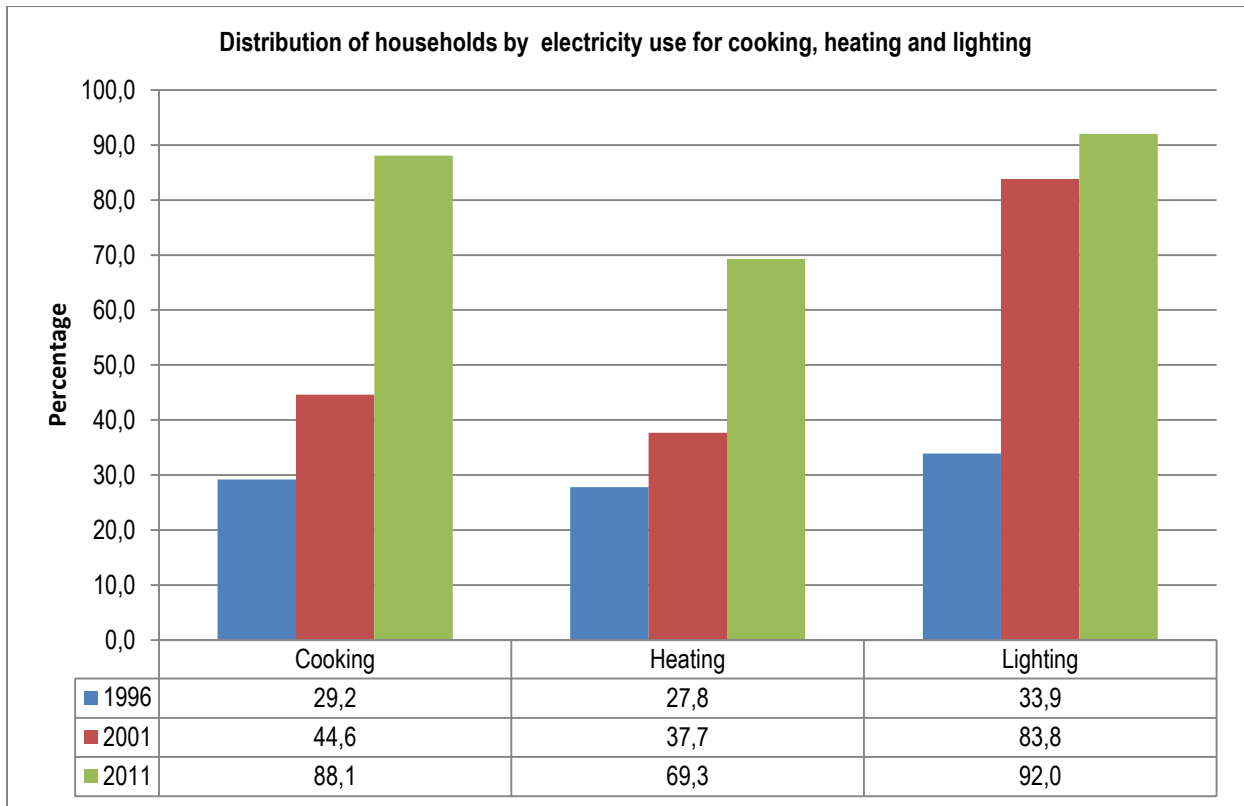
Table B15: Number of households and the average household size: Ngwathe LM, 1996 2001 and 2011

Period	Number of households	Average household size
1996	29575	4.0
2001	32108	3.6
2011	37102	3.2

Source: STATSSA, Census 1996, 2001 and 2011

Number of households increased by 7 527 from 29 575 in 1996 to 37 102 in 2011. The household size decreased from 4 persons per household to 3 per household.

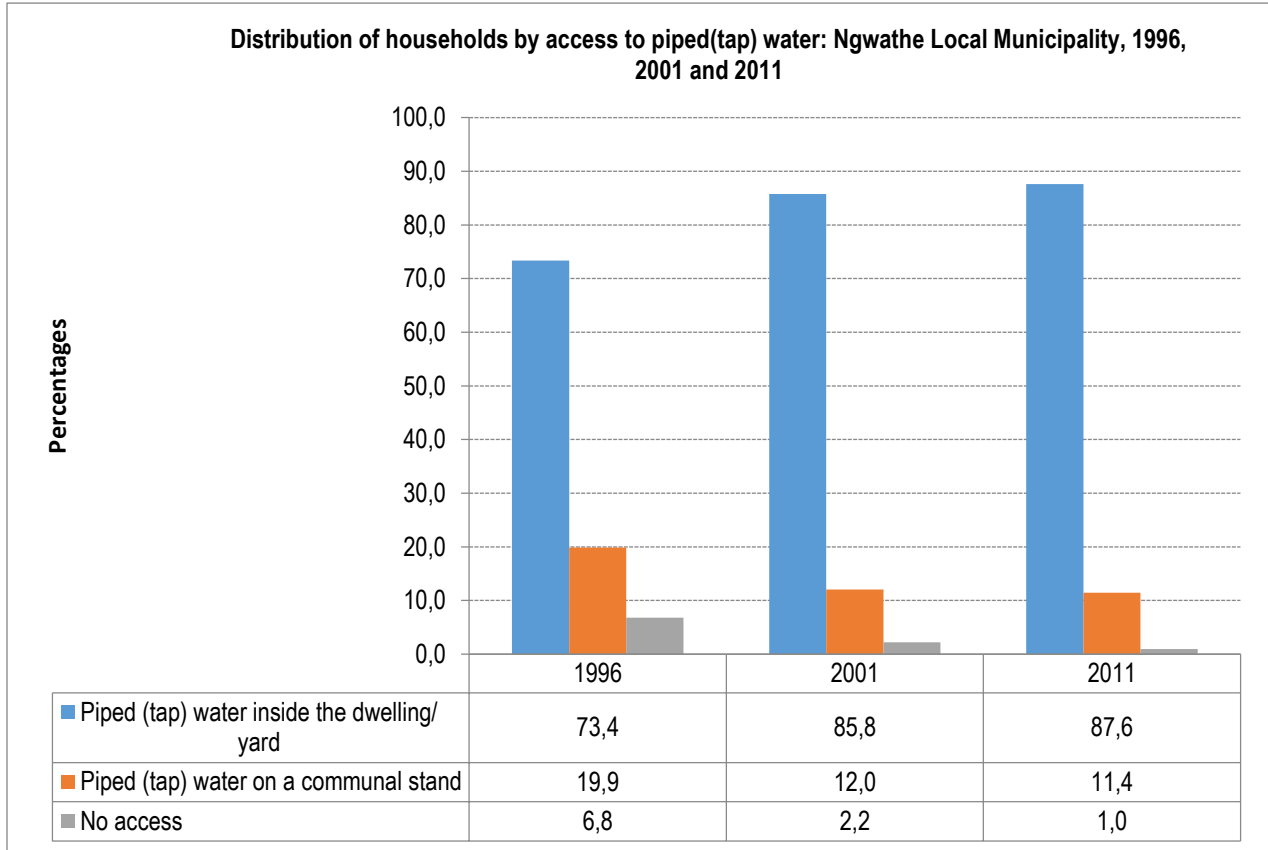
**Figure B7: Distribution of households by electricity use for cooking, heating and lighting:
 Ngwathe LM, 1996 2001 and 2011**



Source: STATSSA, Census 1996, 2001 and 2011

In 1996 less than 30% of households in the municipality were using electricity for cooking, which improved to be 88% in 2011.

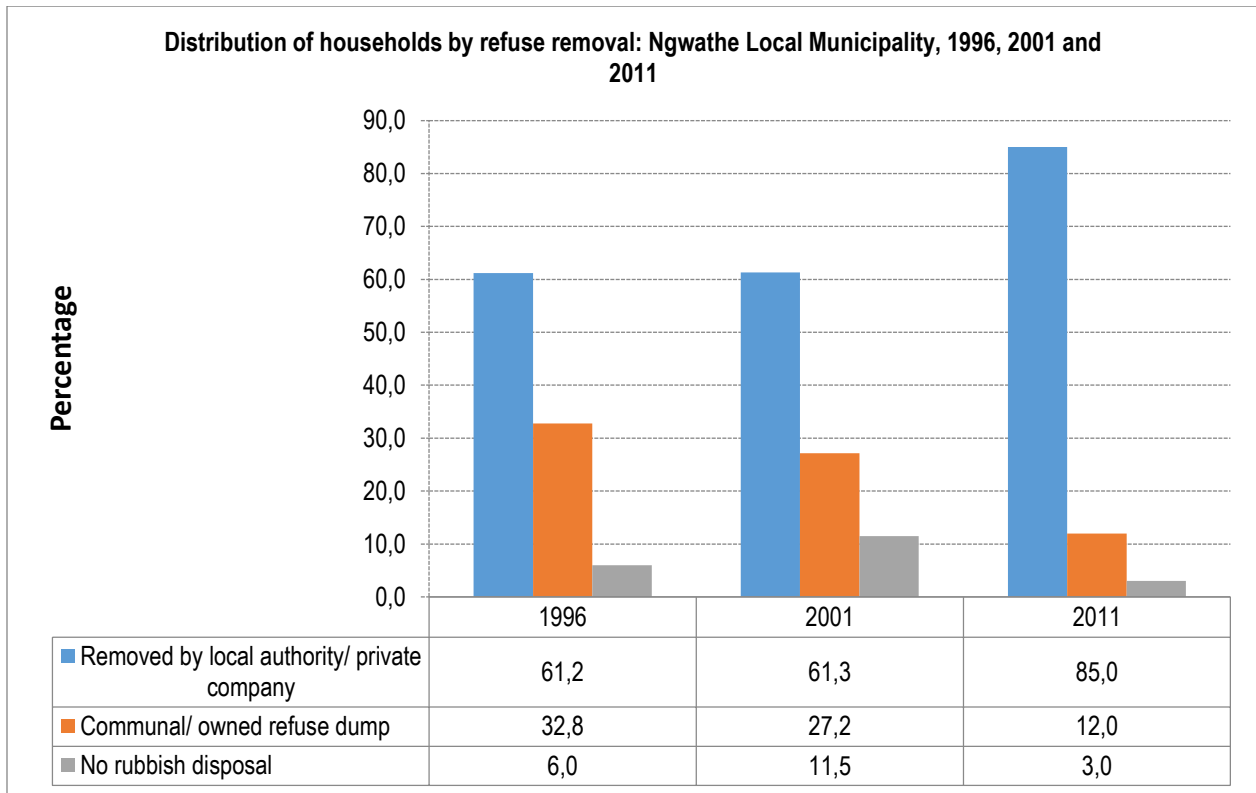
Figure B8: Distribution of households by access to piped (tap) water: Ngwathe LM, 1996, 2001 and 2011



Source: STATSSA, Census 1996, 2001 and 2011

Figure B8 shows that proportion of households with access to piped water improved over the years. In 2011 99% had access to piped (tap) water [88% water inside the yard and 11% on a communal stand]. Only a percent of households had no access to piped water in 2011.

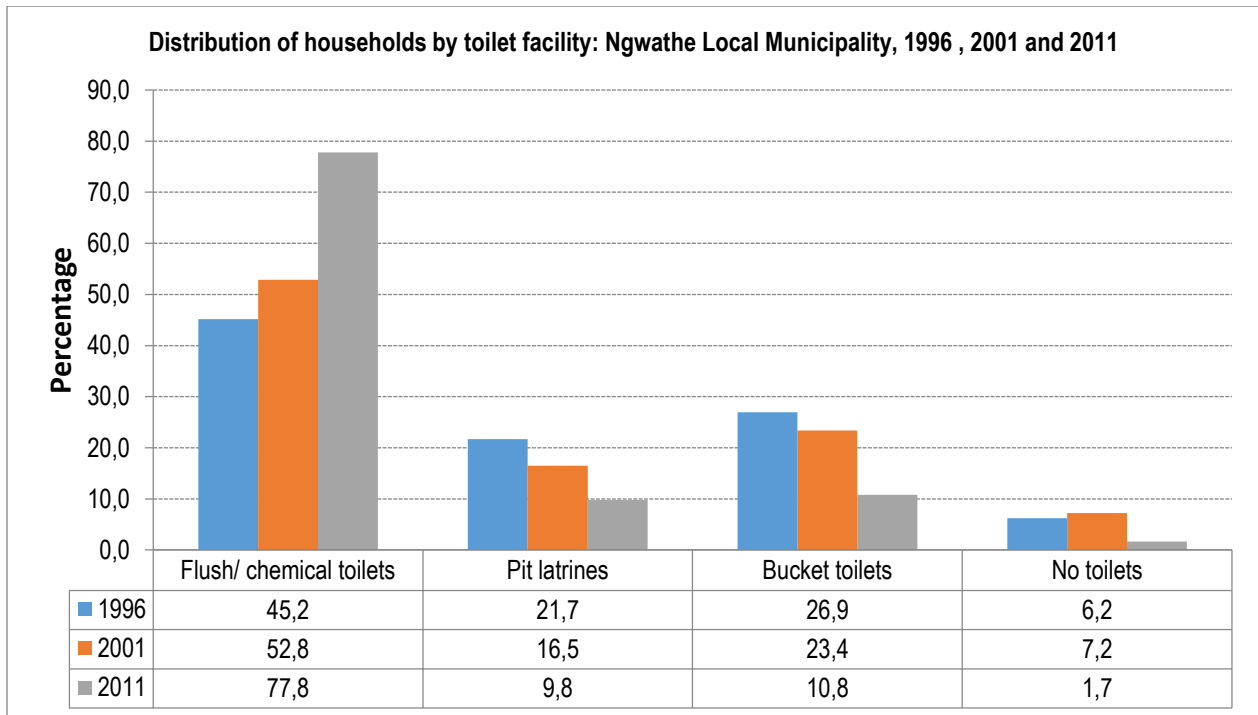
Figure B9: Distribution of households by refuse removal: Ngwathe LM, 1996, 2001 and 2011



Source: STATSSA, Census 1996, 2001 and 2011

Figure B9 indicates that refuse for 85% of households in 2011 was removed by local authority or private company. Only 3 % of the households did not have rubbish disposal while 12% used the communal or their own refuse dump in 2011.

Figure B10: Distribution of households by toilet facility, Ngwathe LM, 1996, 2001 and 2011



Source: STATSSA, Census 1996, 2001 and 2011

It is evident that there is improvement in the access to basic services by all households in the Free State over the years. A lot of improvement in the municipality has been made on the eradication of bucket toilets which have decreased tremendously from 27% in 1996 to 11% in 2011. Even though there is huge improvement in toilet facility about 2% of households indicated that they do not have toilets in 2011.

Table B16: Distribution of child headed households: Ngwathe LM, 1996, 2001 and 2011

Details	1996	2001	2011
Household headed by children	277	376	198
Total households	29575	32108	37102
% of child headed households	0.5	1.2	0.5

Source: STATSSA, Census 1996, 2001 and 2011

Table B6 depicts that the number of child headed households decreased from 376 in 2001 to 198 in 2011. Though the 198 child headed households is still a challenge, the decrease in numbers brings a relief to the municipality.

4. Regional Economic Tendencies

Parys has a strong commercial component and provides a wide range of services regarding health, education and professional services to the district. The contribution of these sectors is therefore substantial. The Parys District has unique nature and environmental assets like the Vaal River with several islands in the proximity of Parys and the Vredefort Dome that present exceptional tourism potential. Large areas of the Parys District are underlain with undifferentiated granite that is exploited directly to the north of Parys that further contributes to Parys being a prominent service and economic centre. Parys has a well-developed airfield that supports commercial and tourism development in the area. The most prominent economic sector in Vredefort is the agricultural sector. Commercial activities in the town are the only other sector that contributes to the Gross Geographical Product (GGP) of the district. When comparing the contribution of the district to the contribution of the other districts in the Fezile Dabi District, it is conspicuous how small it is. This is, however, attributed to the fact that in all the other districts, two or more towns contribute to the GGP while **Vredefort** is the only town situated in the former Vredefort District. Because the agricultural sector is the most prominent economic sector, there are very limited work opportunities in town with the consequent high unemployment rate. This is aggravated by the population growth in specifically the Mokwallo residential area. It is envisaged that Vredefort will remain functioning only as a service town to the surrounding agricultural community.

Heilbron is predominantly an agricultural area although major manufacturing industries contribute largely to the GGP of the District. The agriculture and manufacturing industries have a direct influence on the per capita expenditure and employment opportunities of the urban area concerned. Industries such as Simba, Tudor, Peter's Knitwear and Michrochem are amongst other, producing in Heilbron. These industries are significant employment sectors in the community. The study area is also in close proximity to the coal mining and coal-related industries of Sasolburg.

Koppies is located in an area of agricultural significance and mainly provides services in this regard to the surrounding rural areas. The three well-established and developed irrigation schemes subsequently enhance the agricultural character of the area. The strategic location of Koppies between the larger centres of Kroonstad and Sasolburg, mainly influence growth and development within the community. These factors contribute to the relatively low level of economic activity in the area. The current bentonite exploitation near Koppies and the current initiative for coal mining in the vicinity of Koppies provides significant future growth potential. Koppies is becoming well familiar for its tourist attractions. Specific reference is made to the R82 Battlefield Route that consists of several historical battlefields that are envisaged to be further developed as well as the Koppies Dam Nature Reserve. National annual angling competitions are held at the Koppies Dam.

Edenville is located in an area of agricultural significance and mainly provides basic services in this regard to the surrounding rural areas. The main road linking Kroonstad and Heilbron, stretches adjacent to the area. The area is influenced to a great extent by Kroonstad as a large service centre in close proximity. The most prominent economic sectors contributing to the Gross Geographical Product of the district, include general government, finance and real estate and transport. This is ascribed to the influence of Kroonstad, as a large service centre in the concerned district. The large contribution by general government is attributed to the prominent function of several Government institutions in Kroonstad. The prominence of these sectors is due to the large turnover in the real estate sector, specifically as a result of the above-mentioned. Future development of Edenville is not foreseen. Edenville will remain functioning as service town to the surrounding agricultural community.

5. Service Delivery and infrastructure development

5.1 Water Provision

- **Strategic Objective:** Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance.
- **Intended Outcome:** Improve the standard of municipal services delivery

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
1	Sandersville	375	374		01	Connection at stand 210 to be done through Rapid Bucket Eradication
	S Section	537	537			None
	New Location	793	793			Increase Pressure from Pipes & Valves.
2	Heilbron Town	457	457			None
	Mapetla Sec	151	151			None
	Marantha Sec.	343	343			None
	Zondi Sec.	124	124			None
	Maponya Section	246	246			None
	Mooi Dorpie	41	41			None
3	Thekiso Sec.	375	375			None
	Phahameng Sec.	186	186			None
	Metampelong Sec.	60	60			None
	Phumasebethane Sec.	201	201			None
4	Marantha Sec.	148	148			None
	Naledi Sec. (Mapetla)	264	264			None
	2000 Sec.	192	192			None
	LahlumlENZE Section	94	94			None
	Masakaneng	143	143			None
	Dikerekeng (Churches)	152	152			None
	Sunshine	238	238			None

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
	Mbeki Sec.	197	197			None
5	Airport	588		588	588	Use of Communal Taps
	Moherepa	416	416			Water be tanks supplied when Reservoir runs below 60% at ext. 6
	Greenfield	352	04	348	348	Households Connections (without taps) been done from February 2015
	Metampelong	233	233			None
	Moutainview	163	163			None
	Bombas	105	105			None
6	Mandela Sec.	303	303			None
	Mbeki Sec.	197	197			None
7	Mandela Sec.	1080	1080			None
	Mbeki Sec.	694	694			None
	Tambo Sec.	989	989			None
	Zuma	986	986			
	Parys Hospital	1217	1217			
8	Part of Parys town	388	388			None
	Vredefort town	646	646			None
	Vredeshoop	102	102			None
9	Lusaka Sec.	1753	1753			Water pressure be increased from reservoir
	Vuka Sec.	1352	1352			None
	Metampelong	257	257			None
10	Tokoloho Sec.	667	667			None
	Skotiphola	694	694			None

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
	Winnie Sec.	440	440			None
11	Sisulu Sec.	827	827			None
	Ghana	890	890			None
	Phelandaba	637	637			None
12	Parys town	3099	3099			None
13	Schonkenville	1219	1219			None
	Zone 6					None
	Sisulu Sec.					None
14	Mandela Sec.	741	741			None
	Metampelong	44	44			None
	Thola Sec.	197	197			None
	Old Location	415				
15	Chris Hani	160	160			None
	Phahameng Sec.	218	218			None
	Mapetla Sec.	1118	1118			None
	Tambo Sec.	602	602			None
	Old Location	246	246			None
16	Old Location	663	663			Increase pressure from pipes and valves
	New location	793	793			None
17	Ward 17	1751	1751			None
18	Chris Hani	241	241			None
	Mandela Section	383	383			None
	Phahameng	241	241			None
	Old Location	221	221			None

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
	Moipone Nketu	355	355			None
	New Stands	67	67			None
	Extension 4	195		195		There are communal taps connected but the stand connections are required
	Edenville	521	521			None
	Vredefort	646	646			None

5.2 Sanitation Provision

- **Strategic Objective:** To ensure the provision of services to communities in a sustainable manner
- **Intended Outcome:** Improve the standard of municipal services delivery

Number of wards	Flush toilet (connected to sewerage system)	Flush toilet (with septic tank)	Chemical toilet	Pit toilet with ventilation (VIP)	Pit toilet without ventilation	Bucket toilet	None	Other
FS203: Ngwathe	27640	932	47	2117	1490	3963	609	303
Ward 1	985	226	18	247	477	138	140	35
Ward 2	1709	0	0	1	2	0	6	3
Ward 3	1697	16	0	0	1	180	4	0
Ward 4	641	11	0	1	1	238	12	2
Ward 5	1151	126	1	0	1	17	8	2
Ward 6	503	55	3	45	54	14	13	28
Ward 7	1103	21	1	54	8	1545	90	10
Ward 8	3097	14	3	44	69	451	44	27
Ward 9	1651	16	0	1	0	0	3	4
Ward 10	1299	2	5	5	110	222	15	4
Ward 11	1135	43	0	4	52	33	17	1
Ward 12	1874	24	1	1	0	0	1	1

Number of wards	Flush toilet (connected to sewerage system)	Flush toilet (with septic tank)	Chemical toilet	Pit toilet with ventilation (VIP)	Pit toilet without ventilation	Bucket toilet	None	Other
Ward 13	2182	3	0	1	0	0	1	3
Ward 14	1892	14	0	5	4	5	8	1
Ward 15	1240	6	1	0	0	1	7	0
Ward 16	1353	6	1	1	9	979	44	14
Ward 17	1902	8	0	4	0	1	9	2
Ward 18	1274	90	2	114	165	35	74	2
Ward 19	245	85	0	1436	49	74	49	10
Ward 20	708	166	11	153	488	29	63	151

4.2.1 Sanitation implementation plan

The following table indicates the number of households within a ward and status of sanitation system that are available with service level standard and the intervention required to address those gaps.

5.3 Waste Management and Removal

Strategic objective: To ensure the provision of services to communities in a sustainable manner

Intended outcome: Improve the standard of municipal services delivery

5.3.1 Waste Management Sector Plans

The municipality has the following Waste Management Sector Plans:

- The Master Plan for Solid Waste Management (MPSWM)
- Integrated Waste Management Plan, adopted by Council.

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
1	Sandersville	375	374		01	Connection at stand 210 to be done through Rapid Bucket Eradication
	S Section	537	537			None
	New Location	793	793			Increase Pressure from Pipes & Valves.
2	Heilbron Town	457	457			None
	Mapetla Sec	151	151			None
	Marantha Sec.	343	343			None
	Zondi Sec.	124	124			None
	Maponya Section	246	246			None
	Mooi Dorpie	41	41			None
3	Thekiso Sec.	375	375			None
	Phahameng Sec.	186	186			None
	Metampelong Sec.	60	60			Connections currently done under Bucket Eradication Programme
	Phumasebethane Sec.	201	201			None
4	Marantha Sec.	148	148			None
	Naledi Sec. (Mapetla)	264	264			None
	2000 Sec.	192	192			None
	LahlumlENZE Section	94	94			None
	Masakaneng	143	143			None
	Dikerekeng (churches)	152	152			None
	Sunshine	238	238			None
5	Airport	588		588	588	59 Households using VIP Toilets which are serviced twice a year.

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
						Waterborne sewer connection to be installed to upgrade the sewer system to reach required RDP status.
	Moherepa	416	416			Pipe Infrastructure in ext 5 in place but not fully completed
	Greenfield	352	04	348	348	Connections currently done through Bucket Eradication Project
	Metampelong	233	233			None
	Moutainview	163	163			None
	Bombas	105	105			None
6	Mandela Sec.	303	303			None
	Mbeki Sec.	197	197			Rapid Bucket Eradication Contractor project on-going
7	Mandela Sec.	1080				None
	Mbeki Sec.	694				None
	Tambo Sec.	989				None
	Zuma	369				None
	Parys Hospital	1217				None
8	Part of Parys town	388	388			None
	Vredefort town	646	646			None
	Vredeshoop	102	102			None
9	Lusaka Sec.	1753	1753			None
	Vuka Sec.	1352	1352			None
	Metampelong	257	257			None
10	Tokoloho Sec.	667	667			
	Skotiphola	694	694			
	Zuma Sec.	369	369			

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
	Winnie Sec.	440	440			
11	Sisulu Sec.	827	827			
	Ghana	890	890			
	Phelandaba	637	637			
	B- Section					
	Zone 6	458	458			
	Majugadra					
12	Hospital View	1217	1217			
	Golf Estate	106	106			
13	Schonkenville	1219	1219			
	Zone 6					
	Sisulu Sec.					
14	Mandela Sec.	741	741			None
	Metampelong	44	44			
	Thola Sec.	197	197			None
	Old Location	415				
15	Chris Hani	160	160			None
	Phahameng Sec.	218	218			None
	Mapetla Sec.	1118	1118			None
	Tambo Sec.	602	602			None
	Old Locaton	246	246			None
16	Old Location	663	663			None
	New Location	793	793			None
17	Ward 17	1751	1751			None
18	Chris Hani	241	241			
	Mandela Section	383	383			
	Phahameng	241	241			
	Old Location	221	221			

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
	Moipone Nketu	355	355			
	New Stands	67	67			
	Extension 4	195		195		
	Edenville	521	521			
	Vredefort	646	646			None

The following table shows information and indication of the waste or refuse removal services in the municipality:

Structure	Available	Status/Challenges
Integrated Waste Management Plan	Available	
Landfill sites		Unlicensed landfill sites
Licensing and compliance		
Trade Effluent Policy		
Environmental recycling		
Operational and Maintenance Plan		
Waste Management Fleet		
Personnel and staff		

The following table represents the areas and settlements with access to the waste management and refuse removal together with the number of households without services within the jurisdiction of the municipality:

Ngwathe Local Municipality
Reviewed IDP: 2016/17

Ward	Removed by local authority/private company at least once a week	Removed by local authority/private company less often	Communal refuse dump	Own refuse dump	No rubbish disposal	Other
FS203: Ngwathe	30372	973	487	3928	1109	232
Ward 1	966	58	44	1020	115	62
Ward 2	1478	139	2	62	31	9
Ward 3	1633	52	101	95	15	1
Ward 4	854	4	0	42	5	2
Ward 5	1256	0	2	46	1	0
Ward 6	417	10	7	221	13	48
Ward 7	2231	169	147	232	35	17
Ward 8	2832	183	11	415	301	8
Ward 9	1592	16	1	15	48	2
Ward 10	1254	26	3	142	226	10
Ward 11	1135	95	49	3	3	0
Ward 12	1888	10	0	3	1	0
Ward 13	2111	57	7	6	1	8
Ward 14	1882	28	3	8	6	1
Ward 15	1251	2	0	1	1	0
Ward 16	2376	4	1	0	20	8
Ward 17	1879	32	1	9	2	1
Ward 18	1105	70	25	488	56	13
Ward 19	1725	6	58	123	30	8
Ward 20	505	11	25	997	199	33

5.3.2 Land Fill Sites

The municipality has the following 5 land fill sites

Town	Status	Register Number	Responsibility
Parys	Unlicensed	Parys WML/EIA/06/2014	MISA
Vredefort		Vredefort WML/EIA/03/2014	
Koppies		Koppies WML/EIA/07/2014	
Edenville		Edenville WML/EIA/02/2014	
Heilbron	Licensed	N/A	DESTEA

5.3.3 Access to Refuse Removal

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
1	Sandersville	375	375			
	S Section	537	537			
2	Heilbron Town	457	457			
	Mapetla Sec	151	151			
	Marantha Sec.	343	343			
	Zondi Sec.	124	124			
	Maponya Section	246	246			
	Mooi Dorpie	41	41			
3	Thekiso Sec.	375	375			
	Phahameng Sec.	186	186			
	Metampelong Sec.	60	60			
	Phumasebethane Sec.	201	201			
4	Marantha Sec.	148	148			
	Naledi Sec. (Mapetla)	264	264			
	2000 Sec.	192	192			
	Lahlumlenze Section	94	94			
	Masakaneng	143	143			
	Dikerekeng	152	152			

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
	(churches)					
	Sunshine	238	238			
5	Airport	588				
	Moherepa	416	416			
	Greenfield	352				
	Metampelong	233	233			
	Moutainview	163	163			
	Bombas	105	105			
6	Mandela Sec.	303	303			
	Mbeki Sec.	197	197			
7	Mandela Sec.	1080	1080			
	Mbeki Sec.	694	694			
	Tambo Sec.	989	989			
	Zuma	369	369			
	Parys Hospital	1217	1217			
8	Part of Parys town	388	388			
	Vredefort town	646	646			
	Vredeshoop	102	102			
9	Lusaka Sec.	1753	1753			
	Vuka Sec.	1352	1352			
	Metampelong	257	257			
10	Tokoloho Sec.	667	667			
	Skotiphola	694	694			
	Zuma Sec.	369	369			
	Winnie Sec.	440	440			
11	Sisulu Sec.	827	827			
	Ghana	890	890			
	Phelandaba	637	637			
12	Hospital View	1217	1217			
	Golf Estate	106	106			
13	Schonkenville	1219	1219			

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
	Zone 6					
	Sisulu Sec.					
14	Mandela Sec.	741	741			
	Metampelong	44	44			
	Thola Sec.	197	197			
	Old Location	415				
15	Chris Hani	160	160			
	Phahameng Sec.	218	218			
	Mapetla Sec.	1118	1118			
	Tambo Sec.	602	602			
	Old Locaton	246	246			
16	Old Location	663	663			
	New Location	793	793			
17	Ward 17	1751	1751			
18	Chris Hani	241	241			
	Mandela Section	383	383			
	Phahameng	241	241			
	Old Location	221	221			
	Moipone Nketu	355	355			
	New Stands	67	67			
	Extension 4	195	195			
	Edenville	521	521			
	Vredefort	646	646			

5.3.4 Refuse Removal Schedule

Removal schedule is once a week for households and twice for businesses

The Municipality has the following equipment for refuse removal services:

- 3 old compact trucks (2 Parys & 1 Vredefort)
- 3 refuse tips (1 Heilbron, 1 Koppies & 1 Edenville)

5.3.5 Waste Challenges and interventions

- Unlicensed land fill sites in all towns;
- Refurbishment/ Replacement of all old compact trucks and refuse tips (Tractor & Trailer)
- The refuse removal is not done effectively in sections like Wienie, Zuma, Mbeki due to lack refuse bins.

Given the above challenges, the municipality will in the spirit of Cooperative Governance, require assistance of the Department of Economic, Small, Tourism and Environmental Affairs (Destea) to (1) issue a license for the landfill site and (2) provide refuse bins to the affected areas within the municipality

5.4 Electricity Provision

- **Strategic objective:** To ensure the provision of services to communities in a sustainable manner
- **Intended outcome:** Improve the standard of municipal services delivery

Ward	Electricity	Gas	Paraffin	Candles (not a valid option)	Solar	None
FS203: Ngwathe	34139	42	185	2501	147	87
Ward 1	1897	1	16	304	38	7
Ward 2	1655	0	9	52	3	2
Ward 3	1672	2	5	213	1	5
Ward 4	830	0	2	70	1	2
Ward 5	1265	0	5	34	1	1
Ward 6	650	4	16	43	2	1
Ward 7	2241	0	33	544	2	11
Ward 8	3462	9	19	241	10	9
Ward 9	1646	1	1	21	0	4

Ward 10	1583	0	11	56	10	1
Ward 11	1201	1	6	76	0	3
Ward 12	1854	2	7	35	2	3
Ward 13	2172	5	4	1	6	1
Ward 14	1857	0	1	51	12	7
Ward 15	1220	1	8	21	2	3
Ward 16	2213	3	2	181	4	5
Ward 17	1842	0	8	65	6	4
Ward 18	1641	5	15	91	6	0
Ward 19	1772	1	8	156	7	5
Ward 20	1465	5	9	248	32	12

5.4.1 Access to Electricity

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
1	Sandersville	375	374			
	S Section	537	537			
2	Heilbron Town	457	457			
	Mapetla Sec	151	151			
	Marantha Sec.	343	343			
	Zondi Sec.	124	124			
	Maponya Section	246	246			
	Mooi Dorpie	41	41			
3	Thekiso Sec.	375	375			
	Phahameng Sec.	186	186			
	Metampelong Sec.	60	60			
	Phumasebethane Sec.	201	201			
4	Marantha Sec.	148	148			
	Naledi Sec. (Mapetla)	264	264			
	2000 Sec.	192	192			
	LahlumlENZE Section	94	94			
	Masakaneng	143	143			
	Dikerekeng (churches)	152	152			

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
	Sunshine	238	238			
5	Airport	588				
	Moherepa	416	416			
	Greenfield	352				
	Metampelong	233	233			
	Moutainview	163	163			
	Bombas	105	105			
6	Mandela Sec.	303	303			
	Mbeki Sec.	197	197			
7	Mandela Sec.	1080	1080			
	Mbeki Sec.	694	694			
	Tambo Sec.	989	989			
	Zuma	369	369			
	Parys Hospital	1217	1217			
8	Part of Parys town	388	388			
	Vredefort town	646	646			
	Vredeshoop	102	102			
9	Lusaka Sec.	1753	1753			
	Vuka Sec.	1352	1352			
	Metampelong	257	257			
10	Tokoloho Sec.	667	667			
	Skotiphola	694	694			
	Zuma Sec.	369	369			
	Winnie Sec.	440	440			
11	Sisulu Sec.	827	827			
	Ghana	890	890			
	Phelandaba	637	637			
12	Hospital View	1217	1217			
	Golf Estate	106	106			
13	Schonkenville	1219	1219			
	Zone 6					

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
	Sisulu Sec.					
14	Mandela Sec.	741	741			
	Metampelong	44	44			
	Thola Sec.	197	197			
	Old Location	415				
15	Chris Hani	160	160			
	Phahameng Sec.	218	218			
	Mapetla Sec.	1118	1118			
	Tambo Sec.	602	602			
	Old Locaton	246	246			
16	Old Location	663	663			
	New Location	793	793			
17	Ward 17	1751	1751			
18	Chris Hani	241	241			
	Mandela Section	383	383			
	Phahameng	241	241			
	Old Location	221	221			
	Moipone Nketu	355	355			
	New Stands	67	67			
	Extension 4	195	195			
	Edenville	521	521			

Section C: Development Strategies

1. Introduction to Development Strategies

The strategy phase sets forth the destination of the municipality and the most appropriate ways to arrive at the intended destination. The Municipal Systems Act No 32 of 2000 requires that each municipality must formulate a vision. The vision constitutes the development framework and will inform the way council will deliver in future.

The process of developing development strategies followed the following rigorous process:

- Formulation / Confirmation of the Vision;
- Formulation of objectives for each priority issue identified in Status Quo analysis;
- Formulation of localized strategic principles or guidelines that will guide development in future.
- Making use of the policies and legislative requirements binding on development in future, and for this purpose the following aspects are reflected on:
 2. Spatial dimensions;
 3. Poverty / gender aspects;
 4. Environment dimensions;
 5. Local economic dimensions;
 6. Institutional dimensions; and
 7. Infrastructural and transport dimensions.
- Defining resource frames within which strategies can be developed. These resource frames need to incorporate both financial and human capacity within the local municipality, availability of natural resources and other sources of income etc.;
- Creating Strategic alternatives created and inviting public debate on the proposed alternatives. This activity should also incorporate district level integration; and
- Choosing the correct alternatives and aligning them with sector requirements.

2. The National Development Plan (NDP)

The South African Government, through the Ministry of Planning, has published a National Development Plan. The Plan aims to eliminate poverty and reduce inequality by 2030. The Plan has the target of developing people's capabilities to be to improve their lives through education and skills development, health care, better access to public transport, jobs, social protection, rising income, housing and basic services, and safety. It proposes to the following strategies to address the above goals:

- a) Creating jobs and improving livelihoods
- b) Expanding infrastructure
- c) Transition to a low-carbon economy
- d) Transforming urban and rural spaces
- e) Improving education and training
- f) Providing quality health care
- g) Fighting corruption and enhancing accountability
- h) Transforming society and uniting the nation

At the core of the Plan is to eliminate poverty and reduce inequality is the special focus on the promotion gender equity and addressing the pressing needs of youth.

3. The Presidential Delivery Outcomes

From the development focus of the Medium Term Strategic Framework (MTSF) the government has derived twelve outcome areas that set the guidelines for more results-driven performance. The TWELVE KEY OUTCOMES that have been identified and agreed to by the Cabinet are:

- 1) *Improved quality of basic education*
- 2) *A long and healthy life for all South Africans*
- 3) *All people in South Africa are and feel safe*
- 4) *Decent employment through inclusive economic growth*
- 5) *A skilled and capable workforce to support an inclusive growth path*
- 6) *An efficient, competitive and responsive economic infrastructure network*
- 7) *Vibrant, equitable and sustainable rural communities with food security for all*
- 8) *Sustainable human settlements and improved quality of household life*
- 9) *A responsive, accountable, effective and efficient local government system*

10) Environmental assets and natural resources that are well protected and continually enhanced

11) Create a better South Africa and contribute to a better and safer Africa and world

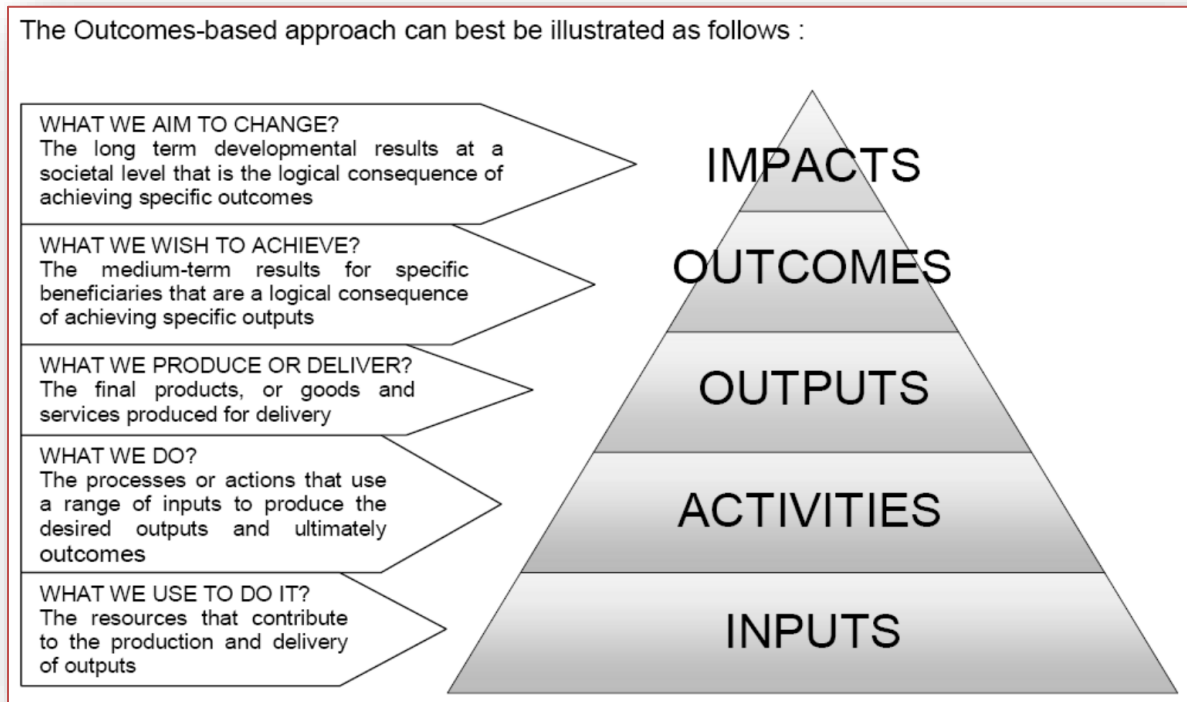
12) An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship

Of the 12 outcomes above, Outcome 9 is closest to local government. The champion of the goal is the national Department of Cooperative Governance and Traditional Affairs. In order to achieve the vision of a “Responsive, Accountable, Effective and Efficient local government system”, seven outputs linked to Outcome 9 have been identified as follows:

- Output 1: Implement a differentiated approach to municipal financing, planning and support
- Output 2: Improving Access to Basic Services
- Output 3: Implementation of the Community Work Programme
- Output 4: Actions supportive of the human settlement outcomes
- Output 5: Deepen democracy through a refined Ward Committee model
- Output 6: Administrative and financial capability
- Output 7: Single Window of Coordination

The whole concept of outcome-based approach to service delivery can be easily understood as depicted on the figure below:

Figure C1: Illustration of Outcome based approach to service delivery



4. Key National Priority Areas and Strategies

In the State of the Nation Address for 2011, President Jacob Zuma announced that government will concentrate on following five priorities:

- a) Creating decent jobs
- b) Education
- c) Health
- d) Fighting crime
- e) Rural development

In his 2015 State of the Nation Address, the President announced a nine-point plan to ignite growth and create jobs. The nine-point plan consists of the following nine areas in which key interventions are required:

1. Resolving the energy challenge.
2. Revitalising agriculture and the agro-processing value chain.

3. Advancing beneficiation or adding value to our mineral wealth.
4. More effective implementation of a higher impact Industrial Policy Action Plan.
5. Encouraging private sector investment.
6. Moderating workplace conflict.
7. Unlocking the potential of small, medium and micro enterprises (SMMEs), cooperatives, township and rural enterprises.
8. State reform and boosting the role of state owned companies, information and communications technology (ICT) infrastructure or broadband roll-out, water, sanitation and transport infrastructure as well as
9. Operation Phakisa aimed growing the ocean economy and other sectors.

The nine-point plan remains one of the strategic plans of the government and in his State of the Nation Address in 2016; the President gave a report back on the implementation of the plan, indicating that a “significant progress in the implementation of the plan”.

In line with the National Government’s national priorities, the municipality has identified its own priorities that can be aligned with the nine-point plan priorities. The municipality specific priorities as outlined below are internalized in a form of workable projects that will be able to be monitored and measured at regular intervals throughout their implementation.

Table C1: Aligned National Government’s Priorities

National Priority		Aligned Ngwathe LM Priorities	
		Priority	Active measures to be taken
1	Resolving the energy challenge.	Resolve energy challenge	Invest sufficiently in new power sub-stations and refurbishment of existing ones while providing for sufficient regular maintenance of the infrastructure. Strengthen working relationship with the SAPS and communities to prevent electrical cable thefts.
2	Revitalizing agriculture and the agro-processing value chain.		
3	Advancing beneficiation or adding value to our mineral wealth.		
4	More effective implementation of a		

National Priority		Aligned Ngwathe LM Priorities	
		Priority	Active measures to be taken
	higher impact Industrial Policy Action Plan.		
5	Scaling-up private-sector investment;	Encouraging private sector investment.	Through dedicated municipal infrastructure grants, speed-up the improvement of the level basic infrastructure and services so as to attract private sector investment.
6	Stabilizing the labour market;	Moderating workplace conflict.	Comply with all labour legislation and SALGBC Collective Agreements and ensure that Local Labour Forum meetings are held regularly, with effective implementation of its resolutions.
7	Unlocking the potential of small, medium and micro enterprises (SMMEs), cooperatives, township and rural enterprises.	Support small, medium and micro enterprises (SMMEs), cooperatives, township and rural enterprises.	As far as possible, procure goods and services from local SMMEs, cooperative and rural enterprises.
8	State reform and boosting the role of state owned companies, information and communications technology (ICT) infrastructure or broadband roll-out, water, sanitation and transport infrastructure as well as	Develop service standards for each service, and establish systems for monitoring adherence to these standards.	Develop fundable consolidated infrastructure plans. Ensure infrastructure maintenance and repairs to reduce losses with respect to: <ul style="list-style-type: none"> - Water and sanitation. - Human Settlements. - Electricity. - Waste Management. - Roads. - Public Transportation. Ensure the provision of Free Basic Services and the maintenance of Indigent register.
9	Cross-cutting areas to reform, boost and diversify the economy;	Revive local economic development	Planning, implementation and maintenance of basic infrastructure is critical for sustaining basic standards of living and economic activity in our towns.

5. The Municipality's Pre-determined Objectives

In line with its developmental mandate, Ngwathe Local Municipality understands its service delivery objectives as set out in the Constitution being:

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

Therefore, the developmental strategies as espoused in this IDP are directly linked to a specific developmental needs and objectives which are measured in the organizational Performance Management System (PMS), and give effect to Service Delivery and Budget Implementation Plan (SDBIP) targets/ goals.

Where appropriate, municipal service delivery targets are aligned with the national and provincial service delivery targets and priorities in order to ensure good cooperative governance and improved coordination of activities for service delivery.

6. Development Objectives and Strategies

This section covers the strategic objectives identified to achieve the set goals of the municipality. In undertaking the strategy formulation process the municipality has moved towards an outcomes based approach. The IDP goals are also set and linked to specific and measurable Key Performance Indicators. These IDP goals and KPIs are clustered according to the five Key Performance Areas for local government.

The integration of the strategies and the budgets were also being pursued throughout the planning process, which seeks to guide the development of the municipality over the next five years. Each strategy has a one or a number of related projects attached to it, which on completion translates into the achievement of the strategy goal.

Therefore, the developmental strategies as espoused in this Business Plan, are directly linked to a specific developmental needs and objectives which must be measured in the organizational Performance Management System (PMS), and give effect to Service Delivery and Budget Implementation Plan (SDBIP) targets/ goals.

The strategic objectives as presented below are also prioritized according to a timeline, taking the following into account:

- Relative importance to optimisation of the core
- Capacity to implement
- Anticipated costs

The prioritization is in accordance with the following categories of terms:

Table C2: Prioritization Time Frames

Short term	Medium term	Long term
2016/17 – 2017/18	2018/19 – 2019/20	2019/20 – 2020/21

7. Strategic Outcome Oriented Goals of the Municipality

Strategic oriented outcome goals of an institution are the outcome indicators which serves the basis of what the institution needs to achieve over short to medium term. In the case of Ngwathe Local Municipality, these strategic oriented outcome goals serves as the foundation for sustainable service delivery, and are fully aligned with the 5 KPAs for local Government and the Back 2 Basics initiative and inform the strategic objectives adopted by the municipality.

The following departments as outline below will be responsible for realisation of the strategic outcomes as outlined herein:

DEPARTMENT 1: Office of the Municipal Manager

This programme is responsible for the overall strategic direction, executive and administration leadership of the municipality. This programme is also responsible for facilitating accountability, good corporate governance and general oversight over administration.

DEPARTMENT 2: Corporate Support Services

This programme is responsible for the overall internal administrative support function to all the departments of the municipality.

DEPARTMENT 3: Finance

This programme is responsible for performing various financial management functions of the municipality including budgeting, accounting, analysis, financial reporting, cash management, debt management, supply chain management, and also to advise the Accounting Officer and other officials of the municipality in discharging their respective financial management duties assigned to them in terms of Municipal Finance Management Act.

DEPARTMENT 4: Technical Services

This programme is responsible for, amongst others, infrastructure development and maintenance, delivery of water & electricity, control and optimisation of water and electricity distribution networks.

DEPARTMENT 5: Community Services

This programme is responsible for provision of community services such as library services, sports and recreation facilities, cemeteries, etc. The objective is to ensure that community services rendered by the municipality are as far as possible accessible to the community.

Table C3: Strategic Outcome Oriented Goals of the municipality

Goal Nr	Strategic Outcome Oriented Goal Description (SOOG)	Goal Statement
1	Ensure Sustainable Delivery of Basic Services	To ensure planning, implementation and maintenance of basic infrastructure so as to ensure sustaining basic standards of living and economic activity in our municipality.
2	Ensure Good Governance	To ensure effective, functioning municipality
3	Ensure Effective Public Participation	To ensure that the municipality engage with the communities and disseminate urgent information regularly.
4	Ensure Sustainable Financial Management and Viability	To ensure that performance against the following basic financial management indicators is constantly improved: <ul style="list-style-type: none"> • Audit Opinion over the next three to five years. • Budgets are realistic and based on cash available. • The percentage revenue collected. • The extent to which debt is serviced. • The efficiency and functionality of supply chain management.
5	Improve institutional Capacity	To building strong municipal administrative systems and processes
6	Stimulate local economic growth	Increased local economic growth, employment creation and development

Goal Nr	Strategic Outcome Oriented Goal Description (SOOG)	Goal Statement
		initiatives within the context of sustainable development by creating an enabling environment for private business to invest and grow locally.

8. Key Performance Area (KPA) Based Strategic Objectives

This section covers the strategic objectives identified to achieve the set goals. These strategic objectives are related to and discussed within the context of the approved budget and are aligned to the Strategic Oriented Goals above as well as various Outputs of Outcome 9 Delivery Agreement.

The Objectives and Strategies are presented in terms of the 5 Key Performance Areas for Local Government as follows:

- KPA 1: Municipal Transformation and Institutional Development
- KPA 2: Basic Service Delivery and Infrastructure Investment
- KPA 3: Local Economic Development
- KPA 4: Good Governance and Public Participation
- KPA 5: Financial Viability and Management

KPA 1: Municipal Transformation and Institutional Development							
Strategic Objective Details					Linkages		
Strategic Objectives	Objective ID	Objective Statement	Justification	Baseline	Section 152 of the Constitution	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
Improve administrative and financial capability.	1.1	This objective is about focusing on building strong municipal administrative systems and processes	This objective will ensure that the municipality is able to provide targeted and measurable training and capacity building for councillors and officials so that they are able to deal with the challenges of local governance, reduce underspending of CAPEX, increase spending on repairs and maintenance of infrastructure, reduce overspending on OPEX, and improve the audit outcomes.		To provide democratic and accountable government for local communities	5	Output 6: Administrative and financial capability

KPA 2: Basic Service Delivery and Infrastructure Investment							
Strategic Objective Details					Linkages		
Strategic Objectives	Objective ID	Objective Statement	Justification	Baseline	Section 152 of the Constitution	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
Improving access to basic services	2.1	This objective is about sustaining basic standards of living and economic activity in the municipality through planning, implementation and maintenance of basic infrastructure.	<p>This objective will ensure that the municipality performs the following basic activities:</p> <ul style="list-style-type: none"> • Develop and maintain fundable consolidated infrastructure plans (CIP). • Ensure infrastructure maintenance and repairs to reduce distribution and other losses; • Ensure the provision of Free Basic Services and the maintenance of Indigent register. 		To ensure the provision of services to communities in a sustainable manner	1	Output 2: Improving access to basic services
Ensure development of a	2.2	This objective is about	This objective will ensure		To promote	1	Output 4: Actions

KPA 2: Basic Service Delivery and Infrastructure Investment							
Strategic Objective Details					Linkages		
Strategic Objectives	Objective ID	Objective Statement	Justification	Baseline	Section 152 of the Constitution	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
policy framework for the release of public assets for the purposes of low and affordable housing.		ensuring the municipality has a spatial development framework that integrates human settlement planning	that land-use practices are improved based on sufficient policy guidance and directives on optimal use of public land in municipal spaces.		social and economic development;		supportive of the human settlement outcome

KPA 3: Local Economic Development							
Strategic Objective Details					Linkages		
Strategic Objectives	Objective ID	Objective Statement	Justification	Baseline	Section 152 of the Constitution	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
Stimulate local economic growth	3.1	This objective is about ensuring increased local economic growth, employment creation and development initiatives within the context of sustainable development by creating an enabling environment for private business to invest and grow locally.	This objective will ensure that the municipality has greater flexibility and control over its resources to move beyond the basics and transform the local space economy and integrate and densify communities to improve sustainability.		To promote social and economic development	6	Output 3: Implementation of the Community Work Programme

KPA 4: Financial Viability & Management							
Strategic Objective Details					Linkages		
Strategic Objectives	Objective ID	Objective Statement	Justification	Baseline	Section 152 of the Constitution	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
Ensure sound financial management	4.1	This objective is about planning, implementing, monitoring and reporting on financial management activities in accordance with MFMA, its associated regulations and prescribed accounting norms and standards.	This objective will ensure that the municipality performance the legislated financial management activities and improve against the basic financial management and viability indicators.		To provide democratic and accountable government for local communities	4	Output 6: Administrative and financial capability

KPA 5: Good Governance & Public Participation							
Strategic Objective Details					Linkages		
Strategic Objectives	Objective ID	Objective Statement	Justification	Baseline	Section 152 of the Constitution	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
Ensure Good Governance practices to ensure effective, functioning municipality	5.1	This objective is about ensuring that the municipality is able to perform its basic governance functions.	<p>This objective will ensure that the municipality ability to carry out the following basic governance functions:</p> <ul style="list-style-type: none"> • Holding of Council meetings as legislated. • The functionality of oversight structures, s79 committees, audit committees and District IGR Forums. • Putting in place efficient Anti-Corruption measures. • Comply with legislation and the enforcement of by laws. 		To provide democratic and accountable government for local communities	2	Output 6: Administrative and financial capability
Ensure regular engagements	5.2	This objective is about	This objective will ensure		To encourage	3	Output 5: Deepen

KPA 5: Good Governance & Public Participation							
Strategic Objective Details					Linkages		
Strategic Objectives	Objective ID	Objective Statement	Justification	Baseline	Section 152 of the Constitution	Strategic Outcome Oriented Goal	Delivery Agreement for Outcome 9:
with communities		ensure compliance with the provisions of the Municipal Systems Act on community participation.	<p>that basic measures are put in place to ensure that:</p> <ul style="list-style-type: none"> • Ward committees are functional, • Effective public participation are in place to enable regular engagements with communities • Community satisfaction surveys carried out regularly. 		the involvement of communities and community organisations in the matters of local government.		democracy through a refined Ward Committee Model

8.1 Environmental Management Objectives and Strategies

The following are suggested environmental objectives and strategies which have to be incorporated into the IDP.

Objectives	Development Strategies
Protection of the existing natural environment.	<ul style="list-style-type: none"> • The Municipality to engage in and annually budget for campaigns against littering. • To protect (through relevant by-laws all the sensitive areas within the municipality against large- scale development with destructive consequences). • To introduce all the principles of the National Environmental Management Act (NEMA) into all Local Municipality's planning activities (e.g. Environmental Impact Assessment). • To establish a local garbage recycling center for paper, tin and glazing material
To identify and develop new environmental areas or reserves	<ul style="list-style-type: none"> • To identify environmental sensitive areas to be conserved. • To develop the identified conservation areas with community participation to be tourism orientated for example horse riding, fishing, hiking, etc. • To develop an open space system/green belts in all town areas to ensure effective urban greening by means of tree planting, landscaping etc. to be maintained as open spaces in future. • To prepare a comprehensive Integrated Environmental Programme for Ngwathe LM including an environmental analyses of the area and the developmental issues, the formulation of solutions to address the issues and to ensure that envisaged projects have no negative impacts on the natural environment. • To determine and identify sites of heritage and cultural value
To ensure legal compliance by all (council, employees, contractors) for all its activities, products and services.	<ul style="list-style-type: none"> • By enforcement of standards and by-laws to ensure clean environment and frequently monitoring the legal compliance of the municipality to external legislation and regulations

Section D: Sector Plan & Projects

1. Sector Involvement in Local Government

The Department of CoGTA has indicated the following roles and responsibilities expected from the stakeholders; Provincial, National Government Departments, State Owned Entities (SOEs) and the other relevant partners in efforts to support Local Government/ Municipalities in order to turn the tide against the factors that impede developmental local government. These institutions, should therefore respond to the call of duty and functionally and structurally operate in such a way that they can positively, effectively, adequately and efficiently respond to the requirements and rigors of LGTAS and by extension also respond to Operation Hlasela Programme (OHP) and other imperatives of the Government.

- The National and Provincial Sector representatives be informed- study National, Provincial and Municipal reports and related documentation
- Provide all relevant information to Municipalities in the process of preparing the TAS; work with the existing IDP to incorporate interventions through the SDBIP. Ensure projects spatially identified via the SDF.
- Assess financial commitments for the TAS and assist in sourcing additional skills and resources
- Provide “focal area” advice, guidance and support
- Improve oversight and support of Municipalities through TAS process and beyond

2. Alignment with Long-Term Infrastructure and Other Plans

As a public institution with a limited revenue base, our major infrastructure projects and other service delivery needs are largely funded by grants and subsidies from the National Government. For this reason, our implementation plan for capital projects is aligned with the National Governments Grants’ framework and conditions.

2.1 Government Grants for Infrastructure Development

2.1.1 The vision for Infrastructure Grants

The vision of the infrastructure grants allocated by government is to provide all South Africans with at least a basic level of service, through the provision of grant finance aimed at covering the capital cost of basic infrastructure for the poor.

2.1.2 Key Principles of the Infrastructure Grants

The infrastructure grants complement the municipality's own generated income, however, it is provided conditionally to the municipality. The key principles underpinning the design of the infrastructure grants are outlined below:

- a) **Focus on infrastructure required for a basic level of service:** The infrastructure grants are aimed at providing only basic infrastructure.
- b) **Targeting the poor:** The programmes implemented from infrastructure grants must be aimed at providing services to the poor and funds will therefore be targeted to reach them.
- c) **Maximizing economic benefits:** The programmes must be managed to ensure that the local economic spin-offs through providing infrastructure are maximized. This includes employment creation and the development of enterprises.
- d) **Equity in the allocation and use of funds:** The mechanism for distributing funds must provide for equitable access to such funds by the poor in order to make uniform progress in closing the infrastructure gap.
- e) **Decentralization of spending authority within national standards:** Decisions relating to the prioritization of infrastructure spending, such as the identification, selection and approval of projects, should be taken through the IDP (MMM) and budgeting processes with the following provisions:
 - The operating finance and management arrangements must be in place;
 - A degree of national and provincial influence over capital spending, expressed through clear norms, standards and spending conditions must be retained; and
 - Unintended consequences should be limited: the grants must promote sound management practices, not the reverse.
- f) **Efficient use of funds:** Funding must be used to provide the greatest possible improvement in access to basic services at the lowest possible cost. This implies the following:
 - There should be an appropriate selection of service levels.
 - Incentives and conditions must ensure that other funds are mixed with grant funds to minimize leakage to non-eligible households and service levels.
 - The mechanism to disburse funds should be simple and easy to monitor, and the outcomes of municipal spending should be easy to evaluate.

g) **Reinforcing local, provincial and national development objectives:** This implies the following:

- The funding mechanism must be consistent with the planning processes of local, provincial and national government.
- Spatial integration must be promoted.
- The emphasis placed on the selection of appropriate service levels.
- The formula should promote appropriate municipal performance relative to policy objectives.

2.2 Integration of Infrastructure Grants into the Municipality's Budget

Section 36 and 37 of MFMA deals with, amongst others, national and provincial allocations to municipalities and how municipalities must consolidate such allocations into their budgets.

Consistent with the above stipulated legislative requirements, all grant allocation to the municipality are contained in the annual budget of the municipality. This implies that the process for funding an infrastructure project for the municipality must flow from the budget.

2.3 Operation and Maintenance of Infrastructure

It is essential for infrastructure which is provided under the government infrastructure programme to be properly operated and maintained. Therefore one of the conditions of infrastructure funds is that the municipality must prove that it has the capacity to manage the infrastructure. This requires a sound viability assessment of the planned infrastructure investment programme.

2.4 Dealing with Backlogs

One of the major service delivery challenges that the municipality is faced with is to maintain a balance between meeting new service demands and dealing with the historical backlogs.

Comprehensive internal assessment have been undertaken to identify areas of service delivery backlogs and results indicated that a definite backlog in metering maintenance has been experienced mainly due to insufficient manpower as well as shortages in material.

The total personnel organograms should be re-evaluated and rectified to ensure that the personnel are allocated and budgeted for within the section they are reporting to. Shortages in stock items should be

handled immediately and should not be left to be outstanding for up to six months before being re-ordering.

3. Comprehensive Infrastructure Planning

3.1 Objectives

Comprehensive Infrastructure Planning must culminate into a Comprehensive Infrastructure Plan (CIP) which must be aimed at achieving the following goals:

- Creating an integrated framework for sustainable service delivery, aligning developmental, financial and institutional aspects
- Defining action plans per sector to accelerate towards achieving the set targets
- Ensure that funding is available and accessible to achieve targets through life cycle costing, financing and access to grants
- Ensure that an Monitoring and Evaluation (M&E) framework to monitor delivery is available

3.2 How is the CIP Aligned to the IDP

The municipality's planning starts with Integrated Development Planning. The integrated Development Planning is legally governed by the framework prescribed for the IDP. The municipality's IDP therefore should provide for a planning regime that ensures that all projects initiated and undertaken contribute to the medium and long term vision of the municipality.

The CIP should therefore build on the foundation laid in the IDP in order to formulate a model for growth and development in the municipality. The CIP should, in particular, accommodate the following inputs from the IDP:

- Land Use Management
- Regional & Town Planning
- Human Settlement patterns
- Socio-economic modelling.
- Local Economic Development Strategies
- Regional, Provincial & National growth strategies
- Financial modelling over the MTREF budgeting cycles.
- Sectoral planning and modelling

All of these should provide inputs into the CIP and serve as sources for more detailed level information to give effect to programmatic development rather than project based planning.

3.3 Implementation Methodology

To ensure that both programmatic and project specific sustainability is developed and maintained the model for CIP will achieve the following:-

- Ensure that projects are identified, budgeted for, initiated and implemented;
- Support the municipality in providing the necessary institutional capacity to provide sustainable electricity supply. This might also include options such as creating regional service delivery teams;
- Develop the means to fund the capital and operating budgets for service delivery

4. National Flagship Projects Impacting on Ngwathe Local Municipality

4.1 National Municipal Revenue Enhancement Project

The purpose of this project is to provide support to municipalities and municipal entities to improve revenue collection and lack of internal capacity to improve realizations processes and systems.

The project follow a two dimensional strategic approach which focuses on short-term solutions as well as long term solutions which will address four key intervention areas namely:

- infrastructure;
- processes;
- systems; and
- customer relations.

The objectives of the National Municipal Revenue Enhancement Project are to:

- Contain the current runaway debt;
- Enhance current revenue realization capacity;
- Eliminate stock shrinkage (i.e. unaccounted for electricity); and
- Educate and mobilise the public to be good citizens by paying for the services they consume through the cultivation of a culture of “you-use-you-pay” to the local theme.

4.2 National Infrastructure Plan

In 2012 Government adopted a National Infrastructure Plan that is intended to transform the economic landscape of South Africa, create a significant numbers of new jobs, strengthen the delivery of basic services to the people of South Africa and support the integration of African economies.

The long-term national infrastructure build is integrated and coordinate by the Presidential Infrastructure Coordinating Commission (PICC) which is also responsible for the implementation of the Infrastructure Plan. The PICC's already assessed the infrastructure gaps through spatial mapping which analyses future population growth, projected economic growth and areas of the country which are not served with water, electricity, roads, sanitation and communication.

Based on this work, eighteen Strategic Integrated Projects (SIPs) have been developed and approved to support economic development and address service delivery in the poorest provinces. The SIPs include catalytic projects that can fast-track development and growth. Each SIP comprise of a large number of specific infrastructure components and programmes.

Of the eighteen (18) SIPs that are contained in the National Infrastructure Plan (NIP), there are **four (4)** which impact on Ngwathe Local Municipality and thus need to be recognized and where appropriate; the municipality's plans will be aligned with these SIPs in an effort to respond to national government's service delivery initiatives. Furthermore, work is to be done to align key cross-cutting areas, namely human settlement planning and skills development in line with each of the Strategic Infrastructure Projects detailed below:

4.2.1 Durban- Free State– Gauteng Logistics and Industrial Corridor (SIP 2)

SIP 2 is about:

- Strengthen the logistics and transport corridor between SA's main industrial hubs;
- Improve access to Durban's export and import facilities,
- Raise efficiency along the corridor and integrate the Free State Industrial Strategy activities into the corridor; and
- Integrate the currently disconnected industrial and logistics activities as well as marginalised rural production centres surrounding the corridor that are currently isolated from the main logistics system.

4.2.2 Integrated municipal infrastructure project (SIP 6)

SIP 6 is about:

- Development of national capacity to assist the 23 districts with the fewest resources (19 million people) to address all the maintenance backlogs and upgrades required in water, electricity and sanitation bulk infrastructure.
- The road maintenance programme which will enhance service delivery capacity thereby impacting positively on the population.

4.2.3 Green Energy in support of the South African economy (SIP 8)

SIP 8 is about:

- Supporting sustainable green energy initiatives on a national scale through a diverse range of clean energy options as envisaged in the Integrated Resource Plan (IRP 2010); and
- Support biofuel production facilities.

4.2.4 Electricity Generation to support socio-economic development (SIP 9)

SIP 9 is about:

- acceleration of the construction of new electricity generation capacity in accordance with the IRP 2010 to meet the needs of the economy; and addressing historical imbalances; and
- Monitoring implementation of major projects such as new power stations: Medupi, Kusile and Ingula.

4.2.5 Electricity Transmission and Distribution for all (SIP 10)

SIP 10 focuses on:

- Expand the transmission and distribution network to address historical imbalances,
- providing access to electricity for all and support economic development; and
- Aligning the 10-year transmission plan, the services backlog, the national broadband roll-out and the freight rail line development to leverage off regulatory approvals, supply chain and project development capacity.

4.2.6 Agri-logistics and rural infrastructure (SIP 11)

SIP 11 is about improving investment in agricultural and rural infrastructure that supports expansion of production and employment, small-scale farming and rural development, including:

- facilities for storage (silos, fresh-produce facilities, packing houses)
- transport links to main networks (rural roads, branch train-line, ports)
- fencing of farms
- irrigation schemes to poor areas
- improved R&D on rural issues (including expansion of agricultural colleges)
- processing facilities (abattoirs, dairy infrastructure)
- aquaculture incubation schemes
- rural tourism infrastructure.

4.2.7 Expanding access to communication technology (SIP 15)

SIP 15 is about:

- Providing for broadband coverage to all households by 2020 by:
 - establishing core Points of Presence (POPs) in district municipalities
 - extend new Infracore fibre networks across provinces linking districts
 - establish POPs and fibre connectivity at local level
 - further penetrate the network into deep rural areas.

In order to realize the objectives of this SIP, the government outlines that while the private sector will invest in ICT infrastructure for urban and corporate networks, government will co-invest for township and rural access, as well as for e-government, school and health connectivity. The school roll-out focus is initially on the 125 Dinaledi (science and maths-focussed) schools and 1 525 district schools. Part of digital access to all South Africans includes TV migration nationally from analogue to digital broadcasting.

4.2.8 Water and sanitation infrastructure (SIP 18)

SIP 18 hinges on the need for a 10-year plan to address the estimated backlog of adequate water to supply 1.4 million households and 2.1 million households to basic sanitation.

The project will involve:

- Provision of sustainable supply of water to meet social needs and support economic growth.

- Projects will provide for new infrastructure, rehabilitation and upgrading of existing infrastructure, as well as improve management of water infrastructure.

4.3 Operation Clean Audit Project

The purpose of this project is to address all issues raised by the Auditor General and reduce vulnerability to risks in the provincial departments and municipal financial management and governance processes and systems. The target is to assist all the municipalities, entities and provincial departments to achieve sustainable improvement in financial management and governance that will yield clean audit opinions by 2014.

– **Operation Clean Audit Project Milestones are set as follows:**

- Between 2010 and 2011, no municipality, municipal entity and provincial departments achieving Adverse and Disclaimer Audit opinions
- At least 60% of provincial departments and the 283 municipalities achieving unqualified audit opinion by 2012
- At least an increase in provincial departments and municipalities achieving unqualified audit percentage to 75% by 2013

– **Financial management challenges facing municipalities and municipal entities include among others the following:**

- Inadequate skills on planning, budgeting, financial management, expenditure management, credit control, debt management, risk management and internal audit;
- Poor interface between financial and non-financial information (in-year-monitoring and quality annual reporting);
- Cash flow management;
- Lack of systems to manage audit queries and recommendations by both internal and external auditors;
- 1. Inadequate systems to manage good governance practices (especially, conflict of interest and accountability frameworks) ;
- Leadership and management inaction, especially with regard to following on audit queries, both from internal and external auditors;
- Inadequate administrative and political oversight to strengthen accountability and responsibility.

4.4 Back to Basics Programme for Local Government (CoGTA initiative)

In his State of the Nation address delivered on 17 June 2014, President Zuma articulated government's concerns regarding improvements needed at local government level.

The President stated that:

"We would like our people's experience of local government to be a pleasant one. We have listened to the complaints and proposals of South Africans over the past five years, relating to the performance of municipalities".

In sharing government's plan of action to revitalise local government the President stated: *"Our municipalities are built on a firm foundation, built over the last 20 years of democracy. We have evaluated all our municipalities. We have inspected their financial management, how they work within legislative processes as well as their ability to roll out projects and to address capacity constraints. We have also looked at how they respond to service delivery protests. There have been many successes in many municipalities. However we face a number of challenges ..."* (source: www.cogta.gov.za)

It is against this background that the Ministry of Cooperative Governance and Traditional Affairs is pursuing the **Back to Basics initiative** to address challenges faced by local government.

The Back to Basics initiative is essentially about strengthening local government, instilling a sense of urgency towards improving citizens' lives by ensuring that each local government institution must perform its basic functions without compromise.

Therefore, the Back to Basics approach calls for, at the most basic level, for local government to:

- a) Put people and their concerns first and ensure constant contact with communities through effective **public participation** platforms.
- b) Create conditions for decent living by consistently delivering municipal **services to the right quality and standard**. This includes planning for and delivery of infrastructure and amenities, maintenance and upkeep, including the budgeting to do this. Ensure no failures in services and where there are, restore with urgency.
- c) Be well **governed** and demonstrate good governance and administration - cut wastage, spend public funds prudently, hire competent staff, ensure transparency and accountability.
- d) Ensure sound **financial management** and accounting, and prudently manage resources so as to sustainably deliver services and bring development to communities.

- e) Build and maintain sound **institutional and administrative capabilities** administered and managed by dedicated and skilled personnel at all levels.

4.4.1 Building blocks of Back-to-Basics approach

The following are the proposed building blocks of the Back to Basics initiative which the municipality embraces and pledge to implement in its effort to improve the quality and sustainability of services it renders to the communities:

4.4.1.1 Good Governance

Good governance is at the heart of the effective functioning of local government. Therefore, the following basics will have to be carried out in order to realise the good governance objective:

- Holding of Council meetings as legislated.
- Ensure functionality of oversight structures, (such as the Audit Committee)
- Continuous monitoring and evaluation of performance,
- Institute efficient and effective Anti-Corruption measures.
- Ensure compliance with legislation and the enforcement of by laws

4.4.1.2 Public Participation

Take measures to ensure that the municipality participate in engagement with communities through the parent municipality and develop affordable and efficient communication systems to communicate regularly with communities and disseminate urgent information.

4.4.1.3 Financial Management

Sound financial management is integral to the success of local government. National Treasury has legislated standards and reporting requirements. The following are the basics that will be implemented to ensure sound financial management practices:

- Improve and maintain improved audit opinion.
- Ensure that our budgets are cash backed.
- Improve revenue collection.
- Improve efficiency and functionality of supply chain management.

4.4.1.4 Infrastructure Services

The planning, implementation and maintenance of basic infrastructure is critical for sustaining basic standards of living and economic activity. The municipality will develop service standards for each service, and will establish systems for monitoring adherence to these standards. The following basic activities will be performed, and the performance indicators will measure the ability of the municipality to do so:

- Develop fundable consolidated infrastructure plans.
- Ensure Infrastructure development maintenance and reduce electricity losses
- Ensure the provision of Free Basic Services

4.4.1.5 Institutional Capacity

There has to be focus on building strong administrative systems and processes of the municipality. This includes ensuring that administrative positions are filled with competent and committed people whose performance is closely monitored. Targeted and measurable training and capacity building will be provided for councillors and officials so that they are able to deal with the challenges of local governance as well as ensuring that scarce skills are addressed through bursary and training programmes. The basic requirements to be implemented include:

- Ensuring that the senior management posts are filled by competent persons (qualifications)
- That the municipality's organogram is realistic, underpinned by a service delivery model and affordable;
- Human resources development and management programmes; and
- Ensuring existence of sustained platforms to engage organised labour to minimise disputes and disruptions

4.5 Municipal Standard Chart of Accounts (mSCOA) Project

4.5.1 Background to the Project Initiative

National Treasury expressed concern on the data challenges experienced with local government financial data, to the Minister of Finance in a memo dated 16 October 2008: "Release of Municipal Budget Information for the 2008 Medium Term Revenue and Expenditure Framework (MTREF) on the National Treasury's Website".

Although the National Treasury has made significant progress in so far as the collection of local government financial data is concerned, there still exists enormous challenges before national government will be in position to claim that the quality of local government information is reliable, credible and relevant.

These challenges can be summarised at a high level as follows:

- **Firstly**, at a municipal level, National Treasury does not have access to the operating and financial systems on the same basis as National Treasury officials have access to the BAS system at a national and provincial level. As a result National Treasury is unable to technically verify local government information as it relates to credibility, reliability and accuracy.
- **Secondly**, National Treasury currently does not have the equivalent of the mSCOA for local government; consequently the classification of municipal information at a transaction level across all municipalities and municipal entities is not necessarily consistent.
- **Thirdly**, multi-year budgeting at a municipal level is still a relatively new concept. The ability to plan and articulate communities' needs and policy intent into plans and budgets are particularly weak. Most municipal budgets still focus on the first year of the MTREF period instead of a multi-year horizon;
- **Fourthly**, the inability to consistently use information for decision-making purposes is one of the prevalent challenges; and
- **Finally**, the actual budget documents produced by local government need to correspond to the electronic version posted on a municipality's / municipality's website. The numbers contained in these documents should further correspond and balance with the information submitted as part of the standard budget return forms to local government database. In some cases three different sets of numbers are submitted and this obviously has an impact on the ability of the National Treasury streamline accurate and credible publications.

4.5.2 Legislative Mandate that gives effect to mSCOA

The Constitution of the Republic of South Africa, Act 108 of 1996, substituted by section 1(1) of Act 5 of 2005, of which section 216 deals with treasury control and determines that national legislation must establish a national treasury and prescribe measures to ensure both transparency and expenditure control in each sphere of government, by introducing generally recognised accounting practices, uniform expenditure classifications and uniform treasury norms and standards.

Section 168(1) of the MFMA 2003 on the other hand determines that the Minister of Finance, acting with the concurrence of the Cabinet member responsible for local government, may make regulations or guidelines applicable to municipalities and municipal entities, regarding any matter that may be prescribed in terms of the MFMA.

To this effect, the Minister of Finance finally published the final Local Government: Municipal Finance Management Act, 56 of 2003: Municipal Regulations on Standard Chart of Accounts in terms of Government Gazette No. 37577 of 22 April 2014. These Regulations also proposes the specification of minimum business process requirements for municipalities and municipal entities as well as the implementation of processes within an integrated transaction processing environment and take effect on 1 July 2017.

4.5.3 Primary Objective of mSCOA

The primary objective of mSCOA is to achieve an acceptable level of uniformity and quality from the collection of Local Government (Municipality and Municipal Entities) data. This will require a classification framework specific to Local Government.

In order to achieve this main objective, the company is required to adopt and align to the classification framework specific to Local Government as required by the regulations, incorporating all transaction types, appropriation of funds, spending on service delivery, capital and operating spending, policy outcomes and legislative reporting requirements to the maximum extent possible.

4.5.4 Roles & Responsibilities for mSCOA

Responsibilities of the Council

In terms of regulation 12 of Standard Chart of Account for Local Government Regulations, 2014 (mSCOA) Regulations; the council of the municipality must take the necessary steps to ensure that these Regulations are implemented by the adoption of any resolutions, policies and budgetary provisions necessary for the implementation of these Regulations.

Responsibilities of the Accounting Officer

In terms of regulation 13 of mSCOA Regulations, the Accounting Officer of a municipality must take all necessary steps to ensure that these Regulations are implemented by at least:

- a) delegating the necessary powers and duties to the appropriate officials;

- b) ensuring that the responsible officials have the necessary capacity by providing for training and ensuring that they attend training or workshops provided by the National Treasury;
- c) ensuring that the financial and business applications of the municipality have the capacity to accommodate the implementation of the mSCOA Regulations and that the required modifications or upgrades are implemented; and submitting reports and recommendations to the council, as the case may be, that provide for the adoption of any resolutions, policies and budgetary provisions necessary for the implementation of these Regulations.

1. Integrated Projects

5.1 Background

Projects are becoming the tools of implementing the organisational strategy of municipalities. Therefore, every project in a municipality should contribute to its Integrated Development Plan (IDP), and for this purpose, it is important that projects are integrated in the IDP. This integration requires a process for prioritising projects by their contribution to the plan.

This section therefore provides details of various infrastructure projects that will impact on the municipality and includes projects that are driven from National, Provincial as well as the municipality itself.

In order to drive the integration of projects and speed up implementation at the local level, the municipality is committed on doing the following:

- Development and approval of Procurement Plan for all project over R 200 000 (VAT included);
- Align each capital project with funding allocation;
- Implement cost-containment and anti-corruption measures;
- Strengthening project controls and monitoring in line with project plans
- Strengthened capacity in the project management and public works sections and the all other auxiliary support functions to infrastructure projects implementation and management;
- Lobby long-term support from the district, provincial and national government, especially major, long-term projects

Implementation of the above measures will enable elimination of the following challenges that are often faced with regards to major infrastructure projects in particular:

- Poor planning at institutional level
- Slow approval of projects
- Late start to projects
- Poor quality of execution

- Poor project controls (schedule, cost, quality, safety, health and environment)
- Tender abuses and corruption
- No political alignment with no champion
- Lead time delays
- Slow or non-payment of contractors

5.2 Sector Projects in Ngwathe Local Municipality

The following tables provide details of identified projects that will be implemented in Ngwathe Local Municipality for 2016/2017 financial year as committed by various sector departments.

Table D1: Expanded Public Works Programme Project

Project Description	Estimated Project Value	Source
Parys T/S REVITAL PW/FS/11/63	R 7 000 000	EPWP
Vredefort T/S REVIT PW/FS/11/67	R 7 000 000	EPWP
Heilbron T/S REVIT	R 7 000 000	EPWP
Cemetery Maintenance	R 6 530 000	EPWP
Comm Worker Sal	R 11 341 000	EPWP
National Youth Ser	R 4 500 000	EPWP
Cash For Waste	R 3 400 000	EPWP
Contractor Development	R 4 500 000	EPWP
Total Projects Value	R 51 271 000	

Table D2: Free State: Department of Police, Roads and Transport Project

Project Description	Estimated Project Value	Source
P56/2 Vredefort-Parys	R 50 000 000	DPRT
Tumahole Public Transport Route (Road Infrastructure)	R 90 000 000	DPRT
Parys Intermodal Transport Center - (Feasibility study)	R 10 000 000	DPRT
S44 Heilbron-(Deneysville)	R 30 000 000	DPRT
Schonkenville R723	R 35 000 000	DPRT
Total Projects Value	R 215 000 000	

Table D3: Free State: Department of Health Project

Project Description	Estimated Project Value	Source
Renovations of Parys Hospital	R 2 000 000	DH
Total Projects Value	R 3 000 000	

Table D4: Free State: Department of Sports, Arts and Culture

Project Description	Estimated Project Value	Source
Tumahole Swimming Pool	R 5 800 000	DSA&C
Tumahole Indoor Centre	R 8 000 000	DSA&C
Tumahole Library	R 1 770 000	DSA&C
Total Projects Value	R 14 933 000	

5.3 Internal Project - Ngwathe Local Municipality

The table below provides details of projects directly initiated and implemented by the municipality. These projects are conditionally fully funded by Municipal Infrastructure Grant (MIG) are to be registered under this grant.

The MIG programme is an integral part of providing municipal services. The provision of municipal services is in most cases dependent on infrastructure. Part of planning municipal services is therefore planning for infrastructure. With this understanding in mind, Ngwathe Local Municipality view the MIG programme from a holistic perspective where it supports all municipal services.

The projects outlined below are aimed at providing at least a basic level of services by covering the capital cost of basic infrastructure as envisioned in the MIG fund objectives, particularly for poor communities within the municipality.

Table D5: Ngwathe Local Municipality Projects

Project Description	Funding Estimates		Ward No	Project Goal / Outcomes	Project Duration	
	Overall Budget	2016/17 Allocation			Planned Start Date	Planned Completion Date
Heilbron: Upgrading of sewer treatment works	R 56 430 000.00	R 815 581.65	1	To address sanitation shortfalls in the sanitation system of Heilbron	25-Apr-14	15-Dec-16
Heilbron/Phiritona: Paving of internal roads 1km	R 6 800 000.00	R 4 346 352.18	5	Upgrading access roads and providing for storm water drainages along the improved road	15-Jun-16	30-Jan-17
Heilbron/Phiritona: Installation of 511 residential meters and 45 bulk water meters	R 4 000 000.00	R 128 990.15	5	Installation of 511 domestic water meters – diameter 15mm and of 45 mechanical bulk water meters to ensure accurate metering of water supply.	30-May-15	30-Sep-16
Heilbron: Installation of 6 high mast lights	R 1 832 738.00	R 87 056.05	5	The aim of the project is to enhance security in the area concerned.	1-May-16	30-Jul-16
Mokwallo: Construction of sports complex	R 6 981 307.00	R 1 885 831.51	2	To provide for multi-purpose sports facilities.	01-Jul-16	30-Jan-17
Koppies/Kwakwatsi: Construction of 3.5km storm water channel	R 17 467 540.00	R 837 377.00	2 & 17	Provision of a lined storm water channel	5-Jan-15	20-Aug-16
Koppies: Installation of 5 high mast lights	R 1 237 786.00	R 61 889.30	2 & 17	The aim of the project is to enhance security in the areas concerned.	1-Jul-16	30-Oct-16
Koppies Compact Water Treatment Works	R 19 800 000.00	R 6 631 388.81	2	The project aims to address current water shortages and allow for future developments.	1-Feb-17	30-Mar-18

Project Description	Funding Estimates		Ward No	Project Goal / Outcomes	Project Duration	
	Overall Budget	2016/17 Allocation			Planned Start Date	Planned Completion Date
Parys: Erection of fencing at reservoir 1 and 2	R 1 063 053.00	R 53 152.65	11 & 14	The project is about safeguarding the reservoirs	25-May-16	30-Jul-16
Construction of a solid waste disposal site in Parys	R 11 500 000.00	R 1 312 288.55	13	Provision of waste disposal facility in line with Waste Management Act.	15-Nov-16	15-Nov-17
Parys: Installation of 10 high mast lights	R 3 022 644.00	R 717 914.80	9, 10, 11 & 12	The aim of the project is to enhance security in the areas concerned	20-Jun-16	30-Sep-16
Vredefort: Installation of 14 high mast lights	R 4 212 549.00	R 2 012 549.00	15, 16 & 20	The aim of the project is to enhance security in the areas concerned	20-Jun-16	30-Oct-16
Vredefort Water Treatment Works - Trident System	R 19 800 000.00	R 6 740 128.35	15	The project aims to address current water shortages and allow for future developments.	1-Feb-17	30-Mar-18
Edenville: Installation of 8 high mast lights	R 2 400 000.00	R 2 400 000.00	19	The aim of the project is to enhance security in the areas concerned	1-Jul-16	30-Sep-16
Total	R 156 547 617.00	R 28 030 500.00				

Section E: Integration Phase

1. Introduction to Integration Phase

An Integrated Development Plan (IDP):

- is the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality;
- binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality's integrated development plan and national or provincial legislation, in which case such legislation prevails; and
- binds all other persons to the extent that those parts of the integrated development plan that impose duties or affect the rights of those persons have been passed as a by-law; and it
- should be a product of intergovernmental and inter-sphere planning

The integrating development planning (IDP) processes (phases/stages) in compiling the municipal plan is as important as the final product: The IDP, Rigorous, shared, analysis with sincere community and stakeholder consultations are necessary and sufficient conditions, among others, for the IDP to be authentic. The consultative and analytical processes must, however, be continuously enhanced and strengthened with each annual review of the annual plan. Technology and innovation allows the state to deepen this two-way communication process, the result of which must be a more responsive government.

The development of the Long Term Growth and Development Strategy, based on the vision, must encourage and allow for the meaningful contributions of the broader community, all spheres of government, traditional authorities, business, labour and other non-state actors. Such a process will result in the development of realistic and achievable objectives for the five year term of office of the council. The related priorities would also be realistic. Objectives are converted into strategies, plans, projects and activities, which must be tracked and monitored. All draft IDPs are required to be approved by municipal councils by 30th March annually. This is also in concert with the MFMA's deadline of adopting the draft budget 90 days before the end of the financial year. However, the final reviewed IDP and budget must be approved by council by 30th June of each year, as per the Municipal Systems Act - 2000.

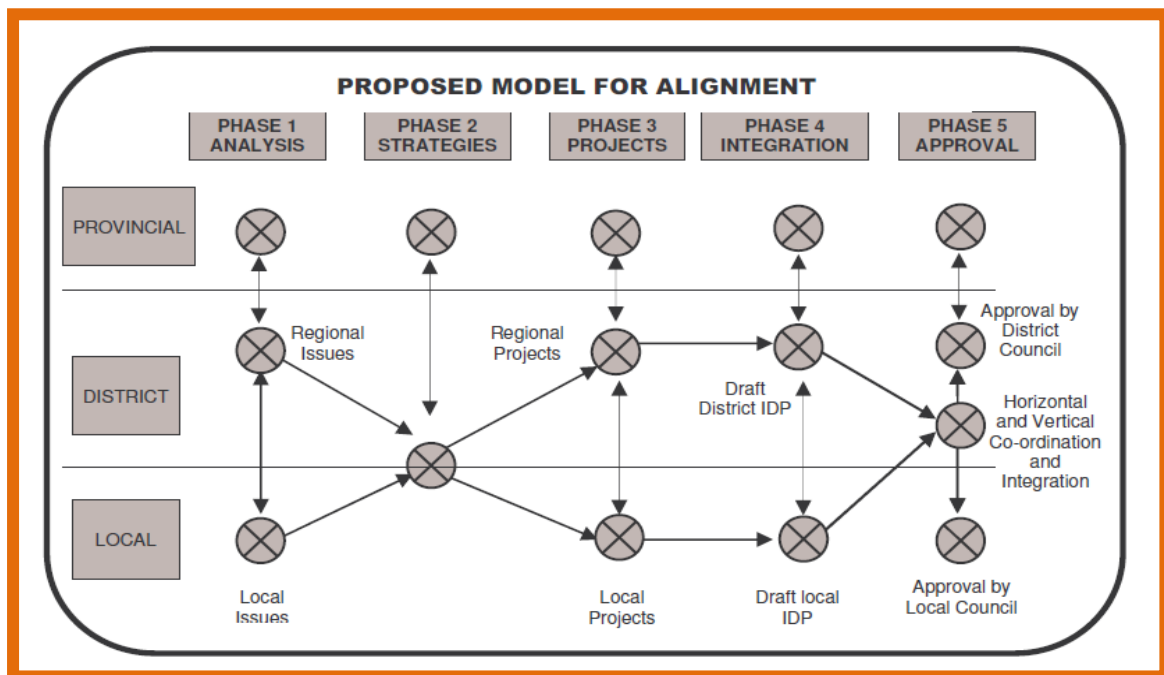
Clearly, it is the annual plan that must be reviewed and not the entire IDP, provided that all the processes and components preceding the development of the annual plan are sound and informed by rigorous analysis. However, this annual review must also be informed by a high level reflection of the performance of the municipality in the previous years. The expenditure of conditional grants, the equitable share, and other revenue would be central to this reflection. The Auditor-General's reports and the municipality's

evaluation of its service delivery and other related targets would also inform the annual plan and the rolling three year plan.

The IDP integrates the needs of communities with the programmes of local, provincial and national government. It ought to also integrate the national and provincial programmes in the local space, thus becoming the expression of all of government plans. It serves as an integrating agent of all differing needs of business, community organizations, the indigent, and mediates the tensions between these needs and the resources available to meet them. The IDP further integrates the various departments within a municipality for effective implementation. A good, realistic IDP is therefore one that is guided by community participation throughout its design and review processes, is resourced by a realistic budget and an adequately skilled workforce and can be implemented and monitored.

This entails the reviewing of the existing Integrated Development Plan on annual basis; ensuring that there is IDP/BUDGET/PMS.

Figure: Alignment model as per IDP Phases identified within the IDP Guide pack:



The above figure is explained in detail hereunder under the following core phases of the planning process:

a) Analysis Phase

Defining for the sectors what information is relevant to the IDP Process and what would need to be undertaken as a parallel sector planning process, therefore the IDP needs to guide Sector Departments on project specific requirements

b) Strategies Phase

- Sector specific alignment of legal requirements for areas of relevance with IDP priority issues Compliance requirements with the principles of the Development Facilitation Act and the National Environmental Management Act
- A link with the SDF is required to ensure that the strategies identified as part of the multiyear vision is integrated into the envisaged strategies. This link can be setup through the use of Geographic Information System to effectively ensure that projects do align with the respective strategies and serve as performance management tool in implementing the IDP Projects.

c) Project Phase

- To provide technical details to IDP projects thereby ensuring feasibility and compliance of project proposals with sector policies and requirements
- To ensure sector plans and programmes, relevant to the IDP Priority Issues, are in line with locally driven priorities, objectives and strategies
- To ensure that there is a direct link between the identified IDP Projects and the relevant Sector Departments. This will ensure continuity and effective project management between spheres of Government.

d) Integration Phase

- Consolidate / Integrate Sector programmes/plans for each sector for operational management and implementation
- Consolidate integrated programmes for crosscutting dimensions of development to ensure consistency and sustainability.

e) Approval Phase

- Providing a final opportunity for alignment on the draft IDP
- This involves coordination and alignment of sector departments' programmes and projects with the IDP.

The following Reports indicate the respective alignment between the IDP's within space:

The Municipal Budget should be aligned to development strategies. For a project or a programme to be budgeted for, it must fall within one of the development strategies. For the Municipality to achieve its Vision, it will package all its programmes and projects basing them on the Development Strategies. The Municipality recognizes the fact that it is part of a big family of municipalities. Therefore, it will be important to note that development will take place within the context of the Municipal Development Wish, which is as follows:

a) The Municipal Development Wish

In line with its developmental mandate, Ngwathe Local Municipality understands its service delivery objectives as set out in the constitution being:

To encourage the involvement of communities and community organizations in local government matters.

- To provide democratic and accountable government for local communities
- To ensure the provision of services to communities in a sustainable manner
- To promote a safe and healthy environment
- To promote social and economic development

b) Development directives and principles

In its quest of achieving the development wish the Municipal IDP will observe national and provincial directives as well as the principles of Batho Pele. Together, with all public servants in this province, the Municipality pledge to the creation of an environment that is characterized by a culture of service excellence. This starts with treating citizens as 'customers' and implies:

- Listening to their views and taking them into account when making decisions regarding services that should be provided.
- Treating them with consideration and respect.
- Ensuring that the promised level and quality of service is always of the highest standard.
- Responding swiftly and sympathetically when standards of service promised are not met.
- Development directives form the basis for determining priorities and ensure that IDP programmes are geared to addressing development problems and exploiting comparative advantage in specifically identified focus areas.

- These development directives focus the policy, actions and implementation in specific directions in accordance with these identified focus areas of the Municipality.
- The IDP provides the development guidelines as a basis for the spatial and a spatial development of the area, encapsulated by the development directives.

This provides a basis for creating an environment that creates the following:

- General benefits for all residents, or large numbers of people, living in the area.
- A positive relationship between humans and the environment (built and natural).
- A well-functioning living environment, with a variety of opportunities including:
 - Easy access to places, resources, services and other people.
 - On a physical level, this refers to movement (walking, routes, modes, public transport, and private car).
 - Integration of land uses facilitates access and efficiency by bringing people and opportunities closer to one another in order to maximize economic, social and cultural possibilities.
 - Compact urban form raises the thresholds for economic activity and public transport. It implies that high population density is needed for urban efficiency. It does not mean that all areas of the city have to be high density, but rather than that, there are a range of densities. Compaction prevents the costly supply and maintenance of services and engineering infrastructure in peripheral areas.

c) Legibility and order.

Legibility refers to the city pattern and the ease with which people can understand the structure of the city. Order refers to the relationships between structuring elements. A hierarchy (from neighborhood to district scale), of public and private places (including roads, nodes and open spaces), gives legibility.

The following are key elements to ensure legibility:

- Resilience that ensures that the structuring elements are robust and will endure over time and adapt to changing needs of future generations. It requires that a long-term view of the city is adopted and that special places, natural and built, are protected and enhanced.
- Efficiency, referring to the management of development through various institutional means such as policies and legal mechanisms, as well as the manner in which the structuring elements come together to provide residents with a positive urban experience, such as creating safe environments.

- There are a number of key policy issues which the Municipality needs to consider and develop further. These policy issues are incorporated into the development directive and package approach. The Municipality needs to differentiate between the various regional potentials (both positive and negative). For example, the area is clearly the area of high economic growth, whereas the rural hinterland has a dispersed population and high levels of poverty.
- The Municipality needs to provide the type of investment in the area that underpin and enhance its high economic growth potential and opportunities. The rural hinterland with its limited growth potential requires a different investment package. The Municipality could consider investing mainly in social services and infrastructure in these areas, creating opportunity of communities to achieve sustainable livelihoods.
- Investment would focus on people, through skills development in these areas, thus giving them the ability and mobility to access areas of opportunity and explore other alternatives.
- Spatial information in the District suggests the need for the prevalence of high potential agricultural land and the agricultural productivity of these areas needs to be both enhanced and promoted. These areas should be encouraged to produce consumer goods that can be used within the province, thus circulating capital within the Province.

The development directives for the Municipality are:

Table E1: Development Directives for the Municipality

Development Directive	Explanation and Implications
Integration and Alignment	<ul style="list-style-type: none"> • This directive is aimed at effective governance and administration within the District, aligning itself with national, provincial and local goals and targets to ensure sustainable and integrated development and growth
Partnerships	<ul style="list-style-type: none"> • Building enduring partnerships by promoting a shared vision for the District's growth and development plan to frame sectoral and development agreements and lay the basis for partnership in action. Lending a hand by securing the commitment and active participation of all social partners in those areas identified for prioritized action in ways that build on lessons learn from the successful implementation of social and economic development programmes
Resource Management	<ul style="list-style-type: none"> • There are competing resources in the Municipality along with ever-increasing needs. This development directive focuses on prioritizing needs and providing a clear and concise mechanism to allocate resources. These resources include natural, technological and fiscal resources at a district level • Integrated development along with the provision of basic services and the upgrading of existing infrastructure in terms of a long-term performance management system.

Development Directive	Explanation and Implications
	<ul style="list-style-type: none"> Alteration of the procurement processes to incorporate empowerment, community management, labour intensive concepts as well as the implementation targets per department and municipality in relation to their financial allocations Human resource development is a critical element to achieve sustainability, as people are an essential asset. The focus needs to be on empowerment, capacitating and training, and mentorship. There is a need to use limited resources to their optimum and to employ the concepts of economies of scale through the concept of the Shared Services Centre. There is, however, a need for integration and commitment by all departments as well as between provincial and municipal levels.
Environmental Management	<ul style="list-style-type: none"> Environmental management is often misrepresented in the form of conservation – it is often seen as a hindrance in the development arena. Within this context, it should be seen as an integrative tool that focuses on efficient management, as there will be clear mechanisms to achieve the long term balance and communities that can sustain themselves. Within this context, the development directive needs to promote efficient, sustainable growth within the context of limited resources The promotion of agriculture in areas of high potential coupled with PPP initiatives in relation to land ownership and the optimum use of these prime resources The development and implementation of a renewable strategy across the District Incorporation of environmental management principles and day-to-day practices into the LUMS of Local Municipalities The formulation of targets and performance management system to monitor implementation along with both national and international accountability Eco-tourism and the management and promotion of the Municipality's cultural assets are also essential.
Sustainable Economic Development	<ul style="list-style-type: none"> This directive deals with the interrelationship between the economic, environmental and social equity aspects of all development The IDP provides for detailed mechanisms that will facilitate the achievement of this sustainable perspective and balance between the elements in the District Skills development to comprise a multi-pronged approach LED focuses on stimulating and maintaining the local energy in accordance with specified comparative advantages. It is essential that economic development and job creation are sustainable and have a long-term perspective, taking cognizance of the risks.

2. Development Perspective

To achieve sustainable growth and development within the municipality, it is considered essential that the development principles, directives be used as a backdrop to the implementation of the development perspectives.

Further, the composition of a development perspective is to realize the potential of the municipal resources and assets by acting as a catalyst to ensure an integrated approach in the context of promoting the development directives. Through this approach, the municipality will actively facilitate the building of partnerships for Sustainable Growth and Development long-term solutions and leadership with the aim of achieving the future vision of National Government.

Both Provincial Sector Departments and municipality will then be able to identify where they need to concentrate on and how to allocate their limited financial resources accordingly to the competitive advantages and potential that has been identified. This approach therefore enables a paradigm shift towards implementation, where the IDP becomes guiding tools as opposed to regulatory requirements.

Table E2: Development Perspective of the Municipality

Development Perspective	Objective
Sustainable Human Settlements	<ul style="list-style-type: none"> • To provide for human settlements that serve people in a way that is different from simply providing housing. It is premised on the understanding that people deserve to live in an environment suitable for community development and the development of children, which also provides services and amenities to enhance the quality of life • To provide adequate shelter for all • To improve human settlement management • To promote sustainable land use planning and management • To promote the integrated provision of engineering infrastructure, i.e. water, sanitation, drainage and solid waste management • To promote sustainable energy and transport systems • To promote sustainable construction industry activities • To promote access to income to enable sustained affordability levels for basic infrastructure and services and ensure sustainable livelihoods • To promote human resource development and capacity building for human settlement development
Conservation Management	<ul style="list-style-type: none"> • To encourage the development of strategic tools to guide decision-making for environmental management and sustainable development • To rehabilitate and improve the environment

Development Perspective	Objective
	<ul style="list-style-type: none"> • To establish an integrated environmental management system • To conserve areas of environmental, conservation and tourist significance • To undertake soil rehabilitation in areas of high erosion • To eradicate alien vegetation • To address the pollution of water catchments by industrial activity • To address environmental issues relating to waste disposal • To promote environmental awareness
<p>Urban Renewal and Regeneration</p>	<ul style="list-style-type: none"> • To improve and revitalize specific areas of the Municipality • To renew areas to the benefit of the larger District • To contribute to public investment and enhanced liveability • To stimulate investment from the private sector • To increase property value • To attract new business and increases job opportunities • To promote economic development • To improve the quality of life
<p>Economic Development and Job Creation</p>	<ul style="list-style-type: none"> • To develop and diversify the local economy on a sustainable manner to increase the overall competitive advantage thereof. • The focus is on the development and diversification of the following three sectors – agriculture, manufacturing and tourism • To stimulate local economic development to reverse the current trends of decline and lack in diversity of the economy “the growth economic pie” • To providing assistance, training and information to entrepreneurs in the area to enable them to develop and manage their businesses in an economically viable manner • To address local factors that affect economic growth – factors that make conducting business in the area attractive and effortless as possible. This includes an attractive physical and commercial environment • To act on the development opportunities originating from the various corridors running through the area, as well as other business zones and development zones.
<p>Transportation</p>	<ul style="list-style-type: none"> • To identify areas in need in terms of road infrastructure and transport services • To implement programmes and projects in a systematic and prioritized manner
<p>Tourism</p>	<ul style="list-style-type: none"> • To promote the area as a prime tourist destination • To identify opportunities in the area that will lead to the identification of potential key catalytic projects • To implement projects that may lead to job creation • To provide support services to the industry such as advertising and promotion

Development Perspective	Objective
Agriculture	<ul style="list-style-type: none"> • To identify agricultural opportunities • To provide guidelines on agricultural roles and responsibilities between the different LED stakeholders in the municipal area • To coordinate the formulation and implementation of Municipal agricultural policies
Crime Reduction	<ul style="list-style-type: none"> • To reduce crime in the area • To create a safe and secure environment that facilitates investment and visitor (tourists) confidence
Poverty Alleviation	<ul style="list-style-type: none"> • To coordinate the efforts of all stakeholders involved in poverty alleviation • To identify specific poverty alleviation projects for implementation • To take the necessary steps to ensure the poverty alleviation, empowerment of women and socio-economic upliftment of the rural community
Infrastructure Management	<ul style="list-style-type: none"> • To ensure that municipal services are provided to all communities within the Municipality in the most efficient, effective, affordable and sustainable manner • To identify and agree the most effective, efficient, affordable and sustainable manner to render these services • To determine and agree on the functions to be performed by the various municipalities and service providers. • To meet a minimum of RDP level in the provision of municipal services across the district through the upgrading of existing services or the provision of new services where required.
Land Use Management	<ul style="list-style-type: none"> • To improve spatial structure and definition of urban functions within the Municipality and to improve access to opportunities in urban core areas as well as rural areas • To encourage the appropriate and effective use of land and resources • To guide on the decision of the Municipality relating to the use, development and planning of land • To implement strategic plans and manage development

3. Provincial Growth and Development Strategy

The Free State Growth Development Strategy (FSGDS) aims to provide a framework for sustainable growth and economic development for the Province over a ten years period. The strategy establishes the basis from where the Provincial Programme of Action is negotiated through consultations with both internal and external stakeholders. It further forms a yardstick from which progress and achievements are monitored and evaluated.

The FSGDS is guided by the National policy thrusts identified for the millennium (2004 –2014). It seeks to achieve balanced development of economic sectors and spatial localities in accordance with the needs and aspirations of the people. It is also aimed at targeted investments in the province, with the aim of offering opportunities to the people in skills development, employment and the improved quality of life.

Based on the social and economic development challenges of the province, the Free State province has identified the following as primary development objectives:

- Stimulate economic development
- Develop and enhance infrastructure for economic growth and social development.
- Reduce poverty through human and social development
- Stimulate economic development.
- Ensure a safe and secure environment for all people of the province
- Promote effective and efficient governance and administration

The revised FSGDS is a most impressive attempt to internalize the NSDP and align it with the Provincial and Local Government Plans. The strength of the FSGDS is that they devised their own methodology using NSDP concepts to identify priority areas in the Province. Their analysis identifies specific needs and areas required for intervention.

The Strategy addresses the key and most fundamental issues of development, spanning the social, economic and political environment. It constantly takes into account annual provincial priorities and sets broad targets in terms of provincial economic growth and development, service delivery and public service transformation.

The Strategy has identified six priority areas and pillars of intervention by the province as outlined on the table below:

Table E3: FSGDS pillars and drivers

Description of Pillars	Description of Drivers
Pillar 1: Inclusive economic growth and sustainable job creation	Driver 5: Harness and increase tourism potential and opportunities
Pillar 2: Education, innovation and skills development	Driver 6: Ensure an appropriate skills base for growth and development
Pillar 3: Improved quality of life	Driver 7: Curb crime and streamline criminal justice performance
	Driver 8: Expand and maintain basic and road infrastructure
	Driver 9: Build sustainable human settlements
	Driver 10: Provide and improve adequate health care for citizens
Pillar 4: Sustainable rural development	Driver 13: Mainstream rural development into growth and development planning
Pillar 5: Build Social Cohesion	Driver 14: Maximise arts, culture, sports and recreation opportunities and prospects for all communities
Pillar 6: Good governance	Driver 15: Foster good governance to create a conducive climate for growth and development

4. Provincial Spatial Development Framework (PSDF)

Key determinants of successful land-use planning and management is the extent to which all spheres of government co-operate and co-ordinate their activities. Accordingly, the PSDF is based upon and gives effect to the concept of integrated development planning, which is understood as a participatory planning process aimed at integrating sectoral strategies, in order to support the optimal allocation of scarce resources between sectors and geographic areas and across the population in a manner that promotes sustainable growth, equity and the empowerment of the poor and marginalised (Forum for Effective Planning and Development, 1995)

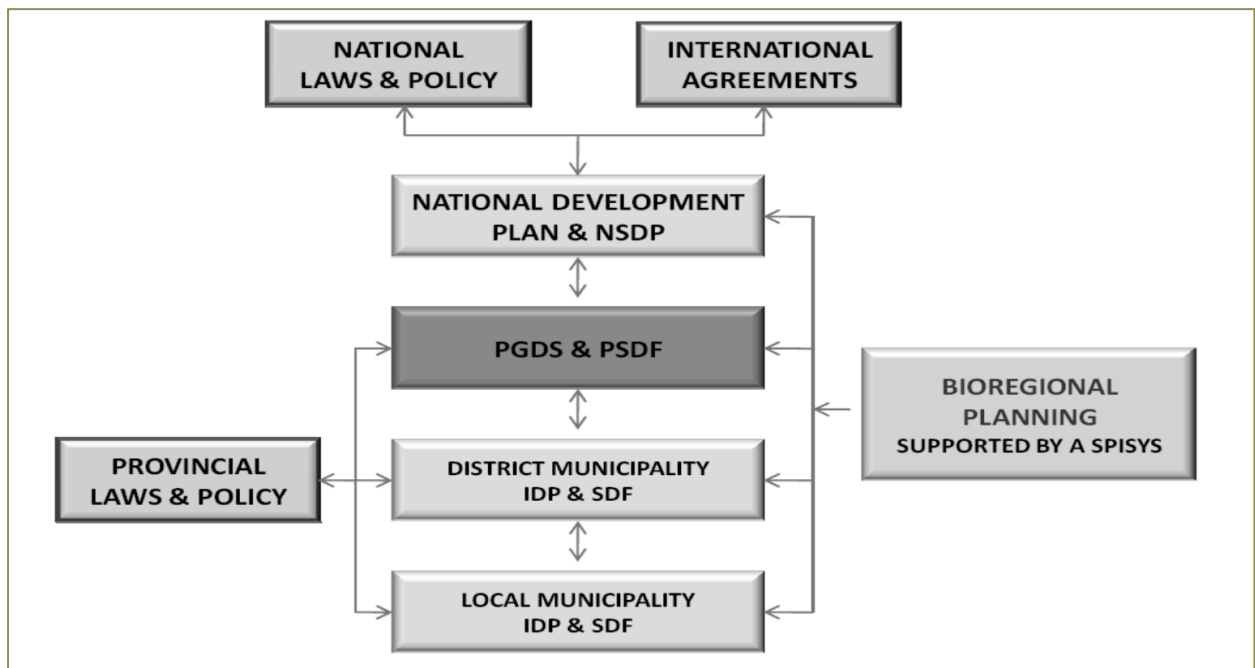
An integrated and holistic approach to land-use planning and management implies that the interrelationships between economic activities and other development dimensions such as social, financial, demographic, institutional, infrastructural, and environmental aspects are carefully considered in terms of a standard framework and at all applicable spheres of planning ranging from the international to the local level.

Accordingly, the PSDF supports and is premised upon the principle that the Province should be managed as an integral part of South Africa and the global biosphere in terms a holistic integrated structure or 'package' of plans that have a common vision of sustainability. In terms of the bioregional planning approach as adopted for the PSDF the various 'layers' of the 'package' of plans express the place-specific

characteristics and idiosyncrasies of the places to which the relevant layer applies and illustrate land-use proposal for that specific place.

The Figure Below illustrates the integrated structure or 'package' of plans. In short, this structure relates to the national sphere (i.e. the National Development Plan and the NSDP), the provincial sphere (i.e. the PGDS and the PSDF), the district sphere, i.e. the IDP (Integrated Development Plan) and SDF (Spatial Development Framework) of the district municipality and the local sphere, i.e. the IDP and SDF of the local municipality. All of these have to comply with the applicable international agreements and conventions and the relevant national and provincial legislation and policy.

Figure E1: Structure of Plans working within Government



Section F: Sector Alignment

1. Alignment with Sector Plans

The law is emphatic on the need for local government to cooperate with other spheres of governance. The Municipal Systems Act states that municipalities must exercise their executive and legislative authority within the constitutional system of co-operative government. It further places an obligation on provincial and national spheres of government to exercise their executive and legislative authority in a manner that does not compromise or impede a municipality's ability or right to exercise its executive and legislative authority.

For these reasons, the law requires that the planning undertaken by a municipality must be aligned with, and complement, the development plans and strategies of other affected municipalities and other organs of state so as to give effect to the principles of co-operative government. As such utmost care would be taken ensure that the IDP would be aligned with national and provincial governments' plans – as well as other affected municipalities' plans. Key development plans such as the National Development Plan and the Free State Growth and Development Strategy have been reviewed in order to ensure alignment with national and provincial development priorities.

2. Sector Involvement

Effective local government is a cornerstone of democratic government in South Africa, central to the realization of a better life for all. Municipalities provide basic services (such as electricity, municipal services that range from beaches, cemeteries, refuse removal, etc.) and perform other functions that have a direct impact on the sustainability of life, livelihoods, and economic development within our area of jurisdiction. In 2004, government committed itself to key objectives and a number of targets.

Key elements related to,

- Reducing unemployment by half through new jobs, assistance to small business, opportunities for self-employment and sustainable community livelihood;
- Reducing poverty by half through economic development, comprehensive social security, land reform and improving household and community assets;
- Creating a compassionate government service to the people, national, provincial and local representatives who are accessible; and citizens who know their rights and insist on fair treatment and effective service;
- Accelerating the delivery of basic services and increasing access to services became core priority for the term of government.

Table F1: Roles and Responsibilities of Government

Sphere of Government	Roles and Responsibilities
Municipalities	
Local Municipality	<ul style="list-style-type: none"> • Prepare and adopt IDP
District	<ul style="list-style-type: none"> • Prepare an IDP • Adopt an IDP • Provide Support to poor capacitated Local Municipalities • Facilitate the compilation of a framework to ensure integration between local IDP's
Provincial	
CoGTA	<ul style="list-style-type: none"> • Coordinate Training on the IDP • Provide financial support • Provide general IDP guidance • Monitor the IDP compilation process • Facilitate the District Wide alignment of the IDP's • Facilitate Disputes between Municipalities • Facilitate alignment of IDP's with Sector Department policies, projects and programmes • Assess IDP's
Sector Departments	<ul style="list-style-type: none"> • Provide and facilitate sector programmes and policies and supporting budget allocation of the envisaged projects identified/proposed • Contribute Sector expertise and technical knowledge to the formulation of the Municipal strategies and policies • Be guided by Municipal IDP projects in the allocation of resources, priority projects carry more weight.
National	
National Department of Cooperative Governance and Traditional Affairs	<ul style="list-style-type: none"> • Issue Legislation and Policy support of the IDP's • Issue IDP guidelines • Financial assistance • National Training framework • Establishment of a Planning and Implementation Management support system
Other Sector Departments	<ul style="list-style-type: none"> • Provide relevant information and data pertaining to the Sector Department's policies, programmes and budgets • Contribute sector expertise and guidelines documents • Be guided by Municipal IDP's in the allocation of resources at Local Level.

Table F2: Sector Responsibilities for the compilation of a “legally Compliant IDP”

Department	Policy	Support	Regulation
Cooperative Governance and Traditional Affairs	Responsible for implementing MIG policy on behalf of all departments.	Establishes MIG administrative structures; administers transfers of funds; provides support to PMUs	Monitors performance of overall MIG programme.
National Treasury	Overall allocation of funds, through DORA.		Establishes specific MIG conditions
Water Affairs	Sets norms and standards for water services infrastructure.	Planning oversight.	Monitors conditions specific to water services.
Public Works	Establishes criteria relating to poverty alleviation.	Provides advice on labour based construction and procurement.	Monitors poverty alleviation conditions.
Minerals and Energy	Only becomes active once electricity funding is incorporated into MIG		
Roads & Transport	Policy relating to municipal roads and transport.		Monitors performance relating to specific roads and transport conditions.
Human Settlement	Co-ordination of housing and infrastructure policy; synchronization of housing and infrastructure funding.		
Sport and Recreation	Policy relating to sport and recreation.		Monitors performance relating to specific sport and recreation conditions.
Environmental Affairs and Tourism	Policy relating to municipal solid waste (refuse) services.		Monitors environmental performance.

Sectoral departments/agencies are in charge of checking sector alignment requirements and compiling consolidated sector programmes. The IDP Steering Committee should do the necessary desk work to check all project proposals before they are discussed in the IDP Representative Forum. The IDP Representative Forum is the arena in which the integration process under consideration of compliance and harmonisation requirements takes place.

Thereby, the inter-sectoral negotiation process for scarce funds will be closely related to the compliance and the relevance of project proposals in the context of overall principles, priorities and strategies. It is important to ensure professional facilitation of the workshop of the IDP Representative Forum in which project proposals are commented on. To enable the municipal management, financing organisations, politicians, various stakeholders and an interested public to do a consistency check with regard to cross-cutting aspects, such as financial feasibility, spatial effect, economic, social and environmental impact.

Section G: Financial Plan

1. Background

Sound financial management practices are essential to the long-term sustainability of municipalities. They underpin the process of democratic accountability. Weak or opaque financial management results in the misdirection of resources and increases the risk of misappropriation of funds and consequently poor service delivery. In order to re-inforce sound financial management practices, modernise municipal financial management and establish a solid base for sustainable service delivery in local government, the Municipal Finance Management Act (2003) (MFMA) remains an overarching piece of legislation to drive these objectives.

Municipal financial management involves managing a range of interrelated components: planning and budgeting, revenue, cash and expenditure management, procurement, asset management, reporting and oversight. Each component contributes to ensuring that expenditure is developmental, effective and efficient and that municipalities can be held accountable.

The reforms introduced by the MFMA are the cornerstone of the broader reform package for local government outlined in the 1998 White Paper on Local Government. The MFMA, together with the Municipal Structures Act (1998), the Municipal Systems Act (2000), the Municipal Property Rates Act (2004) and the Municipal Fiscal Powers and Functions Act (2007), sets out frameworks and key requirements for municipal operations, planning, budgeting, governance and accountability.

2. Overview of key mechanisms for strengthening sound financial management practices and accountability

The set of legislation governing local government provides for a number of mechanisms for strengthening accountability. The first mechanism involves separating and clarifying roles and responsibilities of mayors, councillors and officials. This separation of political and management roles is critical for good governance.

The Executive Committee of Ngwathe Local Municipality is expected to provide political leadership, by proposing policies, guiding the development of budgets and performance targets, and overseeing their implementation by monitoring performance through in-year reports. In executing their duties, they may not use their position, privileges or confidential information for private gain or to improperly benefit another person.

On the other hand, the Municipal Manager holds the primary legal accountability for financial management in terms of the MFMA and, together with other senior managers, is responsible for implementation and

outputs. The Municipal Manager and his/her senior managers have a duty to act with fidelity, honesty and integrity and in the best interests of the municipality at all times.

Councillors, as elected representatives of the community, debate and approve the proposed policies and budgets and also oversee the performance of the municipality. They hold both the Executive Committee and the officials accountable for performance on the basis of quarterly and annual reports.

The second mechanism involves developing a performance orientation. The legal framework introduces requirements and processes for establishing service delivery priorities and plans. The aim is to ensure alignment between the plans, budgets, implementation actions and reporting to ensure proper management accountability for the achievement of service delivery targets.

The third mechanism involves strengthening reporting and disclosure requirements. High quality and timely management information allows management to be proactive in identifying and solving problems as they arise. It also strengthens the separation of roles and supports a performance orientation in the municipality.

The following are the key operational requirements that must be met by the municipality in order to give effect to the key mechanisms as outlined above:

2.1 Funding compliance and benchmarking municipal budgets

Section 18 of the MFMA requires that a municipality's annual budget must be "funded", and identifies three possible funding sources as follows:

- a) Realistically anticipated revenues to be collected,
- b) Cash-backed accumulated funds from previous years' surpluses not committed for other purposes, and
- c) Borrowed funds (but only for the capital budget).

The regulations require the presentation of all the information needed to evaluate whether a municipality's operating and capital budgets are 'funded' or not. The 'funding compliance' process is described in MFMA circular 42 and the Funding Compliance Guideline.

As the municipality draft the budget, it must assess whether the budget is funded or not in accordance with the funding compliance procedure.

2.2 Alignment of planning, budgeting and reporting

Section 153 of the Constitution requires that “a municipality must 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”.

The MFMA, together with the Municipal Systems Act (2000), aims to facilitate compliance with this constitutional duty by ensuring that municipalities’ priorities, plans, budgets, implementation actions and reports are properly aligned.

The paragraphs that follows below outlines the main components of the financial management and accountability cycle and how they ought to be aligned:

- a) **Integrated development plan (IDP):** This sets out the municipality’s goals and development plans, which need to be aligned with the municipality’s available resources. The Council must adopt the IDP and undertakes an annual review and assessment of performance based on the annual report.
- b) **Budget:** The three-year budget sets out the revenue raising and expenditure plan of the municipality for approval by council. The allocation of funds needs to be aligned with the priorities in the IDP.
- c) **Service delivery and budget implementation plan (SDBIP):** The SDBIP sets out monthly or quarterly service delivery and financial targets aligned with the annual targets set in the IDP and budget. As the municipality’s “implementation plan”, it lays the basis for the performance agreements of the municipal manager and senior management.
- d) **In-year reports:** The administration reports to council on the implementation of the budget and SDBIP through monthly, quarterly and mid-year reports. Council uses these reports to monitor both the financial and service delivery performance of the municipality’s implementation actions.
- e) **Annual financial statements:** These report on the implementation of the budget, and reflect the financial position of the municipality. They are submitted to the Auditor-General, who issues an audit report indicating the reliance Council can place on the statements in exercising oversight.
- f) **Annual report:** It is the primary instrument of accountability, in which the mayor and municipal manager report on implementation performance in relation to the budget and the SDBIP, and the progress being made in realising the IDP priorities.

- g) **Oversight report:** Council produces an oversight report based on outcomes highlighted in the annual report and actual performance.

2.3 Meeting deadlines for tabling and approving budgets

The deadlines set out in the MFMA for tabling and approving budgets are minimum compliance requirements; the municipality may table and approve their budgets earlier. The budget must be tabled for consultation at least 90 days (31 March) before the start of the financial year (1 July). It must be considered for approval at least 30 days (31 May) before the start of that year, and it must be approved before the start of the financial year (1 July).

2.4 Strengthening oversight through improved transparency

The system of reporting in the MFMA aims to ensure that municipalities produce financial and performance information that is timely and reliable. This enables managers to act proactively to identify and resolve problems and provide councils with the information they need to fulfil their oversight responsibilities.

The reports on the implementation of the budget and the SDBIP required by the MFMA include monthly and quarterly budget statements, a half-yearly performance assessment, annual financial statements and annual reports.

2.5 Audit opinions issued by the Auditor-General

The Auditor-General's opinion is the most important part of the auditor's report provided to the municipality. The audit findings are based on an independent and often extensive verification process of the annual financial statements and the performance information in the annual report.

As part of improving financial management viability, management should take proactive action to develop credible Post-Audit Improvement Action Plans that seek to address all the issues and deficiencies raised by the Auditor-General in their audit reports. Post-Audit Improvement Action Plans must be developed taking into account the municipality's capacity as well as any other external support which may be sourced to support the municipality's own internal initiatives and corrective actions identified must form part of the organisational and departmental SDBIPs key performance indicators and targets and must funded, implementation, monitored and reported on.

3. Recent and future financial management reforms

Reforming municipal financial management is not an event, but a process. The introduction of the MFMA in 2003 laid the foundation for this. Since then, regulations dealing with supply chain management, public private partnerships, the minimum competency requirements of municipal finance officials and asset transfers have been put in place. Each reform aims to build on the foundation laid by previous initiatives, taking into account the time needed for municipal systems and practices to change.

Since 2008, National Treasury has been giving specific attention to strengthening municipal budgeting and reporting practices. Key initiatives have been the introduction of the Municipal Budget and Reporting Regulations in 2009, the enforcement of in-year financial reporting processes and firmer management of conditional grants in accordance with the annual Division of Revenue Act.

Future reform initiatives National Treasury is currently working on include:

- a) Introducing a standard chart of accounts for municipalities to ensure financial transactions are captured consistently by municipalities, and so improve the quality of financial reporting. Related regulations were already promulgated in 2014 and effective implementation starts from 1 July 2017 for all municipalities.
- b) Strengthening revenue and cash management policies, processes and procedures, with a particular emphasis on tariff setting
- c) Ensuring the better alignment of plans, budgets and reporting by paying attention to the structure and content of SDBIPs and annual reports, and aligning the format of annual financial statements to report against budgets
- d) Strengthening non-financial reporting, to facilitate evaluations of 'value for money'
- e) Finalising of the regulations for financial misconduct to facilitate the enforcement of the provisions dealing with financial conduct in chapter 15 of the MFMA.

4. Measures to ensure credibility of the municipality's budget

Evaluating whether a municipal budget is credible is a complex exercise. The following activities must however be undertaken as a minimum in order to assess the credibility of the municipality's budget:

- a) Assessing whether the budget meets the constitutional requirement to prioritise basic services,
- b) Assessing whether it is aligned to the IDP, whether it is funded,
- c) Assessing whether the rates, tax and tariff increases are fair and sustainable are in line with parameters provided by the national Treasury from time to time,
- d) Assess whether the cash-flow projections are realistic, and

- e) Assess whether the budget provides adequately for the maintenance and renewal of existing infrastructure.

The information that municipality is required to present in the new budget formats allows each of these aspects to be evaluated.

The following instances will be used to conclude that the municipality's budget is not credible and thus necessitate revision and correction:

- a) If a municipal budget is unfunded,
- b) If the revenue projections are unrealistic,
- c) If the operating expenditures are too high, or
- d) If the capital budget is too ambitious.

Correcting any of the above problems will necessitate going back to basics – and ensuring that the municipality only budgets to spend what it will realistically collect and /or receive in revenue.

5. Funding choices and management issues for preparation of annual budgets

In every annual and adjustment budgeting cycle, the municipality should carefully consider the costs associated with service delivery while considering affordability and inflation when setting revenue raising measures. Approving tariffs that are far below levels representing cost of providing the services would negatively impact on the financial sustainability of the municipality while on the other hand projection of revenue to unrealistically high levels will result in a number of programs not being able to be implemented.

Furthermore, the municipality must consider the following when compiling annual budgets:

- improving the effectiveness of revenue management processes and procedures; and
- pay special attention to cost containment measures by, amongst other things, controlling unnecessary spending on nice-to-have items and non-essential activities.

6. Key focus areas for 2016/17 Medium Term Revenue and Expenditure Framework (MTREF)

6.1 Background

In December 2015, the National Treasury issued MFMA Circular 78 - Municipal Budget Circular for the 2016/17 MTREF. One of the key aspects of this circular is that the national Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an

appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality. For this reason, the National Treasury expect that municipalities must justify in their budget documentation all increases in excess of the 6.0 per cent projected inflation target in the budget narratives.

One of the notable factors raised by the National Treasury is that municipalities are not maximising the revenue generation potential of their revenue base and this, together with the increasing unemployment and the decline in economic growth means that there is just not sufficient municipal own revenue to supplement the national funding sources to local government.

Based on the foregoing background, it is therefore necessary for the municipality to ensure that its tariffs are adequate to, at the minimum, cover the costs of bulk services and also to ensure that all properties are correctly billed for property rates and all services rendered.

6.2 Macroeconomic performance and projections, 2015 - 2018

In line with the National Treasury guidelines, the municipality must take the following macro-economic forecasts into consideration when preparing their 2016/17 budgets and MTREF.

These projections are to be used in estimation of their budget expenditure projections over the MTREF period.

Table G1: Macroeconomic projections

Fiscal Year	2015/16	2016/17	2017/18
	Forecast		
Consumer Price Index (CPI) inflation	6.0%	5.8%	5.8%

6.3 Grants allocations to the municipality

6.3.1 Conditional Grants

The purpose of the conditional grants is to deliver on national government priorities relating to service delivery.

The table below provides details of various details of conditional grants allocations to the municipality over the 2016/17 MTREF period. These grants were allocated in terms of Division of Revenue Bill published in Government Gazette No. 39707 of 18 February 2016. These allocations need to be taken into account in

preparation of the municipality's 2016/17 MTREF and must be aligned to specific programs for which the grants are designed and dedicated for:

Table G1: Conditional Grants Allocations

Details / Description of Grant	2016/17 Allocations	2017/18 Allocations	2018/19 Allocations
Municipal Infrastructure Grant (MIG)	R 40 010 000	R 42 927 000	R 45 277 000
Integrated National Electrification Programme (INEP)	R 24 000	R 26 000	R 28 000
Bulk Water Infrastructure Grant (BWIG)	R 15 000 000	R 20 469 000	R 41 340 000
Bulk Sewer Infrastructure Grant (BSIG)	R 20 000 000	R 25 000 000	R 37 600 000
Expanded Public Works Program Infrastructure Grant (EPWPIG)	R 1 078 000	R -	R -
Bucket Eradication Grant (BEG)	R 63 209 000	R -	R -
Municipal Systems Improvement Grant (MSIG)	R 1 300 000	R 1 365 000	R 1 434 000
Financial Management Grant (FMG)	R 1 810 000	R 2 145 000	R 2 400 000
Total Conditional Grants	R 142 431 000	R 91 932 000	R 128 079 000

6.3.2 Unconditional Grants

Unconditional grants are allocated to municipalities without specific conditions as to the programs for which the funds can be spent and this allocation normally comes in a form of Equitable Share. The main purpose of the equitable share is to fund the provision of free basic services to the poor.

The table below provides details of equitable share allocations to the municipality over the 2016/17 MTREF period. This grant was allocated in terms of Division of Revenue Bill published in Government Gazette No. 39707 of 18 February 2016. This allocations need to be taken into account in preparation of the municipality's 2016/17 MTREF and must first be appropriated towards the provision of basic services to indigent consumers in the municipality.

Table G1: Unconditional Grants Allocations

Details / Description of Grant	2016/17 Allocations	2017/18 Allocations	2018/19 Allocations
Equitable Share	R 157 639 000	R 161 424 000	R 173 705 000
Total Unconditional Grants Allocation	R 157 639 000	R 161 424 000	R 173 705 000

6.4 Eskom bulk tariff increases

Eskom is the sole supplier of bulk electricity to municipalities across the country and for this reason, tariff increases that are granted to Eskom by NERSA directly impact the cost of bulk electricity purchase by municipalities.

In terms of the Multi Year Price Determination (MYPD) for Eskom's tariffs approved by the National Energy Regulator of South Africa (NERSA), a tariff increase of 9.4% has been approved for the 2016/17 financial year and the increase comes into effect on 1 April 2016.

The municipality should therefore take this latest Eskom tariff increase into account in preparation of the 2016/17 MTREF, particularly in relation to the following:

- Bulk electricity purchases;
- Determination of electricity tariffs;
- Determination of Free Basic Electricity provision against equitable share allocation

6.5 Water and Sanitation tariff increases

In determining water and sanitation tariffs, the municipality should consider the full cost of rendering these services. If the tariffs are low and result in the municipality not recovering their full costs, the municipality should develop a pricing strategy to phase-in the necessary tariff increases in a manner that spreads the impact on consumers over a period of time.

Should this not be the case, the Municipal Manger will have to clearly articulate the reasons and remedial actions to rectify this position in the budget document. Water tariffs should be designed set according to Inclining Block Tariff (IBT) structure that is appropriate to the municipality's specific circumstances, and must ensures an appropriate balance between "low income consumers" and other domestic, commercial and business consumers, and the financial interests of the municipality.

Furthermore, in light of the current drought being experienced across the municipality and other parts of the country, and to mitigate the need for water tariff increases, the municipality must put in place appropriate strategies as part of operational plans to limit water losses to acceptable levels.

6.6 Employee related costs

The South African Local Government Bargaining Council recently entered into a three-year *Salary and Wage Collective Agreement* for the period 01 July 2015 to 30 June 2018. The agreement reached is as follows:

- 2015/16 Financial Year – 7 per cent
- 2016/17 Financial Year – average CPI (Feb 2015 – Jan 2016) + 1 per cent
- 2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent

The municipality must therefore use this Salary and Wage Agreement parameters when preparing the 2016/17 MTREF budgets.

6.7 Remuneration of Councillors

The municipality must budget for the actual costs of remuneration of Councillors in accordance with the gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually by the Department of Cooperative Governance.

6.8 Implementation of Municipal Standard Chart of Accounts (mSCOA)

The *mSCOA* Regulations were came into effect in the year 2014 and apply to all municipalities and municipal entities with effect from 1 July 2017. This means that there is limited time left for the municipality for preparation and implementation readiness as the 2017/18 MTREF budgets will all have to be aligned to *mSCOA*.

The implementation of *mSCOA* must be considered a business reform and it requires a significant change in municipal business processes; and it involves various process including systems conversion and /or re-implementation, change management, data cleansing, etc

Given the above background, the municipality's 2016/17 tabled budget must include an annexure containing the municipality's *mSCOA* project plan and any implementation progress to date.

National Treasury has a dedicated website which the municipality can source valuable information in order to kick-start *mSCOA* implementation efforts. The following information is available:

- The current *mSCOA* classification framework;

- The *m*SCOA Project Summary Document;
- All Municipal SCOA Circulars, providing hands-on support on how to undertake preparation and implementation;
- Integrated Consultative Forum (ICF) – documentation and presentations of the *m*SCOA piloting process; and
- The Frequently Asked Questions Database (FAQ Database) – where previously asked questions and responses can be accessed and new questions may be logged.

7. Budget Projections

Section 26(h) of Municipal Systems Act 32 of 2000 stipulates that an integrated Development Plan must reflect a financial plan, which must include a budget projection for at least the next three years.

The following budget projections for 2016/17, 2017/18 and 2018/19 are therefore reflected on and serves as the basis of a comprehensive 2016/17 MTREF of the municipality.

7.1 Summary of Operating Budget

Description	2016/17 Medium Term Revenue & Expenditure Framework		
	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands			
Financial Performance			
Property rates	152 215	70 506	75 019
Service charges	271 344	298 503	350 500
Investment revenue	2 000	2 100	2 100
Transfers recognised – operational	161 827	164 934	177 539
Other own revenue	25 574	13 526	14 164
	612 960	549 569	619 322
Total Revenue (excluding capital transfers and contributions)			
Employee costs	159 559	189 052	200 206
Remuneration of councillors	11 500	14 579	15 439
Depreciation & asset impairment	90 000	95 000	10 500
Finance charges	72 000	60 000	58 000
Materials and bulk purchases	216 667	303 867	335 865
Transfers and grants	–	–	–
Other expenditure	188 684	136 316	143 661
Total Expenditure	738 411	798 814	763 672
Surplus/(Deficit)	(125 451)	(249 245)	(144 350)
Transfers recognised – capital	64 920	92 396	133 217
Contributions recognised - capital & contributed assets	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(60 531)	(156 849)	(11 133)
Share of surplus/ (deficit) of associate	–	–	–
Surplus/(Deficit) for the year	(60 531)	(156 849)	(11 133)

7.2 Summary of Capital Budget & Cash Flows

Description	2016/17 Medium Term Revenue & Expenditure Framework		
	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands			
<u>Capital expenditure & funds sources</u>			
Capital expenditure	64 920	92 422	133 245
Transfers recognised – capital	64 920	92 422	133 245
Public contributions & donations	–	–	–
Borrowing	–	–	–
Internally generated funds	–	–	–
Total sources of capital funds	64 920	92 422	133 245
<u>Financial position</u>			
Total current assets	921 996	951 257	992 534
Total non current assets	1 260 814	1 306 039	1 399 674
Total current liabilities	2 200	2 200	2 200
Total non current liabilities	–	–	–
Community wealth/Equity	2 180 610	2 255 096	2 390 008
<u>Cash flows</u>			
Net cash from (used) operating	90 237	(131 689)	(104 089)
Net cash from (used) investing	(64 920)	(92 422)	(133 245)
Net cash from (used) financing	(2 880)	(1 800)	–
Cash/cash equivalents at the year end	27 437	(198 474)	(435 808)
<u>Cash backing/surplus reconciliation</u>			
Cash and investments available	205 255	206 839	219 249
Application of cash and investments	(561 389)	(527 971)	(505 301)
Balance - surplus (shortfall)	766 644	734 810	724 550

7.3 Summary of Expenditure for Asset Management

Description	2016/17 Medium Term Revenue & Expenditure Framework		
	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands			
<u>Asset management</u>			
Asset register summary (WDV)	152 718	152 718	152 718
Depreciation & asset impairment	90 000	95 000	10 500
Renewal of Existing Assets	–	–	–
Repairs and Maintenance	25 500	16 142	17 096

7.4 Summary of Cost of Free Basic Services

Description	2016/17 Medium Term Revenue & Expenditure Framework		
	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands			
<u>Free services</u>			
Cost of Free Basic Services provided	–	40 553	32 470
Revenue cost of free services provided	–	44 376	47 127

Section H: Performance Management

1. How will the PMS be measured?

Ngwathe Local Municipality will review its Performance Management System (PMS) in 2016/17 financial year, and continue to use it as one of the instruments to be used to measure municipal performance. The current IDP review process seek to develop realistic and measurable developmental objectives that will be seamlessly integrated to other complementing municipal core processes, like the budget, PMS and SDBIP.

It is envisaged in the Municipal System Act 32 of 2000 as amended, that the municipality shall establish and develop PMS that commensurate with its resource capacity, suited to its unique circumstances, that lays a solid foundation for accountability to Council and critical also, stakeholders. This will ultimately contribute towards economical, effective, efficient management of municipal affairs.

Critically, the Act obligates municipalities to implement the following PMS core components as integral part of municipal planning and budget processes. These are:

- Setting appropriate key performance indicators as yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its IDP. In addition, these should also be informed by the general key performance indicators as prescribed by the Minister responsible for provincial and local government;
- Setting measurable performance targets with regard to each of those development priorities and objectives. Importantly, these should articulate with service delivery targets millennium development goals set by the South African government;
- Monitoring performance;
- Measuring and reviewing performance;
- Taking steps to improve performance; and
- Establishing a process for regular reports and complying with reporting requirements as prescribed in the Municipal Finance Management Act (2003)

PMS lays a solid foundation for embedding and developing service delivery budget implementation plans (SDBIPs) which are essentially operational plans for the implementation of the budget and IDP.

Ngwathe Local Municipality will develop operational plans for each of the directorate as an integral part of the IDP processes which will be linked to the SDBIP. These operational plans will be used in the development of reviewed performance agreements for management which include (municipal manager and Managers directly accountable to him/her).

The Municipal Planning and Performance Management Regulations stipulate that a municipality's performance management system (PMS) must entail a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role-players.

The reviewed Performance Management System is a proposed policy and procedure document for the municipality that will set out the following:

- The policy and legislative context for Performance Management
- Objectives and principles of Performance Management in Ngwathe Local Municipality
- Requirements and mechanisms for the development and implementation of a Performance Management System
- Guidelines for capacity building and institutional arrangements for Performance Management

The framework focuses primarily on both an organizational performance management and employee performance management. It will give details about the parameters within which performance management processes will happen and deals with the following aspect, amongst others:

- the components of the system;
- lines of accountability in managing performance;
- aspects of performance that will be managed;
- performance monitoring, measurement and review approaches;
- approaches to respond to good and poor performance.

The framework is meant to assist the municipality in its development and implementation of a performance management system that is aligned to the Integrated Development Plan (IDP), is suited to their circumstances and is within their resource constraints.

The framework is intended to be adopted by the municipal council as the basis of their performance management system.

The principles of Performance Management System are that it should:

- Drive change and improve the performance of the organisations
- Focus the organisations work on its priorities
- Measure the organisations overall performance against set objectives

- Align strategic objectives and priorities with individual work plans
- Identify success as well as failure and ,
- Identify good practice and learning from other successes.

Furthermore, the MFMA obligates a Service Delivery and Budget Implementation Plan (SDBIP) to be based on specific targets and performance indicators derived from the IDP, thus linking the IDP, the performance management system and the budget. Section 67 of the MSA regards the monitoring, measuring and evaluating of performance of staff as a platform to develop human resources and to develop an efficient and effective culture. In other words, good corporate citizenship is all about how the municipalities set their priorities through the performance management system as per the IDP, conduct their business as per the SDBIP and relate to the community they serve through community input and public participation. The purpose of the IDP is to ensure that the resources available to the municipality are directed at the delivery of projects and programmes that meet agreed municipal development priorities.

Once a municipality starts to implement its IDP it is important to monitor that:

- The delivery is happening in the planned manner
- The municipality is using its resources most efficiently
- It is producing the quality of delivery envisaged

To comprehend the relationship between IDP review and performance management, the following quotation from the Performance Management Guide for Municipalities, DPLG, 2001 (draft 2, page 16) becomes relevant: “The IDP process and the performance management process should appear to be seamlessly integrated. Integrated development planning fulfils the planning stage of performance management. Performance management fulfils the implementation management, monitoring and evaluation of the IDP process”. Although the IDP is a five-year plan, it has to be renewed annually as prescribed in Section 34 of the MSA.

The IDP has to be handled at the highest level, hence the allocation of the responsibility to the mayor to manage the IDP process and to assign responsibilities to the municipal manager. As head of the administration, the municipal manager in turn is responsible and accountable for the formation of an efficient and accountable administration to give effect to the IDP. The SDBIP is a key management, implementation and monitoring tool, which provides operational content to the end-of-year service delivery targets, set in the budget and IDP. It determines the performance agreements for the municipal manager and Section 57 managers, whose performance can then be monitored through Section 71 monthly reports, and evaluated through the annual report process.

Municipal Performance Regulations for Municipal Managers and Managers directly accountable to the Municipal Manager, published in 2006 seeks to set out how the performance of municipal managers will be uniformly directed, monitored and improved. The regulations address both the employment contract of a municipal manager and the managers directly accountable to the municipal manager (Section 57 managers). A good performance management model will therefore align the processes of performance management to the IDP processes of the organization. It will ensure that the IDP is translated into scorecards and performance plans that will be monitored and reviewed.

The categories of key performance areas provided by a model should relate directly to the identified priority areas of the IDP. The departments respond to the priorities and strategies through the development of business plans and detail project plans as facilitated by the PMS unit. After the interrogation of businesses and project plans, a draft IDP and budget is put through a transparent consultative process before submission to and approval by Council. The approval of the IDP and budget initiates the development and submission of a SDBIP that culminates into a monitoring and reporting process on a monthly, quarterly and annual basis.

2. Overview of Policies Guiding Performance Management

a) Policy Framework

The council should adopt a Performance Management Framework regulating the performance management system in the municipality. The framework provides guidelines on the development and implementation of the organizational performance management system.

b) Planning for Performance Management

In planning for performance management and in the process of municipal policy, each municipality should aimed to ensure that the system complies with all the requirements set out in legislation with specific reference to the 2001 Regulations. Amongst others the municipality aims to:

- Show how it is going to operate and manage the system from the monitoring up to the stages of performance reporting evaluation and review;
- Indicate how the various stakeholders and role players including the community will be included in the implementation and functioning of the system;
- Clarify how it will implement the system within the framework of the IDP process, including any procedures to be followed;
- Address the matter of how often reporting will take place and to whom; and

- Link the organizational performance management system to the employee performance management system.

c) Priority Setting

Through consultation with the community and other key stakeholders, the IDP process helps to define:

- What the delivery priorities and objectives are. The institution should expand on the roll-out plan in the SDBIP to ensure that it is tangible and measurable;
- What transformational initiatives will be undertaken by the institution;
- Which strategic projects will be implemented to achieve the delivery priorities and objectives;
- What financial resources will be used to realize the priorities?
- How the municipality will measure the achievement of the objectives through clear indicators.

The National Key Performance Indicators are prescribed in Section 43 of the MSA and must therefore be included in municipality's IDP.

They include:

- The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal
- The percentage of households earning less than R1100 per month with access to free basic services
- The percentage of the municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of its IDP.
- The number of jobs created through the municipality's local economic development initiatives including capital projects.
- The number of people from employment equity target groups employed in the three highest levels of management in compliance with municipality's approved employment equity plan.
- The percentage of the municipality's budget actually spent on implementing its workplace skills plan.
- Financial viability which looks at debt coverage, outstanding debtors to service revenue, and cost coverage

It is important for the municipality to review its other key performance indicators annually as part of the performance review process. This is initiated through the review of the IDP, SDBIP and budget annually, and filters through to the individual performance plans.

d) Setting Performance Targets

The municipality should continuously aim to ensure that its targets comply with the Performance Management Regulations (Chapter 3, Regulation 12, 2001). Therefore the targets set in the IDP have to:

- Be practical and realistic;
- Measure how effective and efficient the Municipality is, as well as what the impact it is making;
- Clearly indicate who (which department) will deliver a target;
- Have corresponding resources;
- Include the budget;
- Relate to the priorities and objectives for development as in the IDP; and
- Update targets against achievement, community priorities, available resources and the national

e) Performance monitoring

Monitoring is the regular observation and recording of activities taking place in a project or a programme, or of a key performance indicator. It is a process of routinely gathering information on all aspects of the strategic objective, key performance areas, programme or project. Monitoring also involves giving feedback about the progress of the project to the donors, implementers and beneficiaries of the project. Once a municipality has developed outcomes, outputs, targets and performance indicators in the IDP, SDBIP and Individual Performance Plans, it must set up mechanisms and systems to monitor the extent to which objectives, projects and processes are realized.

The 2001 Regulations Chapter 13 reads:

(1) A municipality must, after consultation with the local community, develop and implement mechanisms, systems and processes for the monitoring, measurement and review of performance in respect of the key performance indicators and performance targets set by it

(2) The mechanisms, systems and processes for monitoring in terms of sub regulation (1) must: (a) Provide for reporting to the municipal council at least twice a year. (b) Be designed in a manner that enables the municipality to detect early indications of underperformance, and (c) Provide for corrective measure where underperformance has been identified.

The performance monitoring is an ongoing process that runs parallel to the implementation of the agreed IDP. A municipality must develop a monitoring framework that identifies the responsibilities of

the different role-players in monitoring and measuring its performance and allocate specific tasks in respect of the gathering of data and submission of reports.

- It is an ongoing process that runs parallel to the implementation of the approved IDP. It identifies the roles of the different role players in monitoring, reporting and evaluating the municipality's performance measurement.
- Ensures that specific tasks are allocated to the gathering of data and submission of reports
- Ensures that procedures are in place to collect, store, verify and analyze data and to produce reports.
- Provides for reporting to the municipal council as per legislative requirements
- Is designed in a manner that enables the municipality to detect early under-performance (organizational and employee performance management)
- Provides for corrective measures where underperformance has been identified (organizational and employee performance management).
- Compares current performance with performance during the previous financial year and baseline indicators
- Re-directs the performance management system to make available accessible management information data for better decision-making

f) Conducting Performance Reviews

A municipality must review its performance management system annually in order to identify the strengths, weaknesses, opportunities and threats of the municipality in meeting the key performance indicators and performance targets set by it, as well as the general key performance indicators prescribed by the Municipal Systems Act 32 of 2000, Section 43.

g) Reporting on Performance

Reporting requires that the municipality takes the priorities of the organization, its performance objectives, indicators, targets, measurements and analysis, and presents this information in a simple and accessible format, relevant and useful to the specific target group, for review. The Service Delivery and Budget Implementation Plan (SDBIP) is the basis for the Municipality's reporting. Generally four reports are submitted per annum to Council. Spisys Management Reports (dashboards can be used as a Performance management Tool which can be used as a live system indication project progress and up to date statistics for reporting)

Table H1: Performance Reporting

Report Type	Description
<p>Quarterly IDP and SDBIP reporting</p>	<p>The SDBIP is a key management, implementation and monitoring tool, which provides operational content to the end-of-year service delivery targets, set in the budget and IDP. It determines the performance agreements for the municipal manager and all top managers, whose performance can then be monitored through Section 71 monthly reports, and evaluated through the annual report process.</p> <p>The SDBIP information on revenue will be monitored and reported monthly by the municipal manager in terms of Section 71(1)(a) and (e). For example, if there is lower than anticipated revenue and an overall cash shortage in a particular month the municipality may have to revise its spending downwards to ensure that it does not borrow more than anticipated. More importantly, such information requires the municipality to take urgent remedial steps to ensure it improves on its revenue collection capacity if the municipality wants to maintain its levels of service delivery and expenditure.</p> <p>Section 1 of the MFMA, Act 56 of 2003 states that the SDBIP as a detailed plan approved by the mayor of a municipality in terms of service delivery should make projections for each month of the revenue to be collected, by source, as well as the operational and capital expenditure, by vote. The service delivery targets and performance indicators need to be reported on quarterly (MFMA, 2003).</p>
<p>Mid-year budget and DPLG report</p>	<p>Section 72 of the MFMA requires the accounting officer to prepare and submit a report on the performance of the municipality during the first half of the financial year. The report must be submitted to the mayor, National Treasury as well as the relevant Provincial Treasury. As with all other reports this is a crucial report for the Council to consider mid-year performance and what adjustments should be made, if necessary.</p>
<p>Performance report</p>	<p>Section 46 of the Municipal Systems Act states that a municipality must prepare for each financial year, a performance report that reflects the following:</p> <ul style="list-style-type: none"> • The performance of the municipality and of each external service provided during that financial year; • A comparison of the performances referred to in the above paragraph with targets set for and performances in the previous financial year; and • Measures to be taken to improve on the performance <p>The performance report must be submitted at the end of the financial year and will be made public as part of the annual report in terms of chapter 12 of the MFMA. The publication thereof will also afford the public the opportunity to judge the performance of the municipality</p>

Report Type	Description
	<p>against the targets set in the various planning instruments.</p>
<p>Annual report</p>	<p>Every municipality and every municipal entity under the municipality's control is required by Section 121 to prepare an annual report for each financial year, which must include:</p> <ul style="list-style-type: none"> • the annual financial statements of the municipality or municipal entity as submitted to the Auditor-General for audit (and, if applicable, consolidated annual financial statements); • the Auditor-General's audit report on the financial statements; • an assessment by the accounting officer of any arrears on municipal taxes and service charges; • particulars of any corrective action taken or to be taken in response to issues raised in the audit reports; • any explanations that may be necessary to clarify issues in connection with the financial statements; • any information as determined by the municipality, or, in the case of a municipal entity, the entity or its parent municipality; • any recommendations of the municipality's audit committee, or, in the case of a municipal entity, the audit committee of the entity or of its parent municipality • an assessment by the accounting officer of the municipality's performance against the measurable performance objectives for revenue collection and for each vote in the municipality's approved budget for the relevant financial year; • an assessment by the accounting officer of the municipality's performance against any measurable performance objectives set in terms the service delivery agreement or other agreement between the entity and its parent municipality; • the annual performance report prepared by a municipality; and • any other information as may be prescribed. <p>Section 127 prescribes the submission and tabling of annual reports. In terms of this section:</p> <ul style="list-style-type: none"> • The accounting officer of a municipal entity must, within six months after the end of a financial year, submit the entity's annual report for that financial year to the municipal manager of its parent municipality. • The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control. • If the mayor, for whatever reason, is unable to table in the council the annual report of

Report Type	Description
	<p>the municipality, or the annual report of any municipal entity under the municipality's sole or shared control, within seven months after the end of the financial year to which the report relates, the mayor must:</p> <ul style="list-style-type: none"> ○ submit to the council a written explanation setting out the reasons for the delay, together with any components of the annual report that are ready; and ○ submit to the council the outstanding annual report or the outstanding components of the annual report as soon as may be possible
<p>Oversight report</p>	<p>The council of a municipality must consider the municipality's annual report (and that of any municipal entity under the municipality's control), and in terms of Section 129, within two months from the date of tabling of the annual report, must adopt an oversight report containing the council's comments, which must include a statement whether the council:</p> <ul style="list-style-type: none"> • has approved the annual report with or without reservations; • has rejected the annual report; or • has referred the annual report back for revision of those components that can be revised. <p>In terms of Section 132, the following documents must be submitted by the accounting officer to the provincial legislature within seven days after the municipal council has adopted the relevant oversight report:</p> <ul style="list-style-type: none"> • the annual report (or any components thereof) of each municipality and each municipal entity in the province; and • all oversight reports adopted on those annual reports. It is important to note that the oversight committee working with these reports should be chaired by the opposition party.

h) Individual Performance

The best type of performance management system adopts a cascading or “rolling-down” of performance objectives from top to bottom. The Department of Cooperative Governance and Traditional Affairs (COGTA) Performance Management Guidelines for Municipalities (2001) (par.5.9) states: “The performance of an organization is integrally linked to that of staff. If employees do not perform an organization will fail. It is therefore important to manage both at the same time. The relationship between organizational performance and employee performance starts from the review of the IDP that also correlates with the review of individuals on how well they have performed during the course of the different performance management phases.”

The Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers (2006) sets out the parameters on how the performance of Municipal Managers and their managers directly accountable to them (Section 57 Employees) will be directed, monitored and improved. Firstly, an employment contract has to be concluded between the Council and the S57 Managers on appointment and secondly, a separate Performance Agreement and Plan also has to be concluded annually.