



The home of harmony, prosperity and growth

DRAFT IDP 2016/17

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: _____

Municipal Manager

APPROVED BY COUNCIL ON: _____

[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	IDP Manager	Determine and assess the current level of development and what are emerging challenges, opportunities and

IDP Phases	Deliverables And Process Management	Responsibility	Output
	issues.		priority issues.
	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	Municipal Manager and	Agree on the spatial location of

IDP Phases	Deliverables And Process Management	Responsibility	Output
	Allocations for inclusion in the Draft IDP and MTREF budget.	CFO	the projects
	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	Council	

IDP Phases	Deliverables And Process Management	Responsibility	Output
	amendments to council consideration		
	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 simplified IDP framework, Ngwathe Local Municipality therefore drafted this IDP using a simplified 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 eleven 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.

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 for the first time as a Key Performance Area (KPA), 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:

- 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, must also 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
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

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.

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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. 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.

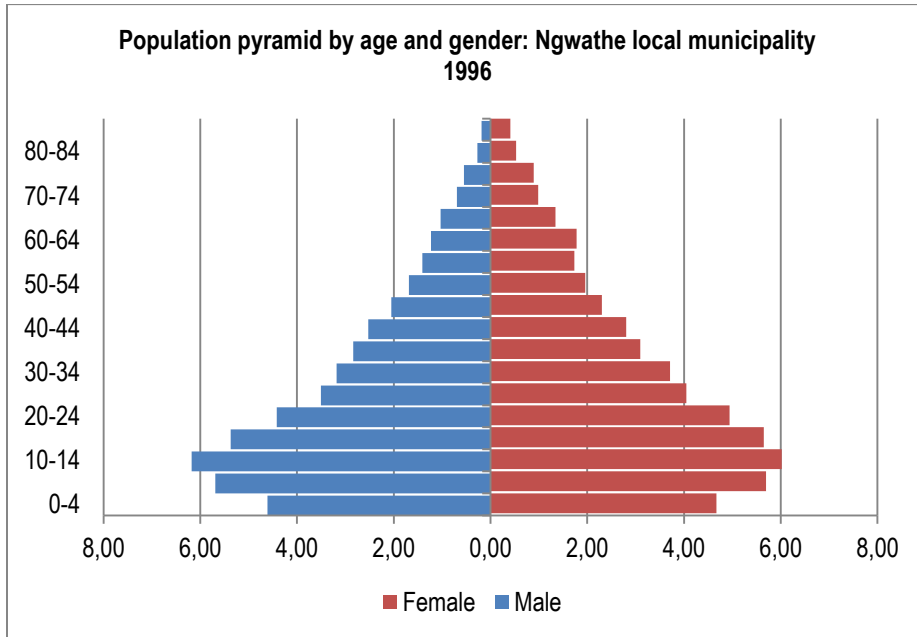
Table B1: Population and population growth rates by municipality, Fezile Dabi District, 1996, 2001 and 2011

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

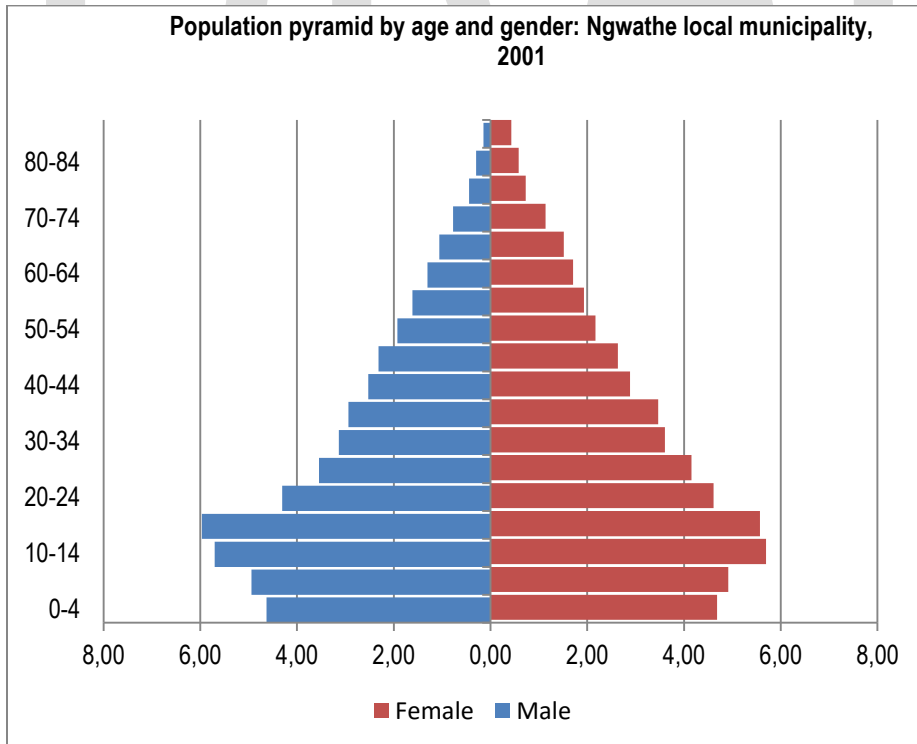
Table B1 indicates that Ngwathe Local Municipality experienced a negative growth from 1996 to 2001. This means that the municipality is losing people either to other municipalities or to other provinces.

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



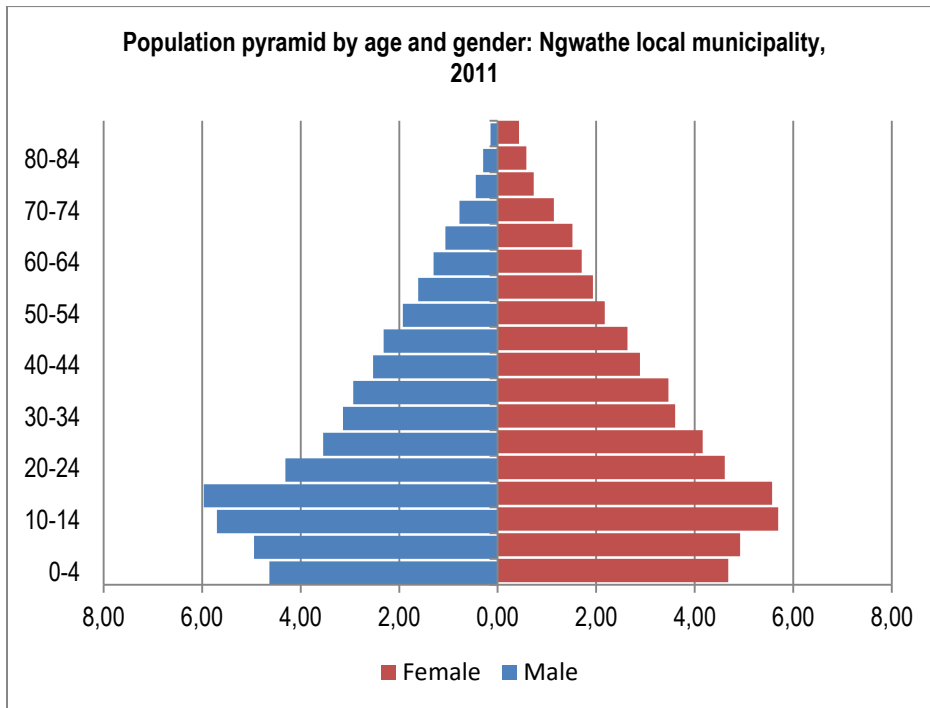
Source: STATSSA, Census 1996

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



Source: STATSSA, Census 2001

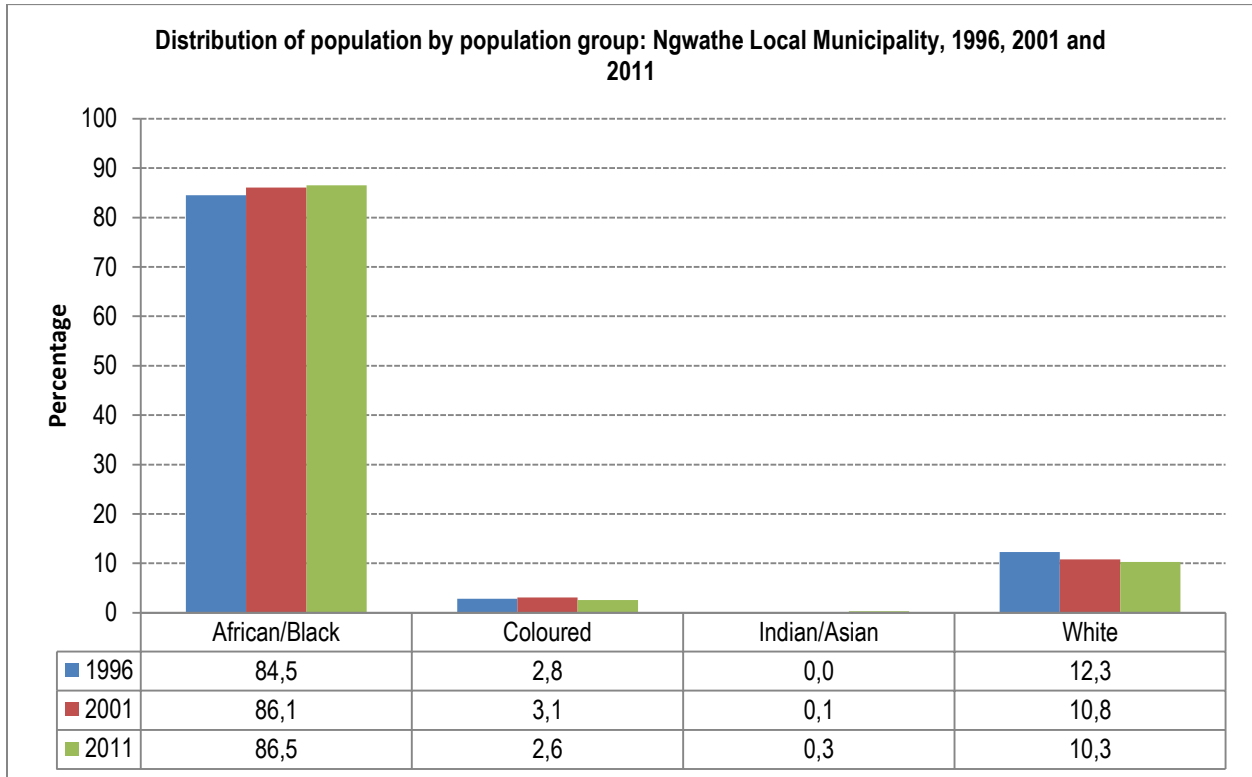
Figure B3: Population pyramid by age group and gender, 2011



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

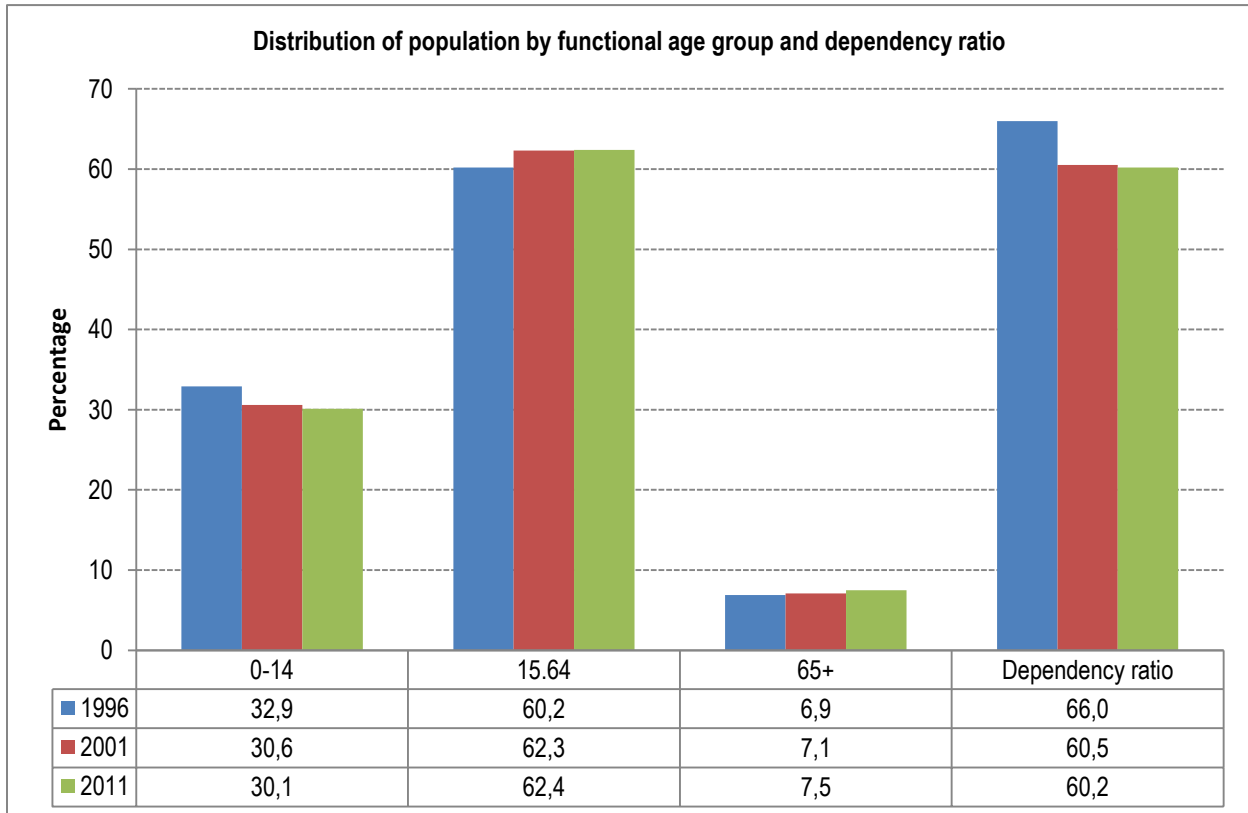
Figure B4 shows that the municipality consists of the large number of Black African population followed by whites then coloureds. Though the Indian population is the smallest it has been growing from less than 0.1% in 1996 to 3% in 2011.

Table B2: 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.

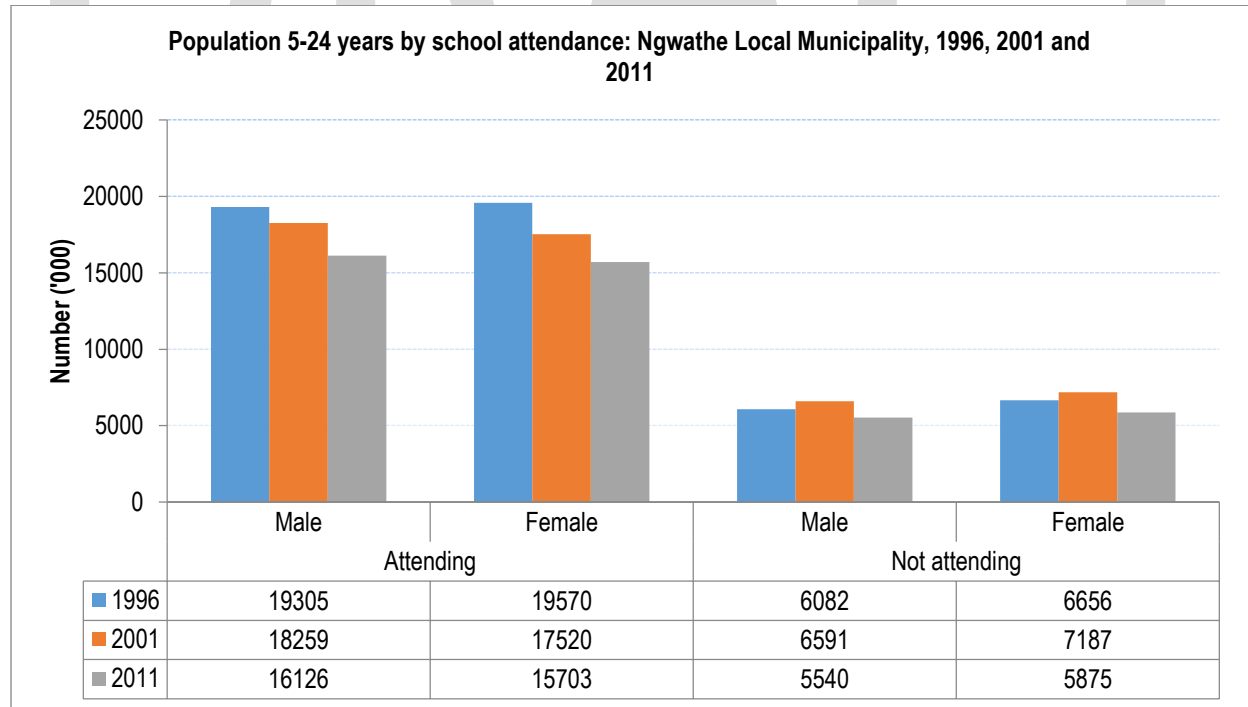
3. Socio Economic Indicators

Table B3: 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 B4: 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 half of the labour force was unemployed.

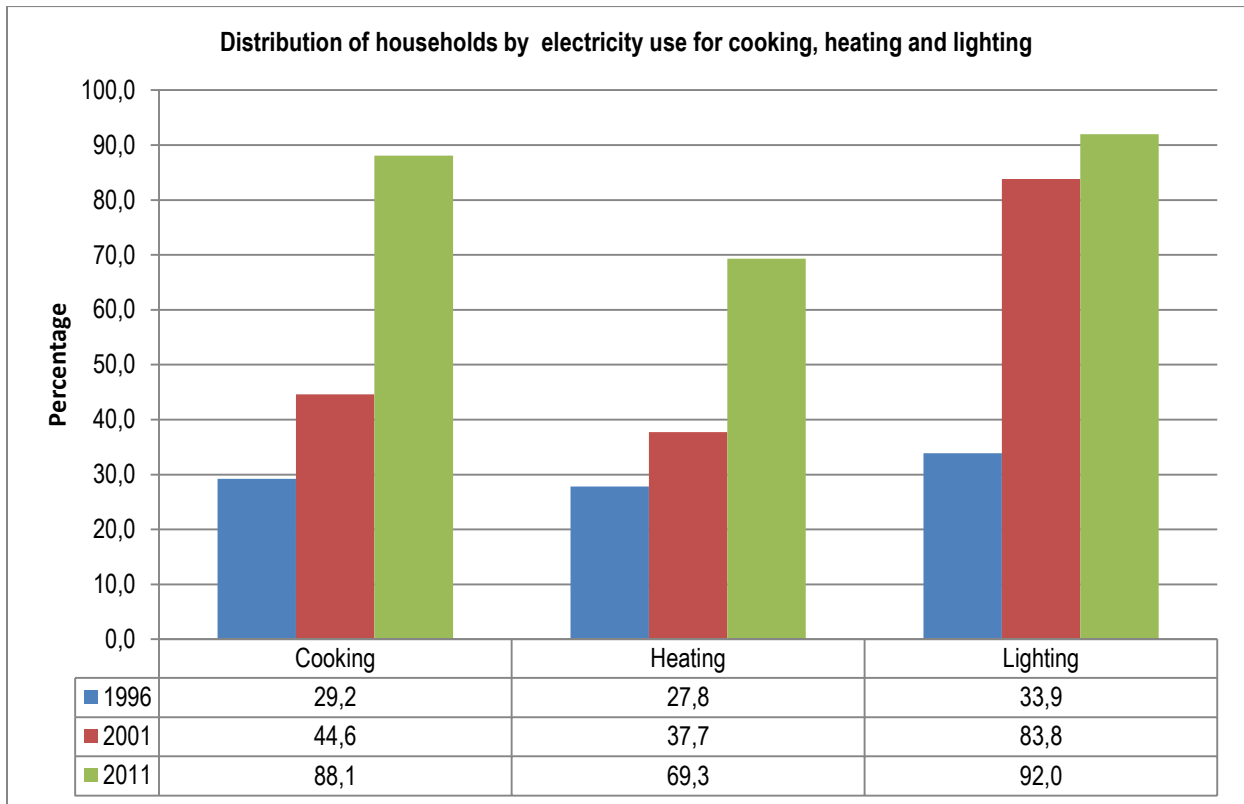
Table B5: Number of households and the average household size: Ngwathe LM, 1996 2001 and 2011

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.

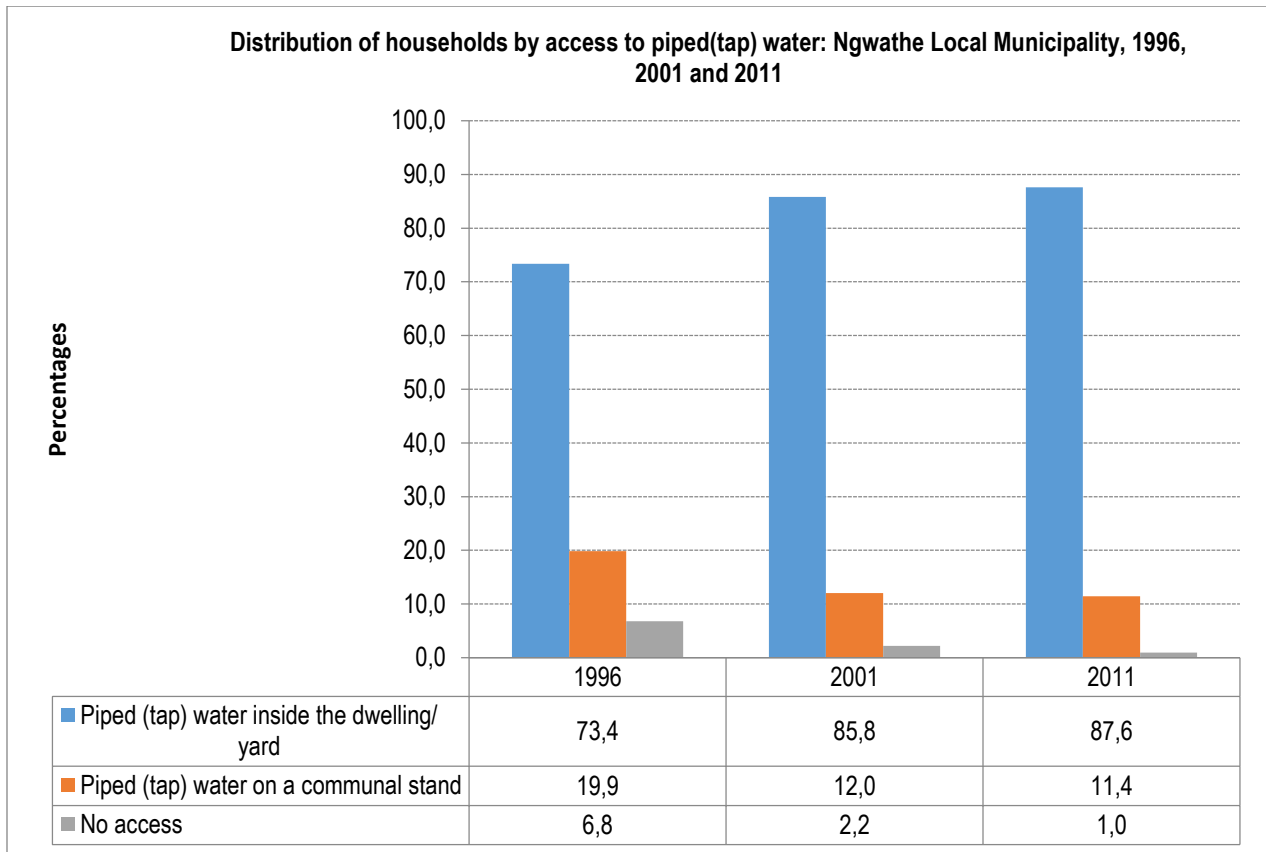
Figure B7: Distribution of households by electricity use for cooking, heating and lighting: Ngwathe LM, 1996 2001 and 2011



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.

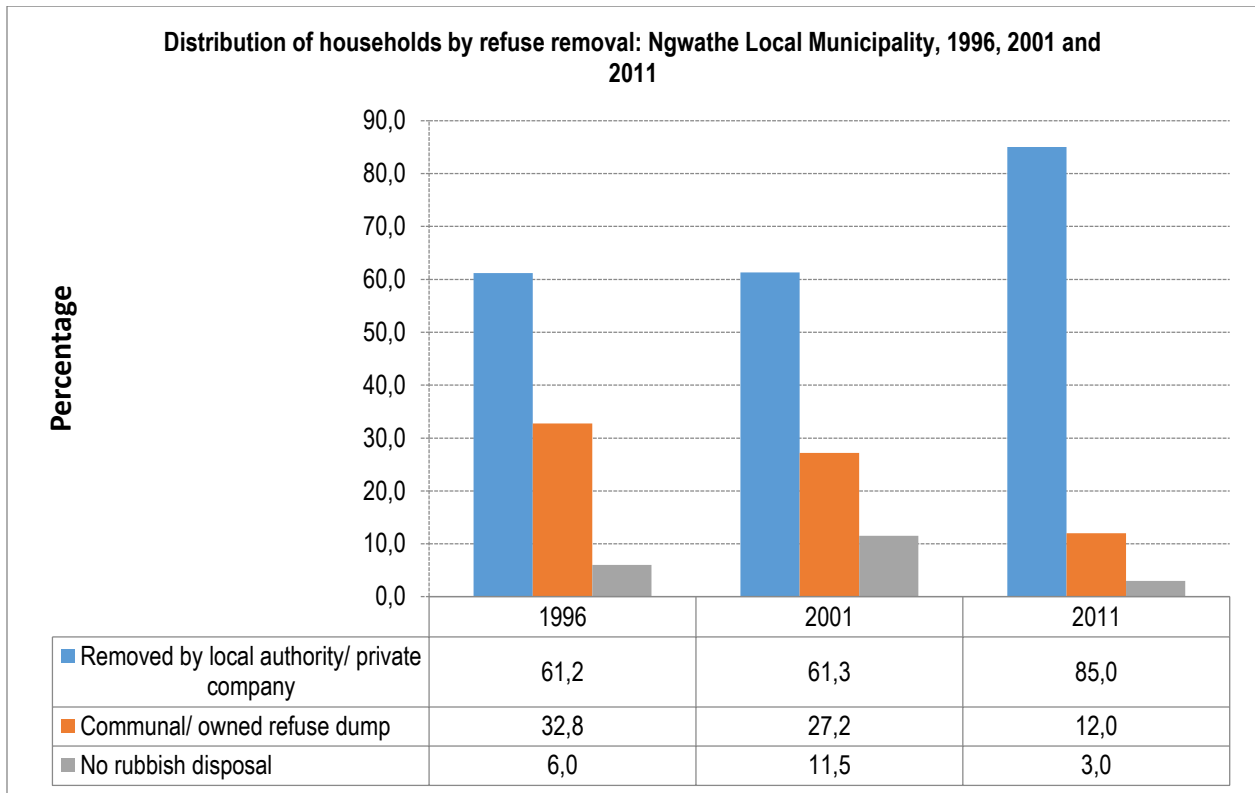
Figure B8: Distribution of households by access to piped (tap) water: Ngwathe LM, 1996, 2001 and 2011



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.

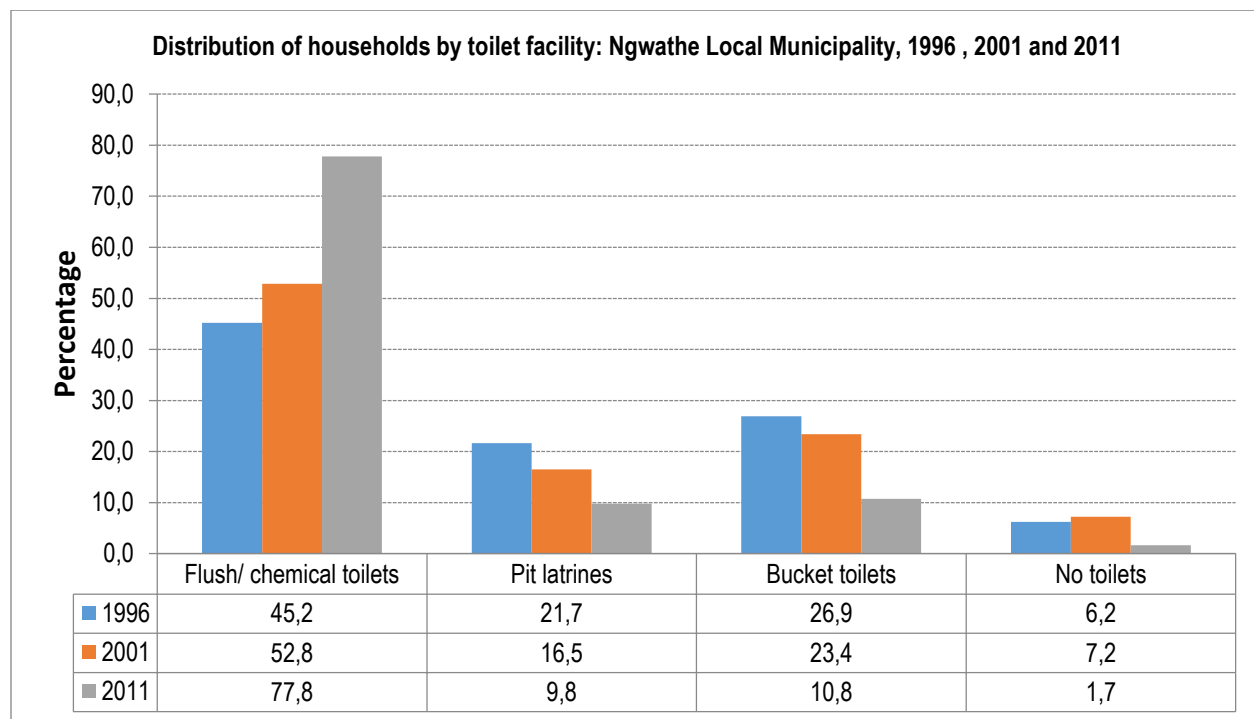
Figure B9: Distribution of households by refuse removal: Ngwathe LM, 1996, 2001 and 2011



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 B6: Distribution of child headed households: Ngwathe LM, 1996, 2001 and 2011

	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 and Parastatal 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
2	Old Location	663	663			None
	New Location	793	793			Increase Pressure from Pipes & Valves.

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
3	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
4	Thekiso Sec.	375	375			None
	Phahameng Sec.	186	186			None
	Metampelong Sec.	60	60			None
	Phumasebethane Sec.	201	201			None
5	Marantha Sec.	148	148			
	Naledi Sec. (Mapetla)	264	264			
	2000 Sec.	192	192			
	Lahlumlenze Section	94	94			
	Masakaneng	143	143			
	Dikerekeng (churches)	152	152			
	Sunshine	238	238			
6	Mandela Sec.	303	303			
	Mbeki Sec.	197	197			
7	Airport	588		588	588	Use of Communal Taps

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
	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
8	Mandela Sec.	1080	1080			
	Mbeki Sec.	694	694			
	Tambo Sec.	989	989			
9	Lusaka Sec.	1753	1753			Water pressure be increased from reservoir
	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			

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
	Phelandaba	637	637			
12	Old Location	739	739			
	B- Section					
	Zone 6	458	458			
	Majugadra					
13	Hospital View	1217	1217			
	Golf Estate	106	106			
14	Schonkenville	1219	1219			
	Zone 6					
	Sisulu Sec.					
15	Mandela Sec.	741	741			None
	Metampelong	44	44			
	Thola Sec.	197	197			None
	Old Location	415				
16	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
17	Ward 17	1751	1751			None

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
18	Vaal Parys	2164	2164			
19	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			
20	Vredeshoop	102	102			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
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

5.3.1 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.

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
2	Old Location	663	663			None
	New Location	793	793			Connection at stand 210 to be done through Rapid Bucket Eradication
3	Heilbron Town	457	457			None
	Mapetla Sec	151	151			None
	Marantha Sec.	343	343			None
	Zondi Sec.	124	124			
	Maponya Section	246	246			
	Mooi Dorpie	41	41			
4	Thekiso Sec.	375	375			
	Phahameng Sec.	186	186			None
	Metampelong Sec.	60	60			Connections currently done under Bucket Eradication Programme
	Phumasebethane Sec.	201	201			None
5	Marantha Sec.	148	148			None
	Naledi Sec. (Mapetla)	264	264			

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
	2000 Sec.	192	192			
	Lahlumlenze Section	94	94			
	Masakaneng	143	143			
	Dikerekeng (churches)	152	152			None
	Sunshine	238	238			None
6	Mandela Sec.	303	303			
	Mbeki Sec.	197	197			Rapid Bucket Eradication Contractor project on-going
7	Airport	588		588	588	59 Households using VIP Toilets which are serviced twice a year
	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
8	Mandela Sec.	1080	1080			
	Mbeki Sec.	694	694			
	Tambo Sec.	989	989			
9	Lusaka Sec.	1753	1753			None
	Vuka Sec.	1352	1352			None

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
	Metampelong	257	257			None
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	Old Location	739	739			
	B- Section					
	Zone 6	458	458			
	Majugadra					
13	Hospital View	1217	1217			
	Golf Estate	106	106			
14	Schonkenville	1219	1219			
	Zone 6					
	Sisulu Sec.					
15	Mandela Sec.	741	741			None
	Metampelong	44	44			
	Thola Sec.	197	197			None

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
	Old Location	415				
16	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
17	Ward 17	1751	1751			None
18	Vaal Parys	2164	2164			
19	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			
20	Vredeshoop	102	102			None
	Vredefort	646	646			None

5.4 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

5.4.1 Waste Management Sector Plans

NLM has the following Waste Management Sector Plans:

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

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		1 Licensed and 4 Unlicensed landfill sites
Licensing and compliance	Unavailable	
Trade Effluent Policy	Unavailable	
Environmental recycling	Available	
Operational and Maintenance Plan	Available	
Waste Management Fleet	Available	Insufficient Staff
Personnel and staff	Available	

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:

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

5.4.2 Land Fill Sites

The municipality has the following 5 land fill sites

Town	Status	Responsibility
Parys	Unlicensed	MISA
Vredefort		
Koppies		
Edenville		
Heilbron	Licensed	DESTEA

5.4.3 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	Old Location	663	663			
	New Location	793	793			

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
3	Heilbron Town	457	457			
	Mapetla Sec	151	151			
	Marantha Sec.	343	343			
	Zondi Sec.	124	124			
	Maponya Section	246	246			
	Mooi Dorpie	41	41			
4	Thekiso Sec.	375	375			
	Phahameng Sec.	186	186			
	Metampelong Sec.	60	60			
	Phumasebethane Sec.	201	201			
5	Marantha Sec.	148	148			
	Naledi Sec. (Mapetla)	264	264			
	2000 Sec.	192	192			
	Lahlumlenze Section	94	94			
	Masakaneng	143	143			
	Dikerekeng (churches)	152	152			
	Sunshine	238	238			
6	Mandela Sec.	303	303			
	Mbeki Sec.	197	197			
7	Airport	588				

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
	Moherepa	416	416			
	Greenfield	352				
	Metampelong	233	233			
	Moutainview	163	163			
	Bombas	105	105			
8	Mandela Sec.	1080	1080			
	Mbeki Sec.	694	694			
	Tambo Sec.	989	989			
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	Old Location	739	739			
	B- Section					

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
	Zone 6	458	458			
	Majugadra					
13	Hospital View	1217	1217			
	Golf Estate	106	106			
14	Schonkenville	1219	1219			
	Zone 6					
	Sisulu Sec.					
15	Mandela Sec.	741	741			
	Metampelong	44	44			
	Thola Sec.	197	197			
	Old Location	415				
16	Chris Hani	160	160			
	Phahameng Sec.	218	218			
	Mapetla Sec.	1118	1118			
	Tambo Sec.	602	602			
	Old Locaton	246	246			
17	Ward 17	1751	1751			
18	Vaal Parys	2164	2164			
19	Chris Hani	241	241			
	Mandela Section	383	383			

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
	Phahameng	241	241			
	Old Location	221	221			
	Moipone Nketu	355	355			
	New Stands	67	67			
	Extension 4	195	195			
	Edenville	521	521			
20	Vredeshoop	102	102			
	Vredefort	646	646			

5.4.4 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)

5.4.5 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 Winnie, Zuma, Mbeki due to lack refuse bins.

5.5 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

5.5.1 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	Old Location	663	663			
	New Location	793	793			
3	Heilbron Town	457	457			
	Mapetla Sec	151	151			
	Marantha Sec.	343	343			
	Zondi Sec.	124	124			
	Maponya Section	246	246			
	Mooi Dorpie	41	41			
4	Thekiso Sec.	375	375			
	Phahameng Sec.	186	186			
	Metampelong Sec.	60	60			
	Phumasebethane Sec.	201	201			
5	Marantha Sec.	148	148			
	Naledi Sec. (Mapetla)	264	264			

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
	2000 Sec.	192	192			
	Lahlumlenze Section	94	94			
	Masakaneng	143	143			
	Dikerekeng (churches)	152	152			
	Sunshine	238	238			
6	Mandela Sec.	303	303			
	Mbeki Sec.	197	197			
7	Airport	588				
	Moherepa	416	416			
	Greenfield	352				
	Metampelong	233	233			
	Moutainview	163	163			
	Bombas	105	105			
8	Mandela Sec.	1080	1080			
	Mbeki Sec.	694	694			
	Tambo Sec.	989	989			
9	Lusaka Sec.	1753	1753			
	Vuka Sec.	1352	1352			
	Metampelong	257	257			
10	Tokoloho Sec.	667	667			

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
	Skotiphola	694	694			
	Zuma Sec.	369	369			
	Winnie Sec.	440	440			
11	Sisulu Sec.	827	827			
	Ghana	890	890			
	Phelandaba	637	637			
12	Old Location	739	739			
	B- Section					
	Zone 6	458	458			
	Majugadra					
13	Hospital View	1217	1217			
	Golf Estate	106	106			
14	Schonkenville	1219	1219			
	Zone 6					
	Sisulu Sec.					
15	Mandela Sec.	741	741			
	Metampelong	44	44			
	Thola Sec.	197	197			
	Old Location	415				
16	Chris Hani	160	160			

Ward	Name of settlement	Number of households	Service Level			Intervention required
			Above RDP	Below RDP	No service at all	
	Phahameng Sec.	218	218			
	Mapetla Sec.	1118	1118			
	Tambo Sec.	602	602			
	Old Locaton	246	246			
17	Ward 17	1751	1751			
18	Vaal Parys	2164	2164			
19	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			
20	Vredeshoop	102	102			
	Vredefort	646	646			

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:
 - a) Spatial dimensions;
 - b) Poverty / gender aspects;
 - c) Environment dimensions;
 - d) Local economic dimensions;
 - e) Institutional dimensions; and
 - f) 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*

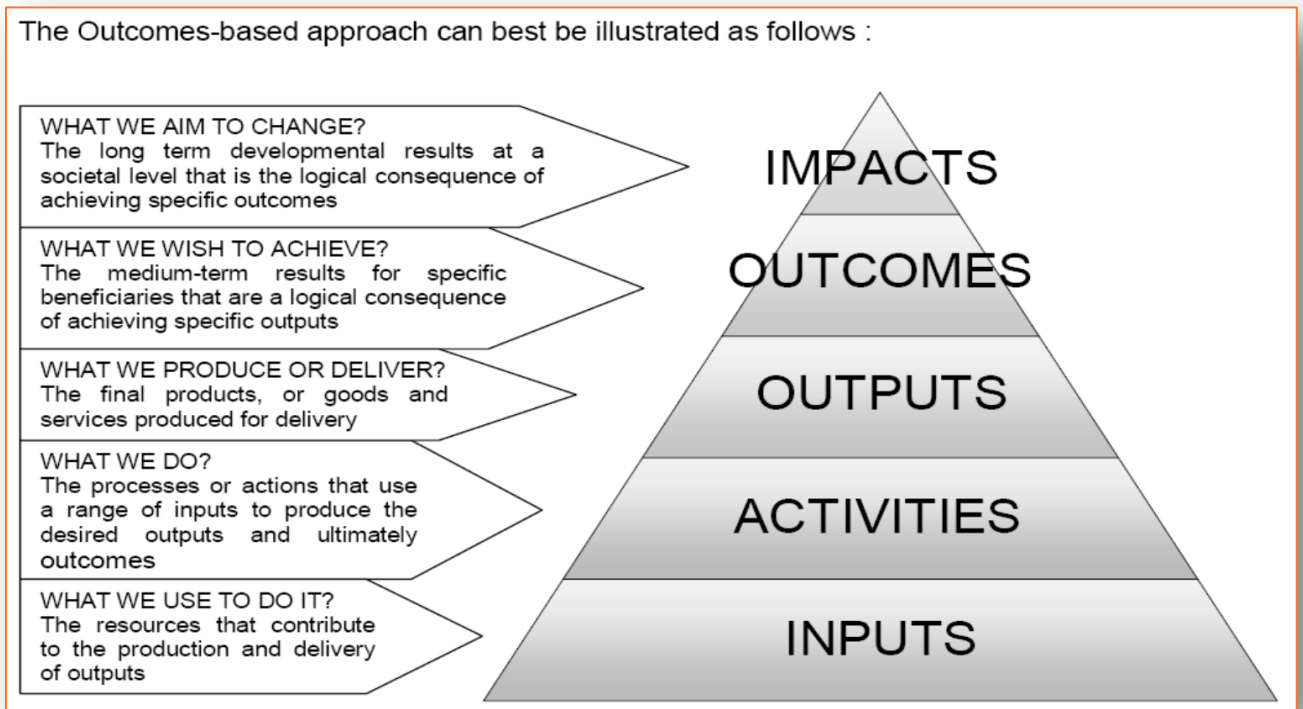
- 9) *A responsive, accountable, effective and efficient local government system*
- 10) *Environmental assets and natural resources that are well protected and continually enhanced*
- 11) *Create a better South Africa and contribute to a better and safer Africa and world*
- 12) *An efficient, effective 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.

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	Revitalising agriculture and the agro-		

National Priority		Aligned Ngwathe LM Priorities	
		Priority	Active measures to be taken
	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	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.

National Priority		Aligned Ngwathe LM Priorities	
		Priority	Active measures to be taken
			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 C1: 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.

PROGRAMME / 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 C2: Strategic Outcome Oriented Goals of the municipality

Goal Nr	Strategic Outcome Oriented Goal Description (SOOG)	Goal Statement
1	Good Governance & Public Participation	Improve transparency, accountability and regular engagements with communities by ensuring that governance structures must be functional and meet regularly and implement responsive and accountable processes to communicate
2	Delivery of Basic Services	Ensure infrastructure maintenance and repairs to reduce losses with respect to water, electricity, roads, and
		Ensure the provision of Free Basic Services and the maintenance of Indigent register.
3	Sound financial management and viability	Ensure that the municipality has and maintains a functional financial management system which includes rigorous internal controls.
4	Build capable institution and administration	Enforce competency standards for managers and appoint persons with the requisite skills, expertise and qualification.
5	Stimulate local economic growth	Increased local economic growth, employment creation and development initiatives within the context of sustainable development by creating and 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 Outcome 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 Objectives: Improve Organisational Cohesion and Effectiveness	
Pre-Determined Objective: To Provide Democratic And Accountable Government For Local Communities	
<ul style="list-style-type: none"> Information Technology (IT) 	Yes, the Municipality have IT system support. Exist 5 IT Officers per Unit. The Unit does not have IT Manager. There is Draft IT policy awaiting Council approval
<ul style="list-style-type: none"> Availability of Skilled Staff 	60% of employees are skilled. The Municipality conducted skills audit focus was on Councillors, Finance and Water Department.
<ul style="list-style-type: none"> Organisational Structure 	The Municipality is using 2007 October Organogram; there are critical posts that need to be filled before 2016 the end financial year.
<ul style="list-style-type: none"> Vacancy Rate 	133 vacant posts including the critical ones, the vacancy rate is at 40%
<ul style="list-style-type: none"> Skills Development Plan 	Is not available, the draft WSP was done, Submitted to LGSETA on the 07/04/2015.
<ul style="list-style-type: none"> Human Resource Strategy/Plan 	Policy available, implementation and due for review
<ul style="list-style-type: none"> Individual Performance and Organisational Management System 	PMS Framework was adopted by Council in October 2015, the status is on the implementation stage
<ul style="list-style-type: none"> Monitoring and Evaluation and reporting processes and systems 	The Unit is not available, Function is performed in Strategic Support Management Unit (MM)

KPA 2: Basic Service Delivery and Infrastructure Investment

Priority Area: Water Provision		
Pre-Determined Objective: To ensure the provision of services to communities in a sustainable manner		
Strategic Objectives	Justification	Baseline
•		
•		
•		
•		
•		
•		
•		

Priority Area: Electricity Provision		
Pre-Determined Objective: To ensure the provision of services to communities in a sustainable manner		
Strategic Objectives	Justification	Baseline
•		
•		
•		
•		
•		
•		
•		
•		
Priority Area: Sanitation Provision		
Pre-Determined Objective: To ensure the provision of services to communities in a sustainable manner		
Strategic Objectives	Justification	Baseline
•		
•		
•		
•		
•		
•		
•		
•		
Priority Area: Refuse Removal		
Pre-Determined Objective: To ensure the provision of services to communities in a sustainable manner		
Strategic Objectives	Justification	Baseline
•		
•		
•		
•		
•		
•		
•		
•		

Priority Area: Community Services / Facilities		
Pre-Determined Objective: To ensure the provision of services to communities in a sustainable manner		
Strategic Objectives	Justification	Baseline
•		
•		
•		
•		
•		
•		
•		
•		
Priority Area: Roads & Storm Water Drainages		
Pre-Determined Objective: To ensure the provision of services to communities in a sustainable manner		
Strategic Objectives	Justification	Baseline
•		
•		
•		
•		
•		
•		
•		
•		

KPA 3: Local Economic Development

Strategic Objectives: Create an Environment that promotes the development of the local economy and facilitate job creation	
Pre-Determined Objective: To promote social and economic development	
• LED Strategy	The strategy has been approved by Council on the 07/11/2014. LED Unit is available, Acting LED Manager and three (3) Supporting Staff (LED, Tourism & Agriculture)
•	

KPA 4: Financial Viability & Management

Strategic Objectives: To improve overall financial management in the Municipality by developing and implementing appropriate Financial Management policies, procedures and Systems	
Pre-Determined Objective: To promote social and economic development	
• Tariff Policy	Implementation of the policy, Fully Implemented
• Rates Policy	The policy is fully implemented
• SCM Policy (In place)	The Council of Ngwathe Local Municipality adopted an amended SCM policy on the 29 May 2015. Section 3 of the SCM Policy states that when the Accounting Officer considers it necessary, he may submit proposals for the amendment of this Policy to Council, and such amendments must comply with the legislative requirements. National Treasury and the circulars issued, prompt that the SCM Policy be revised and amended accordingly to align it with the legislative requirements. The policy was amended and adopted by Council on the 29th May 2015 in order to be in line with the National Treasury
• Payment of Creditors	<p>The accounting officer of a municipality is responsible for the management of the expenditure of the municipality and must take all reasonable steps to ensure—</p> <p>that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure;</p> <p>The municipality has not been able to honour payments within 30 days of invoice; this is mainly due to financial constraints and the huge debts that the municipality finds itself in E.g. stealing of electricity, cables, excessive overtime pay-outs etc..</p> <p>Our largest creditor account is Eskom and the arrears to the account have not been settled and current account has not been fully maintained as a result of poor cash flow and stolen electricity sold at a very low cost by electricity thieves.</p> <p>The municipality has developed a team working on the improvement of revenue enhancement strategy, identifying all key elements that contribute towards the municipality being bankrupt and have embarked on patala ditshebeletso campaign, encouraging consumers to pay for their services, management team together with the electricians were doing house visits in ensuring that the electricity meters were in order and cutting off electricity for those that are not abiding to the rules.</p> <p>To date the municipality has lost between R10m to R15m only on electricity and cabling theft, this is the money that could be used to service our creditors on time.</p>

	However, the municipality is striving towards servicing its creditors and bettering the financial state of affairs.
<ul style="list-style-type: none"> SCM Staffing 	SCM Manager – Acting (Vacant) Assistant SCM – Acting (Vacant) 4 Procurement Officers (Filled)
<ul style="list-style-type: none"> Financial Management System 	The Municipality is in use of 1 financial system – e-Venus and 4 other system namely: <ul style="list-style-type: none"> PAYDAY – used for payroll CASHFOCUS – used for electronic payments CASHDRAWER – used for sale of electricity

KPA 5: Good Governance & Public Participation

Strategic Objective: Promote a Culture of participatory and Good Governance	
Pre-Determined Objective: To promote social and economic development	
<ul style="list-style-type: none"> Internal Audit 	<p>We comprise of Four Personnel in the unit which is:</p> <p>Mr Lebohang Moseme - Internal Audit Manager</p> <p>Mr Shashape Morabe - Internal Audit Officer</p> <p>Mrs Matuku Makgele - Internal Audit Officer</p> <p>Ms Mamokoena Maseko - Internal Audit Intern</p> <p><u>Audit Committee</u></p> <p>Our Municipality has a shared Audit Committee, Which comprises of the following personnel:</p> <p>Mr N Mokhesi - Chairperson</p> <p>Mr MNG Mahlatsi - Member</p> <p>Mr E Mohlahlo - Member</p> <p>Mrs JV Mokhethi - Member</p> <p><u>Oversight Committee</u></p> <p>Cllr J Mochela - Chairperson</p> <p>Cllr GP Mandelstam</p> <p>Cllr C Serfontein</p> <p>Cllr M Serathi'</p>

	<p>Cllr N Mopedi</p> <p>Cllr TL Vandisi</p> <p>Cllr A Schoonwinkel</p> <p><u>Supply Chain Committees</u></p> <p><u>Bid Evaluation Committee</u></p> <p>Mr T Mathibeli - Chairperson</p> <p>Mrs K Mtimkulu - Member</p> <p>Mr LA Marumo - Member</p> <p>Mr Z Majivolo - Member</p> <p>Mr J Mosala - Member</p> <p>Mr H Coetzer - Member</p> <p><u>Bid Ajudication Committee</u></p> <p>Mrs T Mkhuma - Chaiperson</p> <p>Mr NE Shabalala - Member</p> <p>Mr P Tsekedi - Member</p> <p>Mr BA Netshivhodza - Member</p> <p><u>Bid Specification Committee</u></p> <p>Mr T Mpindo - Chairperson</p> <p>Mr C Pule - Member</p> <p>Me L Mbalo - Member</p> <p>Mr M Pietersen - Member</p> <p>Mr ZC Ngubentombi - Member</p>
<ul style="list-style-type: none"> Complains Management System 	The system is available, identified employees attended the Provincial training from Ngwathe Units
<ul style="list-style-type: none"> Fraud Prevention Plan 	The plan is available, Risk management unit developed and processed Draft Prevention plan awaiting Council Approval
<ul style="list-style-type: none"> Communication Strategy 	The Strategy is available
<ul style="list-style-type: none"> Public Participation Strategy/Plan 	Plan is available on the review stage

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 (SOEDs) 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 Presidential Infrastructure Coordinating Commission (PICC) Projects

In 2012 Government adopted an 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, seventeen Strategic Integrated Projects (SIPs) have been developed and approved to support economic development and address service delivery in the poorest provinces. Each SIP comprise of a large number of specific infrastructure components and programmes.

The following are the SIPs that are contained in the Infrastructure Plan which impact on the municipality and thus need to be recognized and where appropriate, the municipality's project will be aligned with these SIPs in an effort to respond to national government's service delivery initiatives.

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 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 to support biofuel production facilities.

4.2.3 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 address historical imbalances.

4.2.4 Electricity Transmission and Distribution for all (SIP 10)

SIP 10 focuses on expand the transmission and distribution network to address historical imbalances, provide access to electricity for all and support economic development. Align 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.

4.3 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;
 - 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 Board 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 Board Members 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.

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.

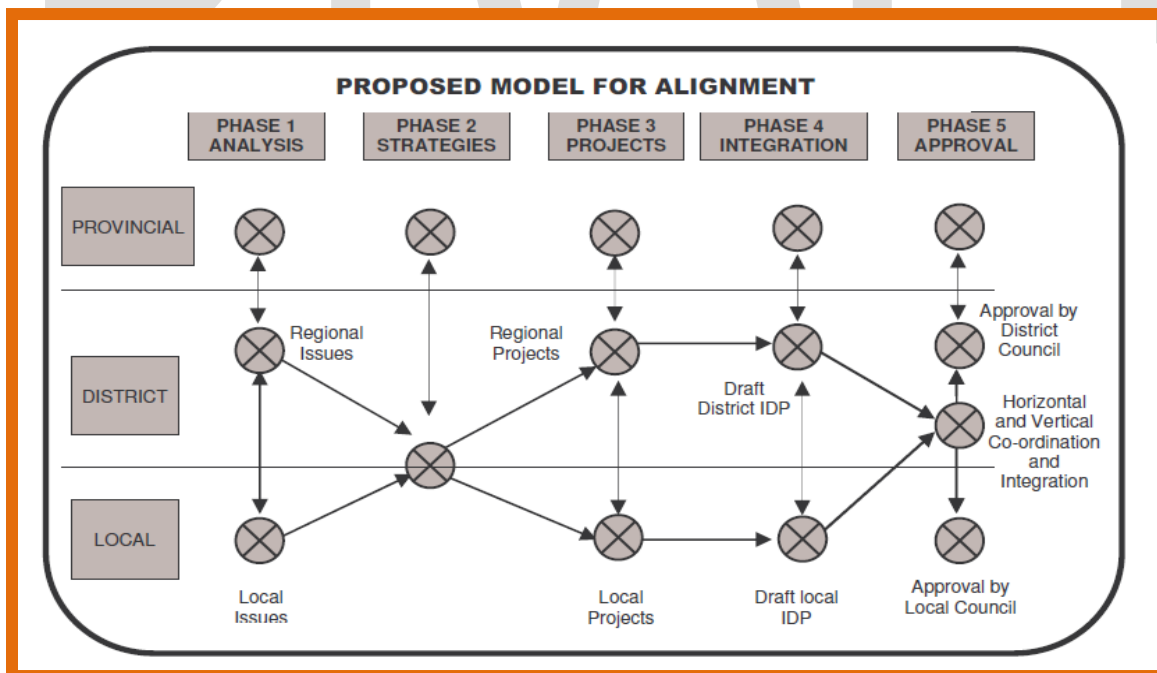
The development of the Long Term Growth and Development Strategy, based on the vision, must encourage and allow for the meaningful contributions of the broader community, all spheres of government, traditional authorities, business, labour and other non-state actors. Such a process will result in the 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 Spisys 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. 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

Development Directive	Explanation and Implications
	<p>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</p> <ul style="list-style-type: none"> • 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.
<p>Sustainable Economic Development</p>	<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 District, 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 Local Municipalities 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 Local IDPs become guiding tools as opposed to regulatory requirements. Ultimately, there is a need to facilitate a development balance within province both geographically and sectorally.

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 • 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

Development Perspective	Objective
	<ul style="list-style-type: none"> • To address the pollution of water catchments by industrial activity • To address environmental issues relating to waste disposal • To promote environmental awareness
Urban Renewal and Regeneration	<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
Economic Development and Job Creation	<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.
Transportation	<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
Tourism	<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 four priority areas of intervention by the province, namely;

- Economic Development and Employment Creation;
- Social and Human Development;
- Justice and Crime Prevention;
- Efficient Administration and Good Governance

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. The entire structure or 'package' of plans is to be recorded and managed in terms of a standard Spatial Planning Information System (SPISYS).

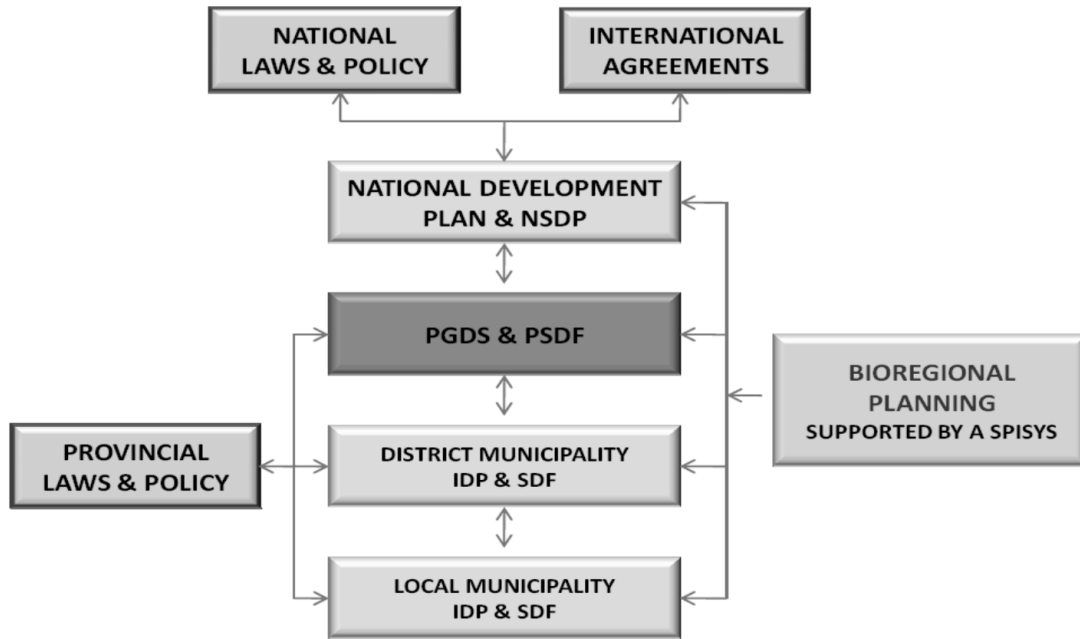


Figure 7: Structure of Plans working within Government

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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
Metropolitan Municipalities	<ul style="list-style-type: none"> • Prepare and IDP • Adopt an IDP
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	

Sphere of Government	Roles and Responsibilities
DCoG	<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

The financial plan includes an Operating Budget and the Capital Investment Programme per source of funding for the Medium Term Revenue and Expenditure Framework (4 years). The estimates are guided by a National Treasury Gazette and Priorities from IDP.

The annual budget is the central financial planning document that embodies all operating revenue and expenditure decisions. It establishes the level of services to be provided by each department. The accounting officer shall incorporate the municipality's priorities in the formulation of the draft and the final budget proposal. The budget will be subject to monthly control and be reported to Council with recommendations of action to be taken to achieve the budget's goal. The budget will be subject to a mid-term review. Adequate maintenance and replacement of the municipality's capital plant and equipment will be provided for in the annual budget. The budget shall balance recurring operating expenses to recurring operating revenues. The budget will have Revenue plans based on realistically expected income and expenditure figures.

2. Financial Management Strategies

One of the key financial management strategies is to focus on Revenue Protection so as to ensure that the municipality's revenue is collected to its maximum ability. The following are some of the more significant financial management programmes that forms part of the municipality's financial plan.

a) Budget & Reporting

National Treasury issued Municipal Budget and Reporting Regulation in 2008 in accordance with the relevant provisions of the MFMA. The regulations provides a coherent framework for budget preparation and subsequent reporting thereon. It is therefore imperative that we consistently comply with these regulations in matters pertaining to budgeting and financial reporting.

b) Financial Statements

The municipality's financial statements have to fully comply with the standards of GRAP. In order to show effective compliance with these and other standards will also necessitate an amendment

to the finance organogram. Due to internal capacity challenges, preparation of annual financial statements will continue to be a function that is outsourced to the external service providers in the foreseeable future.

c) Borrowing Costs

This should indicate the maximum average borrowings ratio inclusive of projects for the next three years. The list of projects the fund is earmarked for should also be indicated. It must also show the total amount of external loans for a certain period of years.

3. Financial Management and Revenue Raising Policies

a) Indigent Policy

The criterion for benefits under this scheme is part of the credit control policy. An indigents profile is kept up to date in a form of a register and a separate indigent policy has been developed in line with this. The application forms to qualify for the indigent support must be completed annually. The municipality may annually as part of its budgetary process, determine the municipal services and levels thereof which will be subsidized in respect of indigent customers in accordance with the national policy but subject to principles of sustainability and affordability.

An indigent consumer shall automatically be deregistered if an audit or verification concludes that the financial circumstances of the indigent customer have changed to the extent that he/she no longer meets the qualifications. The indigent customer may at any time request deregistration.

Currently, the municipality has a total of **XXXX (to be updated once the budget is finalised)** registered indigents who are distributed as follows per ward:

To be updated

Ward No.	1	2	3	4	5	6	7	8	9	10
Total indigents										
Ward No.	11	12	13	14	15	16	17	18	19	20
Total indigents										

The indigent support is provided for all the basic services as follows to all indigents:

Basic Service	Level of support	Amount
Electricity	50 kWh	
Water	6kl	
Refuse Removal	Monthly basic levy	
Sanitation	Monthly basic levy	
Total		

The total monthly cost of providing free basic services to the indigents therefore amounts to **XXXX (to be updated once the budget is finalised)**. Sufficient provision from the budget to cover these costs will be made and will be funded from the Equitable Share allocation.

b) Budget policies

The following budget related policies are available and are reviewed annually during planning phase:

- **Finance department to confirm:**

c) Credit control and debt collection policy

This policy together with the relevant work procedure manuals provides direction in areas of credit control, collection of amounts billed to customers, procedures for recovery of arrear accounts.

d) Tariff Policy

The purpose of this policy is to ensure that equitable tariffs are applied to the municipal area of jurisdiction.

e) Rates Policy

The Rates Policy is implemented in line with the Municipal Property Rates Act of 2004 and like all other budget related policies, has to be reviewed annually when the draft budget is submitted.

f) Free Basic Services

This indicates the list of income group which is excluded from any municipal payment. Qualification criteria for free basic services and application procedures are prescribed in the approved Indigent Policy.

4. Sources of Funding

The municipality's operations are mainly driven through the following sources of funding which are annually confirmed and then appropriated in the budget prior to approval by council:

XXXX (to be updated once the budget is finalised).

5. Supply Chain Management

Section 111 of the Local Government Municipal Finance Management Act (MFMA) requires municipalities to develop and implement the supply chain management policy. The principle objective of the legislation has been to comply with Section 217 of the Constitution, which among other things states that when contracting for goods and services the system must be fair, equitable, transparent, competitive and cost effective. The supply chain management system is applicable for the:

- Procurement by the municipality of all goods and services works.
- Selection of contractors to provide assistance in the provision of municipal services.

6. Subsidies & Grants

The municipality is a recipient of various grants from the national government mainly for development of infrastructure and subsidisation of poor communities for municipal services. The grants are gazetted annually in terms of the Annual Division of Revenue Act and are included in the municipality's budgets as available source of funding for those programmes that are aligned to each specific grant or subsidy.

The table below provides an overview of various grants allocation to Ngwathe Local Municipality for the 2016/17 Medium Term Revenue & Expenditure Framework (MTREF):

To be updated once the budget is finalised

7. Financial Framework

To be updated once the budget is finalised

8. Asset Management Strategies

The objective of the asset strategy is to give effect to asset management policy of the municipality which prescribe the accounting and administrative policies and procedures relating to property, plant and equipment (PPE), which are fixed assets of the municipality. The Municipality must ensure that the asset management system is fully implemented and functional. There is a need for the municipality to identify all the unutilised assets so that they can be disposed of.

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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 (2000 as amended in 2002) 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 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</p>

Report Type	Description
	<p>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 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

Report Type	Description
	<p>statements);</p> <ul style="list-style-type: none"> • 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 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:

Report Type	Description
	<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.