

# 2023/24 IDP REVIEW



**Ngwathe**  
MUNICIPALITY

The home of harmony, prosperity and growth

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## ABBREVIATIONS:

Abbreviations	Explanations
ANC	African National Congress
AG	Auditor General
CFO	Chief Financial Officer
COGTA	Cooperative Governance and Traditional Affairs
DA	Democratic Alliance
DDM	District Development Model
EFF	Economic Freedom Fighters
FSPGDS	Free State Provincial Growth and Development Strategy
IDP	Integrated Development Plan
IGR	Inter- Governmental Relations
KPI	Key Performance Indicator
KPA	Key Performance Areas
LDOs	Local Government Development Objectives
LLF	Local Labour Forum
MAYCO	Mayoral Committee
MTSF	Medium Term Strategic Framework
MEC	Member of the Executive Council
MMC	Member of the Mayoral Committee
MFMA	Municipal Finance Management Act
MM	Municipal Manager
MSCOA	Municipal Regulations on Standard Chart Accounts
NDP	National Development Plan
NSDP	National Spatial Development Perspectives
NLM	Ngwathe Local Municipality
NRA	Ngwathe Residents Association
PMS	Performance Management System
PR	Proportional Representative
PSDF	Provincial Spatial Development Framework
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial development Framework
SPLUMA	Spatial Planning and Land Use Management
SOP	Standard Operating Procedure
STATSSA	Statistics South Africa
VF	Vryheid fronts Plus
WSA	Water Service Authority

## Executive Mayor's Foreword



It is my humblest pleasure to present to council and the people of Ngwathe the IDP and Budget Review 2023/24 for the next financial year. The purpose of the IDP and budget review is to underscore that the IDP is not cast in concrete.

It is developed from a continuous process which must take into account the changing circumstances of communities, the changes in municipal responsibilities in terms of the division of functions and functions within the local sphere processes of decentralization of delivery functions from other spheres, and unpacking and giving reality to the philosophy of developmental local government,

This dynamic process necessitates contingency planning and continuous review of the IDP to ensure its flexibility and responsiveness to changes, without losing sight of the vision and long-term developmental objectives of Ngwathe Local Municipality.

The ongoing review culminates annually in a formal review, and the approval of the IDP, Budget and Performance Targets. The IDP Review process gives us an opportunity to adapt our strategic focus and objectives in line the set developmental goals, the National Development Plan, the State of the nation address, the State of the Province address and the Medium Term Budget Policy Statements. It also gives us an opportunity to review based on any policy changes introduced by relevant government departments.

The review plan reflects the envisaged humanitarian impact we aim to make in the Ngwathe Municipal's area of jurisdiction. The Humanitarian impact is reflected as part of the 2023/24 budget priorities, namely **Protection of the poor by sustaining the social safety net** (Indigent Support) as part of our overall strategy to address the effect of systematic barriers of socio economic inequality.

It is evident that the majority of the population the municipality serves are in informal settlements and townships that are poverty-stricken. This is more evident with the low rate of payment of municipal services. This therefore speaks directly to our business to the changing spatial patterns, population growth and political volatility. The increasing demand for water quality and sustained provisioning services demands that we need to urgently find appropriate solution to this complex situation of disruption and non-delivery of water to our communities.

The vision of the municipality adopted during the 5 year IDP enjoins us to find credible and innovative strategies to work together. We commit to work with all our strategic partners especially our large, medium and small business. We need to find a common ground engage stakeholders involved in Manufacturing, Tourism, Agriculture, Mining Arts and Culture and Retail on growing the economy of Ngwathe. This strategic engagement should ensure that barriers to entry for young people, disable person and women are eliminated. To this endeavor, the office of the Executive Mayor will continue to engage all established and new business enterprises to find solutions and work together through breakfast meetings. This is in line with our vision of building an inclusive local economy.

Addressing this strategic pillar which is one of the 5 KPAs, namely Local Economic Development, the strategic planning session held recently resolved to establish a directorate focusing on Economic Development and Tourism.

We appreciate the recent held strategic planning session in which four critical strategic areas of focus were deliberate and resolved upon. The four strategic areas of focus are, Draft **SDBIP** which is an operational plan contract linked to the IDP and Budget. The plan will be cascaded down to all employees as part of **new regulations and performance management system**. The second strategic area of focus is the development of the prioritized budget with specific priorities linked to the SDBIP and strategic objectives. The other strategic area of focus is the development of the **new staff establishment** which must help the municipality to achieve its strategic objectives as outlined in the IDP. The last strategic area of focus is the **delegation of authority** to directors and managers. This will go a long way of fostering a culture of productivity, responsibility and accountability.

We will continue to work with all our NGOs, CBOs to ensure that we build a culture of moral regeneration especially noting the amount of young people involved in drug abuse, teenage pregnancy. We will work together with them to fight all non-communicable and communicable disease so as to reduce the burden of diseases in our area of jurisdiction. We will jointly develop programs that enhance social cohesion working with other social partners such as the mining and business house.

On behalf of all councilors, we will continue working with all our municipal officials creating a culture of accountability, performance and ensure all change management principles are embraced.

We further confirm our accountability for the success of this IDP Review despite the challenges of low revenue. We are confident that we have identified appropriate talented human capital to ensure we realize the ambitions of this Plan. We have confidence in our management's capability to deliver on the Mandate of Ngwathe Local Municipality.

**Cllr Victoria De Beers - Mthombeni**  
**Executive Mayor**

## Acting Municipal Manager Executive Summary

The Local Government Municipal Systems Act (MSA) No.32 of 2000 as amended, and other relevant supplementary legislative and policy frameworks require that local government structures prepare and annually review their Integrated Development Plans (IDPs). In compliance with this legislation the Municipality's IDP provides the strategic framework that guides the municipality's planning and budgeting over the next financial year.

The current IDP is an annual document which is the review, assess and re-evaluate the municipality's development priorities and challenges and to accommodate new developments in the local governance processes. This document encapsulates the completed processes as part of the review of the IDP 2023 to 2024 for Ngwathe Local Municipality. The IDP development process identified a number of goals and objectives that are aimed at creating a pathway for the municipality to realise its vision. These goals and objectives are aligned to the five of the six Local Government Key Performance Areas (KPA's) as prescribed by the National Department of Cooperative Governance and Traditional Affairs (CoGTA).

The IDP review of 2023/24 reconfirm Ngwathe commitment to continue to serve the different communities in the 5 town. The strategic planning session has re-emphasised and recommitted the municipality to continue with its vision and mission as adopted during the development of the 5 year Intergrated Development Plan.

The **vision** of the municipality is as follow:

"A viable municipality with inclusive economy, sustainable development and quality services for all"

Whereas the **Mission** Statement is as follows:

"To provide affordable and quality municipal services and address triple challenges of poverty, unemployment and inequality, and promote sustainable development through cooperative, strategic partnerships and innovation"

The Vision dictates that the municipality should put into place all systems and mechanisms to grow and develop the economy of Ngwathe working with all relevant stakeholders. The strategic planning session acknowledged that the creation of an inclusive economy will need the municipality to work together with all large, medium and small enterprises involved in Manufacturing, Tourism, Arts and Culture, Mining, Retail and Agriculture operating in and around Ngwathe.

As part of taking forward the Vision and Mission, the municipality on its part had identified the following Budget Priorities for 2023/24 financial year.

Protection of the poor by sustaining the social safety net (Indigent Support). Building capacity for economic development and long term growth (Investment in Infrastructure). Creating an Environment for employment / labour intensive, opportunities through long term economic development and EPWP. Maintaining of existing infrastructure. Maintaining financial viability

Sustainability and Credibility. Responsiveness to socio economic conditions. Focus on National Development Plan. Effective and Efficient provision of services all residents. Eradication of backlogs in respect of basic services. Cleaning of all areas and keeping CBD's clean. Repairing of all potholes road maintenance and tarring of roads.

Effective and efficient service delivery does not only depend on funding / Budget, but mainly depend on the optimum usage of available resources (Personnel, equipment, inventory, and money).

It is worth noting that the municipality will not be able to implement all the priorities due to lack of funding. Currently, the municipality is only able to collect about 53 percent of revenue from rates and taxes to fund its operations from the residents.

In an attempt to progress towards collecting hundred percent rates and taxes, the municipality has adopted an amnesty programme which allows all residents who are in areas or have not be able to pay, to come forward and make necessary arrangements for sustained payment. The Amnesty also give those of the residents who might have been delinquent by bridging electricity and having connected illegally to come forward and be pardoned.

The municipality is still owing Eskom and this debt continues to be an albatross on the neck of the municipality and communities if not addressed.. It negatively impacts on the ability of the municipality to raise funding in the market. We can but hope that the proposed debt relief from Eskom in particular will help alleviate the debt challenge and will not serve as a punishment for the poor.

At its strategic planning session, the collective leadership and management of the municipality identified four strategic areas which needs to help the municipality to have synergy and deliver sustainable services to community. The four strategic areas are on the development of the draft SDBIP which is an operational plan. This plan will direct the entire body of the municipality to the same direction of service delivery. The plan is premised on the 5 KPA which are outlined as follows:

- Basic Service Delivery and Infrastructure Investment;
- Local Economic Development;
- Financial Viability and Financial Management;
- Municipal Transformation and Institutional Development;
- Good Governance and Community Participation.

This five perspective are directly linked to the strategic objectives adopted during the adoption of the 5 year IDP.

The second strategic focus area is the development of the new staff establishment. The current staff establishment is not helping to direct the municipality to move in unison in terms of executing of tasks and responsibilities. The adopted staff establishment is not directly linked to the strategic objective of the overall plan of the municipality. The adoption of the new organogram will help the municipality to avoid the strategic plan to gather dust. It will ease the municipality to engage on all sort of activities without clear direction. The new organogram will kill separated silo, enhance communication and collaboration.

The third strategic area of focus is the enhancement of delegation of authority. The strategic objective of reviewing and enhancing delegation of authority is to ensure a productive and well-



functioning workplace with managers and employees alike taking responsibilities for activities in their respective departments and units. This will go a long way to ensuring accountability and foster a culture of performance and consequence management.

The fourth strategic area of focus is to have a well balanced Budget which is properly linked and aligned to the IDP and Service delivery Budget Implementation plan. The current proposed budget is premised on addressing the following priorities:

- Protection of the poor by sustaining the social safety net (Indigent Support)
- Creating an Environment for employment / labour intensive, opportunities through long term economic development and EPWP
- Maintaining of existing infrastructure
- Maintaining financial viability
- Repairing of all potholes, road maintenance and tarring of roads;

The 2023/23 Capital Budget for infrastructure development and investment is grants depended from national and provincial funds such as MIG, RBIG and WSIG. It has been appreciated that once the municipality reach a target of 90-100 percent revenue collection rate, the municipality will be in a position to roll out other capital projects over and above grants received from National and Provincial.

The municipality had achieved a qualified opinion for the 202/23 financial year. A number of findings relating to Investment property, Property, plant and Equipment, Receivables from exchange rates transactions, Bulk purchase water losses, Irregular expenditure of R31 678 770, Unauthorized expenditure of R 251 442 252 fruitless expenditure of R 62 590 335 will have to corrected and reversed in an Audit Action Plan which must ensure that proper systems and mechanism are instituted in the municipality to avoid repeated finding in the medium to long term.

**T.M. NGESI**  
**Acting Municipal Manager**

## **1. CHAPTER ONE: INTRODUCTION AND BACKGROUND**

### **1. Introduction**

The Constitution of the Republic of South Africa (1996) Chapter 7, section 152 (1) set out the objects of Local Government as follows;

- (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 social and economic development;
- (d) To promote a safe and healthy environment, and
- (e) To encourage the involvement of communities and community organizations in matters of local government.

To achieve the above local government objects, the municipality uses the Integrated Development Plan (IDP) as the principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making processes in a municipality. The IDP is a more directed and focused planning instrument for attaining realistic objectives, achievable targets broken down and reflected in the SDBIP and performance plans for managers.

The development of the IDP 2021/2026 takes place during the period when the country will be celebrating 22 years since the establishment of the current municipalities after December 2000 local government elections. It is also developed when the Republic of South Africa is celebrating 28 years of freedom.

As required by legislation, this is a 5 Year IDP which the Council is developing following the November 2021 local government elections. It is an IDP that provides the new Council with an opportunity to articulate its vision and plan to the communities following extensive consultations with them. The municipality's five year IDP translates the long term outcomes

into implementable programmes for this specific term of office. It is the basis for budget allocations that allow for the implementation of five year IDP programmes and projects.

The 2021-2026 IDP highlights the municipality's strategic plans linked to achieving its long term goals and serves as a bridge between the municipality's long-term strategic planning and its annual operational plans. It is informed by the national and provincial government priorities, emerging trends and other related issues that provide a framework in which the Municipality can ensure developmental local government.

This IDP was however developed under conditions imposed by Covid 19 restrictions. These conditions impacted on how the municipality conducted public participation of communities. It was also developed against the backdrop of the impact of Covid on the national and local economies, unemployment, municipal revenues and net effect on municipal revenue, service delivery and development.

This IDP is also developed at a time when the municipality is still saddled with huge debt owed to Eskom and Water Board. The municipality is also faced by the culture of non-payment of services by certain government departments, business and households. The culture of non-payment limits the municipality ability to effectively deliver service in a sustainable manner. This culture is a threat to maximization of revenue collection. This is a serious threat to the long term viability and sustainability of the municipality and continued delivery of basic services to the community.

The new IDP also comes against the backdrop of ageing infrastructure and limited budget to meet huge new infrastructure and maintenance needs. The leadership of the municipality will have to take tough decisions and make difficult choices to respond to the demands of the communities. It will have to confront the challenges head on and do everything to improve the lives of the people of Ngwathe during this term of this Council.

The biggest and most single challenging problem facing Ngwathe, is the sustainable provisioning and supply of water to our communities. All efforts will be geared towards resolving these problem in the next five years.

Among the priorities would be the provision of sanitation, replacing gravel roads with tarred or paved roads, sustainable water supply, sanitation, housing, installation and maintenance of street lights to ensure a safer environment for our communities, development of new infrastructure to ensure sustainable electricity and development of storm water drainage will remain our hall mark for the next five years. The municipality will endeavor to deal with

routine maintenance such as resealing of roads, replacement of old water pipes, refurbishing of our municipal facilities, removing illegal dumping and bettering of our roads as a result of heavy rains.

This document builds on the work that has been started in this term of office and ensures that while the Municipality continues to deliver services, it is also focused on responding to residents' concerns and maintaining a long term development perspective.

## **1.1 Background to the IDP**

The formulation of the IDPs by municipalities is informed by the country's constitutional imperatives to build integrated and sustainable communities and to do so through participative democracy. Given the legacy of colonialism and apartheid's policy of spatial segregation and separate development, many of the communities are underdeveloped and the development and service delivery challenges are huge and complex. To deal with these challenges in all their complexity, South Africa first introduced the notion of integrated development in localities through the concept of local development objectives (LDOs) in the mid-1990s. These were plans that early forms of local government (pre-interim and interim structures) were required to develop in order to inform municipal plans and budgets. The practice of LDOs involved looking at all developmental needs of the communities in all their dimensions; infrastructure, services, social amenities, land and spatial development, finance etc. Municipalities were required to conduct the exercise of planning with communities in what came to be known as participative planning and or ward planning.

The plans had to inform the budget through what came to be known as people's budgeting process. This history and tradition of planning ultimately shaped future local government legislation around planning. Today IDPs are developed in line with Municipal Systems Act, Act 32 of 2000. The Act provides a framework for developing and reviewing the IDP, while regulating IDP linkages to the Budget and PMS as well as processes that must include community participation.

## 1.2 Legislative Frameworks

Development of IDPs is first and foremost regulated by Chapter 5 of the Municipal Systems Act, Act 32 of 2000. In particular, Section 26 of the MSA states that the following core components should be included in the plan:

- 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;
- an assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;
- the council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- the council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- a spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;
- the council's operational strategies;
- applicable disaster management plans;
- a financial plan, which must include a budget projection for at least the next three years; and
- key performance indicators and performance targets.

To ensure that the plans in the IDP are implemented, the Municipal Systems Act further requires municipalities to develop performance management systems which would link plans in the IDP to performance indicators and targets, and reporting thereon. In specific terms, section 41 of the Act reads as follows:

A municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed—

(a) set appropriate key performance indicators as a yardstick for measuring

performance, including outcomes and impact. with regard to the municipality's development priorities and objectives set out in its **integrated development plan**;

(b) set measurable performance targets with regard to each of those development priorities and objectives;

(c) with regard to each of those development priorities and objectives and against the key performance indicators and targets set in terms of paragraphs (a) and

(b) -

(i) monitor performance; and

(ii) measure and review performance at least once per year;

(d) take steps to improve performance with regard to those development priorities and objectives where performance targets are not met.

To ensure that the IDP is linked to the Budget, MFMA provides for budgeting processes to be linked to the IDP processes. It further provides for the development of SDBIPs which a concrete annual budget linked the IDP objectives, indicators and targets for the year in question. In specific terms, section 69 of MFMA reads as follows:

'The accounting officer must no later than 14 days after the approval of an annual a draft service delivery and budget implementation plan for the budget year'.

As the MFMA Circular 56 says:

'The SDBIP is essentially the management and implementation tool which sets in-year information, such as quarterly service delivery and monthly budget targets, and links each service delivery output to the budget of the municipality, thus providing credible management information and a detailed plan for how the municipality will provide such services and the inputs and financial resources to be used. The SDBIP gives effect to the Integrated Development Plan

(IDP) and budget of the municipality and will be possible if the IDP and budget are fully aligned with each other, as required by the MFMA'.

### **1.3 Processes of developing the IDP**

The IDP Regulations and guidelines require municipalities to develop IDP Process Plan which is a plan that outlines the consultative processes the municipality will follow to develop or review the IDP and the roles and responsibilities of different stakeholders throughout the course of the process.

The drafting an IDP involves a comprehensive planning process and participation of a wide range of internal and external role players. Such a process has to be meticulously organized and prepared. The Municipal Manager and senior management play key roles in the process.

Through the Office of the Speaker, ward committees serve as key instruments and primary structures for consultations on the IDP process. The inputs of the ward committees in all wards, councillors and officials are key in determining priorities over the next five years.

To guide this process, the Executive Mayor provides leadership to ensure that various processes including strategic workshops are held to define vision, mission, strategic objectives, and priorities for the 5-year period.

While many role-players play their roles during the participatory processes, the Council assumes ultimate responsibility and authority to approve the IDP. The approval of the IDP has to happen by no later than 31 May of each year.

Below is the Process Plan that the municipality developed at the beginning of the process as required:

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES				RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	REPORTING	
1	Commence with the preparation of Capital Roll-Over Budget for the 2021/22 Financial year	MFMA - Sec 28(2)(e) MBRR - Reg 23(5)		01/07/2022			PMU Manager / Manager – Budget & Expenditure
2	Make public the projections, targets and indicators as set out in the SDBIP (no later than 14 days after the approval of the SDBIP) and submit to National and Provincial Treasuries (no later than 10 days after the approval of the SDBIP)	MFMA - Sec 53(3)(a) MBRR - Reg 20(2)(b)			01/07/2022		Manager IDP/PMS
3	Submit Monthly report on the budget for period ending 30 June 2022 within 10 days working days to Executive Mayor	MFMA - Sec 71(1)				07/2022	CFO / Manager – Budget & Expenditure
4	Submit Fourth Quarter Performance Report to EMT for revision	Submit 2021/22 Fourth Quarter Performance				12/07/2022	Manager IDP/PMS
5	Executive Mayor and Mayoral Committee approve 2022/23 Capital Roll-Over Budget	MFMA - Sec 28(2)(e) MBRR - Reg 23(5)		07/2022			CFO / Technical Director
6	Executive Mayor and Mayoral Committee recommends approval of the IDP Process Plan and Budget Time Schedule (at least 10 months before the start of the budget year) to council	MFMA - Sec 21(1)(b)		24/08/2022			Municipal Manager
7	Council approve IDP Process Plan and Budget Time Schedule (at least 10 months before the	MFMA - Sec 21(1)(b)		31/08/2022			Municipal Manager



ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES				RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	REPORTING	
	start of the budget year)						
8	Submit Fourth Quarter Performance Report to Council	MPPMR - Reg 13					Manager IDP/PMS
9	Council approve Capital Roll-Over Budget (to be tabled before 31 August 2022)	MFMA - Sec 28(2)(e) MBRR - Reg 23(5)		31/08/2022			CFO / Technical Director
10	Submit Quarterly report for period ending 30/06/2022 on implementation of the budget and financial state of affairs of the municipality to Council	MFMA - Sec 52(d) MFMA - Sec 71(1) MBRR - Reg 29				30/07/2022	Municipal Manager
11	Advertisement of IDP Process Plan and Budget Time Schedule on website, local newspapers and notice boards	MSA - Sec 21, 21A, 28(3)	10/09/2022				Manager IDP/PMS
<b>AUGUST 2022</b>							
12	Place Fourth Quarter Performance Report on website	MFMA - Section 75 (2) MSA 21(b)			02/09/2022		Manager IDP/PMS
13	Submit 4th Quarter Performance Reports - SDBIP Performance Reports to National and Provincial Treasuries	MPPMR - Reg 13			9/09/2022		Manager IDP/PMS
14	IDP Roadshow Schedule submitted to Executive Management Team (EMT)	Not Applicable	September -October 2022				Manager IDP/PMS
15	Submit Monthly report on the budget for period ending 31 July 2022 within 10 days working days to Mayor	MFMA Section 71(1)				16/08/2022	CFO / Manager – Budget & Expenditure

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES				RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	REPORTING	
16	IDP Programme discussed by MAYCO	MFMA - Sec 53(1)	September 2022				Municipal Manager
17	Submit monthly report for period ending 31/07/2022 on implementation of the budget and financial state of affairs of the municipality to Council	MFMA - Sec 71(1) MBRR - Reg 29				31/08/2022	Municipal Manager
18	Submit Terms of Reference on the establishment of the IDP Representative Forum to Council	N/A				31/08/2022	Municipal Manager
19	Submit Annual Performance Report (APR) and Annual Financial Statements (AFS) for 2021/22 to the Auditor General of South Africa (AGSA)	MFMA - Section 126				31/08/2022	Municipal Manager
SEPTEMBER 2022							
20	Submit draft 2021/22 annual report to EMT				30/09/2022		Manager IDP/PMS
21	Submit Monthly report on the budget for period ending 31 August within 10 working days to Executive Mayor	MFMA Section 71(1)				22/09/2022	CFO / Manager – Budget & Expenditure
22	IDP Public Meetings - Public meetings attended by ward committee members, other role-players / stakeholders & members of the public, sectoral groupings and IDP Representative Forum as per approved schedule	Chapter 4 MSA	October 2022 - November 2022				Manager IDP/PMS

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES				RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	REPORTING	
23	Submit monthly report for period ending 31/08/2022 on implementation of the budget and financial state of affairs of the municipality to Council	MFMA - Sec 71(1) MBRR - Reg 29				29/09/2022	Municipal Manager
24	Council ( councillors, municipal manager, executive managers and selected senior managers) to reconcile views and opinions of the political structures and administration	N/A	29/09/2022				Executive Mayor/ Municipal Manager
25	Strategy Workshop 1 (Mayoral Committee, municipal manager, executive managers and selected senior managers) to reconcile views and opinions of the political structures and administration	N/A	30/09/2022				Municipal Manager
OCTOBER 2022							
26	Strategy Workshop 2 (municipal manager, executive managers and selected senior managers) to suggest solutions that contribute most to the Strategic Goal(s) applicable to each department	N/A	28/10/2022				Municipal Manager & SMT
27	Determine Budget Assumptions for 2023/24 Medium Term Revenue and Expenditure Framework (MTREF)	N/A		14/10/2022			Manager Budget Office

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES				RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	REPORTING	
28	Commence with the preparation of the capital programme	MFMA - Chapter 4 MBRR - Part 3		13/10/2022			Manager Budget Office
29	First Quarter Performance Report to EMT for revision	MPPMR - Reg 13		13/10/2022			Manager IDP/PMS
30	Submit Monthly report on the budget for period ending 30 September within 10 days working days to Executive Mayor	MFMA Section 71(1)				14/10/2022	CFO / Manager – Budget & Expenditure
31	Distribute capital programme to Directorates for costing purposes and prioritisation in consultation with Manager: Budgets and Accounting	MFMA - Chapter 4 MBRR - Part 3		20/10/2022			All Directorates
32	Community inputs circulated to senior management for administrative / technical inputs	N/A	08/11/2022				Manager IDP/PMS
33	First Quarter Performance Report to Executive Mayor and Mayoral Committee	MPPMR – Reg 13			20/10/2022		Municipal Manager
34	Closing date for capital programme costed and prioritised	MFMA – Sec 21		24/10/2021			Manager Budget
35	Compile Draft Capital Budget for 2023/24 MTREF	MFMA – Sec 21		24/10/2022			Manager Budget
36	First Quarter Performance Report to Council	MPPMR – Reg 13			27/10/2022		Municipal Manager
37	Submit Quarterly report for period ending September on implementation of the budget and financial state of affairs of the municipality to Council	MFMA - Sec 52(d) MFMA - Sec 71(1) MBRR - Reg 29				27/10/2022	Municipal Manager

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES				RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	REPORTING	
38	Review the municipality's performance management system (PMS) with participation of community (proposed amendments to municipal key performance indicators and targets)	MPPR - Section 3(4)(b)			28/10/2022		Municipal Manager
39	On-site meeting by FSCOGTA on Priority Lists for sector departments' comments	MSA – Sec 24	15/11/2022				Manager IDP/PMS
40	Make IDP submission on municipal priority lists for the comments of sector departments to FSCOGTA	MSA – Sec 24	29/11/2022				Municipal Manager
NOVEMBER 2022							
41	Distribute operating budget templates to directorates to revise the 2022/23 operating budget and inputs to 2023/24 operating budget.	MSA – Sec 21			01/11/2022		CFO / Manager – Budget & Expenditure
42	Review current budget related policies and compile newly needed budget related policies	MFMA –Sec 21 MBRR – Part 3			01/11/2022		Municipal Manager, CFO and all Directors
43	Submit 1st Quarter Performance Reports - SDBIP and Finance Performance Reports to National and Provincial Treasury				01/11/2022		Manager IDP/PMS

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES				RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	REPORTING	
44	Place 1st Quarter Performance Report on website	MFMA - Sec 75(2) MSA - Sec 21(b)			01/11/2022		Manager IDP/PMS
45	Submit Monthly report on the budget for period ending 31 October within 10 days working days to Executive Mayor	MFMA Section 71(1)				11/11/2022	CFO / Manager – Budget & Expenditure
46	Submit inputs for 2022/23 Operating Adjustments Budget and 2023/24 Operating Budget to Manager: Budgets and Accounting	MFMA - Section 21 & 28		11/11/2022			Manager Budget
47	Finalise Draft Capital Budget for 2023/24 MTREF	MFMA – Sec 21		21/11/2022			PMU Manager / Manager Budget
48	Submit Draft Capital Budget for 2023/24 to Executive Management	MFMA – Sec 21		18/11/2022			CFO
49	Submit Draft Capital Budget for 2023/24 to MAYCO for discussion	MFMA – Sec 21		24/11/2022			Municipal Manager
50	Councilor or Committee of Council submits a memorandum with recommendations for amendments to the IDP and Municipal Scorecard to Executive Mayor and Mayoral Committee	MPPR – Section 3 (1) & 2	25/11/2021				Municipal Manager
51	Submit monthly report for period ending 31/10/2022 on implementation of the budget and financial state of affairs of the municipality to Council	MFMA - Sec 71(1) MBRR - Reg 29				30/11/2022	Municipal Manager
52	Auditor General's Report on Annual	MFMA - Sec 126(3)				30/11/2022	Auditor General

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES				RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	REPORTING	
	Finance Statements and Annual Performance Report submitted to Municipal Manager	MFMA - Circular No. 63					
DECEMBER 2022							
55	Strategy Workshop (Mayoral Committee, municipal manager, executive managers and selected senior managers) to consolidate all Strategic inputs and to formulate the first draft of a new Strategy Chapter of the IDP.		02/12/2022				Municipal Manager
56	Submit Monthly report on the budget for period ending 30 November within 10 days working days to Executive Mayor	MFMA Section 71 (1)				07/12/2022	Municipal Manager
57	Submit 2nd Quarter Performance Report and Mid-Year Performance Assessment Report to EMT for revision	MPPMR - Reg 13			09/12/2022		Manager IDP/PMS
58	Submit Monthly report on the budget for period ending 31 November within 10 working days to Executive Mayor	MFMA Section 71 (1)			07/12/2022		Manager IDP/PMS
JANUARY 2023							
59	Submit 2nd Quarter Performance Report to Executive Mayor and Mayoral Committee	MPPMR – Reg 13				24/01/2023	Manager IDP/PMS
60	Submit Draft 2021/22 Annual Report to Executive Mayor and Mayoral Committee	MFMA – Sec 21			24/01/2023		Manager IDP/PMS
61	Submit Mid-year Performance	MFMA – Sec 21			24/01/2023		Manager IDP/PMS

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES				RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	REPORTING	
	Assessment Report to Executive Mayor						
62	Prepare and submit Mid-year Budget Assessment Report to Executive Mayor	MFMA – Section 72 (1)(b) MBRR – Reg 35		24/01/2023			CFO
63	Submit Mid-year Budget and Performance Report to Provincial Treasury, National Treasury and FSCOGTA by 25/01/2023	MFMA – Section 72 (1)(b) MBRR – Reg 35		26/01/2023	26/01/2023		Municipal Manager
64	Submit monthly report for period ending 30/11/2022 on implementation of the budget and financial state of affairs of the municipality to Council	MFMA – Saec 71 (1) MBRR – Reg 29				31/01/2023	Municipal Manager
65	Submit Quarterly report for period ending 31/12/2022 on implementation of the budget and financial state of affairs of the municipality to Council	MFMA – Sec 52 (d) MFMA – Sect 71 (1) MBRR – Reg 29				31/01/2023	Municipal Manager
66	Submit Mid-year Budget and Performance Assessment Reports to Council	MFMA - Section 72(1)(b) MBRR - Reg 35		31/01/2023	31/01/2023		Manager IDP/PMS & CFO
67	Start with the finalization of 2023/24 Adjustments Budget, MTREF, A & B Schedules	MFMA - Sec 21	February 2023	27/01/2023			
68	Place 2nd Quarter Performance Report on website	MFMA – Section 75 (2) MSA Sec 21 (b)		27/01/2023			
69	Make public the Mid-Year Budget and Performance Report in the local	MFMA – Section 75 (2) MSA Sec 21 (b)			30/01/2023		Manager IDP/PMS



ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES				RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	REPORTING	
	newspaper and on municipal website						
FEBRUARY 2023							
70	Tabled Annual Report submitted to Auditor General, Audit Committee, Provincial Treasury and FSCOGTA	MFMA - Section 127(5)(b)	01/02/2023				Manager IDP/PMS
71	Make public the Annual Report for comments and inputs	MFMA - Sec 127(5)(a) MSA - Sec 21A	01/02/2023				Manager IDP/PMS
72	Adjustments Budget and 2022/2023 MTREF workshop with MAYCO and senior management	MFMA – Sec 21	February 2023				Municipal Manager & CFO
73	Finalise 2022/23 Adjustments Budget and B Schedules	MFMA - Sec 28 MBRR - Part 4		08/02/2023			CFO / Manager – Budget & Expenditure
74	Finalise 2023 Draft MTREF and A Schedules	MFMA - Section 21 MBRR - Part 3		08/02/2023			CFO / Manager – Budget & Expenditure
75	Submit 2022/23 Adjustments Budget to Budget Steering Committee	MFMA - Sec 28 MBRR - Part 4		08/02/2023			CFO / Manager – Budget & Expenditure
76	Submit Monthly report on the budget for period ending 31 January within 10 days working days to Mayor	MFMA Section 71(1)		21/02/2023			CFO / Manager – Budget & Expenditure
77	MAYCO considers and adopts 2022/23 Adjustments Budget and potentially Revised 2022/23 SDBIP	MFMA - Sec 28 MBRR - Part 4		21/02/2023			CFO
78	Submit 23/24 Draft MTREF, tariffs and budget related policies to Executive Management	MFMA - Section 21 MBRR - Part 3		15/02/2023			CFO / Manager – Debt Collection and Revenue / Manager budget & expenditure
79	Submit monthly report for period ending 31/01/2023 on implementation	MFMA - Sec 71(1) MBRR - Reg 29		28/02/2023			CFO / Manager – Budget & Expenditure

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES				RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	REPORTING	
	of the budget and financial state of affairs of the municipality to Council						
80	Council considers and adopts Adjustments Budget and potential Revised SDBIP	MFMA - Sec 28 MBRR - Part 4		28/02/2023			CFO
81	FSCOGTA MEC - Provincial Sector Departments inform municipalities of provincial budgetary allocations	MSA - Chapter 5		15/02/2023			CFO
82	Submit Draft MTREF, tariffs and budget related policies to MAYCO	MFMA - Sec 21 MBRR - Part 3		21/02/2023			CFO
<b>MARCH 2023</b>							
83	Advertise the approved Adjustments Budget and Revised SDBIP and submit budget and B Schedules to National Treasury and Provincial Treasury as required per legislation (within 10 working days)	MFMA - Sec 28(7) MSA - Sec 21A MBRR - Part 4		02/03/2023			Manager – Budget & Expenditure
84	Submit monthly report on the budget for period ending 28 February within 10 days working days to Executive Mayor	MFMA Section 71(1)				21/03/2023	CFO / Manager – Budget & Expenditure
85	Submit Draft MTREF, tariffs and budget related policies to Budget Steering Committee	MFMA - Sec 21 MBRR - Part 3		16/03/2023			CFO / Manager – Budget & Expenditure
86	Executive Mayor and Mayoral Committee consider draft IDP, budget and SDBIP	MFMA - Sec 16(2) MSA - Sec 25 MBRR - Part 3	23/03/2023	23/03/2023	23/03/2023		CFO
87	Executive Mayor and Mayoral Committee	MFMA - Sec 129				23/03/2022	Municipal manager

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES				RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	REPORTING	
	consider Oversight Report i.t.o. Section 121 of the MFMA						
88	Council meeting on draft IDP, budget, tariffs, and budget related policies and SDBIP (at least 90 days before the start of the budget year).	MFMA - Sec 16(2) MSA - Sec 25 MBRR - Part 3	30/03/2023	30/03/2023	30/03/2023		CFO
89	Council meeting to consider the Annual Report and adopt an Oversight Report containing the Council's comments on the report	MFMA - Sec 129				30/03/2023	Municipal Manager
90	Submit monthly report for period ending 28/02/2023 on implementation of the budget and financial state of affairs of the municipality to Council	MFMA - Sec 71(1) MBRR - Reg 29				30/03/2023	CFO / Manager – Budget & Expenditure
91	Table 2021/22 Annual Report to Council	MFMA – Sec 21	March 2023			30/03/2023	Municipal Manager
92	Submit the draft IDP, SDBIP and budget to FSCOGTA, National and Provincial Treasury, prescribed national or provincial organs of state and to other municipalities affected by the IDP and budget	MFMA - Sec 22(b) MSA - Sec 32(1) MBRR - Reg 20	04/04/2023	04/04/2023	04/04/2023		Municipal Manager
APRIL 2023							
93	Advertise the Draft IDP, SDBIP, budget and other required documents and provide at least 21 days for public comments and submissions	MFMA - Sec 22(a) MSA - Sec 21A MPPMR - Reg 15(3)	04/04/2023	04/04/2023	04/04/2023		Manager IDP/PMS

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES				RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	REPORTING	
94	Make public the Oversight Report (within 7 days of its adoption)	MFMA - Sec 129(3)			04/04/2023		Manager IDP/PMS
95	Submit the Annual Report and Oversight Report to the provincial legislature as per circular	MFMA - Sec 132(1) & (2)			04/04/2023	04/04/2023	Manager IDP/PMS
96	IDP / BUDGET Road Shows to consult the Draft IDP, SDBIP and Budget	MFMA - Sec 22(a) MSA - Sec 21A MPPMR - Reg 15(3)				17/04/2023	Manager IDP/PMS
97	3rd Quarter Performance Report to EMT for revision session	MPPMR - Reg 13			10/04/2023		Manager IDP/PMS
98	Submit Monthly report on the budget for period ending 31 March within 10 days working days to Executive Mayor	MFMA Section 71(1)				21/04/2023	Manager IDP/PMS
99	3rd Quarter Performance Report to Executive Mayor and Mayoral Committee	MPPMR - Reg 13			21/04/2023		Municipal Manager
100	3 <sup>rd</sup> Quarter Performance Report to Council	MPPMR - Reg 13			28/04/2023		Municipal Manager
101	Submit Quarterly report for period ending 31/03/2023 on implementation of the budget and financial state of affairs of the municipality to Council	MFMA - Sec 52(d) MFMA - Sec 71(1) MBRR - Reg 2				28/04/2023	Municipal Manager
102	Submit 3rd Quarter Performance Reports - SDBIP and Performance Reports to National and Provincial Treasury	MPPMR - Reg 13			29/04/2023		Manager IDP/PMS

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES				RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	REPORTING	
103	IDP Representative Forum to consult the Draft IDP, SDBIP and Budget	MFMA - Sec 22(a) MSA - Sec 21A MPPMR - Reg 15(3)	02/05/2021	02/05/2022	02/05/2023		Manager IDP, CFO
MAY 2023							
104	FSCOGTA IDP and Budget Assessments by Provincial Treasury and Department of LG	MSA Chapter 5 MFMA	09/05/2022	09/05/2022	09/05/2022		Municipal Manager
105	Place 3rd Quarter Performance Report on website	MFMA - Sec 75(2) MSA - Sec 21(b)				05/05/2023	Manager IDP/PMS
106	Workshop with Executive Mayor and Mayoral Committee on submissions made by the local community, National or Provincial Treasury, national or provincial organs of state or municipalities (B-Municipalities)	MFMA - Sec 23	05/05/2023	05/05/2023	05/05/2023		
107	Complete 2023/2024 MTREF budget documentation and A schedules	MFMA - Sec 24		12/05/2023			CFO / Manager – Budget & Expenditure
108	Submit Monthly report on the budget for period ending 29/04/2023 within 10 days working days to Executive Mayor	MFMA Section 71(1)		09/05/2023			CFO / Manager – Budget & Expenditure
109	Budget Steering Committee considers submissions made by the local community, National or Provincial Treasury, national or provincial organs of state or municipalities (B-Municipalities)	MFMA - Sec 23		05/05/2023			CFO / Manager – Budget & Expenditure

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES				RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	REPORTING	
110	MAYCO meeting to approve Revised IDP, Performance Management Measures and targets and the budget (at least 30 days before the start of the budget year)	MFMA - Sec 24	24/05/2023	24/05/2023	24/05/2023		Municipal Manager
111	Council meeting to adopt Revised IDP, Performance Management Measures and targets and the budget (at least 30 days before the start of the budget year)	MFMA - Sec 24	31/05/2023	31/05/2023	31/05/2023		Municipal Manager
112	Submit monthly report for period ending 29/04/2023 on implementation of the budget and financial state of affairs of the municipality to Council	MFMA - Sec 71(1) MBRR - Reg 29				31/05/2023	Municipal Manager
<b>JUNE 2023</b>							
113	Place the IDP, multi-year budget, all budget-related documents and all budget-related policies on the website	MFMA - Sec 22 and 75 MSA - Sec 21A and 21B	05/06/2023	05/06/2023			Manager IDP/PMS, Budget
114	Submit a copy of the revised IDP to the MEC for FSCOGTA (within 10 days of the adoption of the plan)	MSA - Section 32	14/06/2023				Manager IDP/PMS
115	Submit approved budget to National and Provincial Treasuries (both printed and electronic formats)	MFMA - Sec 24(3) MBRR - Reg 20		14/06/2022			Manager Budgets
116	Give notice to the public of the	MBRR - Reg 18	14/06/2023	14/06/2023			Manager IDP/PMS

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES				RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	REPORTING	
	adoption of the IDP and Budget (within 14 days of the adoption of the plan) and budget (within 10 working days)	MSA - Sec 25(4)(a)(b)					
117	Submit to the Executive Mayor the SDBIP for the budget year (no later than 14 days after the approval of an annual budget)	MFMA - Sec 69(3)(a)			14/06/2023		Manager IDP/PMS
118	Submit Monthly report on the budget for period ending 31/05/2022 within 10 days working days to Mayor	MFMA Section 71(1)				15/06/2023	CFO / Manager – Budget & Expenditure
119	Executive Mayor takes all reasonable steps to ensure that the SDBIP is approved (within 28 days after approval of the budget)	MFMA - Sec 53(1)(c) (ii)			29/06/2023		Municipal Manager
120	Submit monthly report for period ending 31/05/2023 on implementation of the budget and financial state of affairs of the municipality to Council	MFMA - Sec 71(1) MBRR - Reg 29				29/06/2023	Municipal Manager

## **2. CHAPTER 2: DEVELOPMENT PROFILE (SITUATIONAL ANALYSIS)**

### **2.1. Introduction**

This chapter provides a detailed summary of the municipality's development profile or situation analysis. The chapter is divided into two sections, namely, the environmental profile and Institutional profile

#### **Environmental Profile**

The Ngwathe Local Municipality is situated in the northern part of the Fezile Dabi District in the Free State. 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. It is one of four municipalities in the district, making up a third of its geographical area. 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.

#### **2.2.1 What does Ngwathe mean?**

Ngwathe is the Sesotho name for the Renoster River. The area covers 7 055 square kilometres. The Ngwathe local municipality is located in the Northern part of the Fezile Dabi District Municipality. Ngwathe has five urban centres which are, Parys, Heilbron, Koppies, Vredefort and Edenville. Ngwathe has a population of 118 907 which equates to a population density of 16 people per square kilometre. Ngwathe experienced a negative population growth of -0.3 in the past few years and due to the ever increasing housing backlogs in most of its towns, the negative growth patterns are reducing drastically. Ngwathe local municipality has 40 910 households.

The Vaal River forms a boundary which separates the northern part of the municipality from the North West province. The Vaal River and the Barrage also separates the Ngwathe from the Metsimaholo local municipality. The Renoster River also cuts through the municipality in the Koppies area where it serves the Welteverde dam, Rooipoort dam and the Koppies dam. These dams and rivers are water sources for many uses such as tourism and agriculture. The Vredefort Dome is the prominent topographical feature in Ngwathe.

#### **Brief History of Ngwathe Towns**

**-Parys /Tumahole** is an urban area and a service point which is situated on the banks of the Vaal River. Parys has exceptional and unique natural and environmental assets which makes it an exceptional tourism potential. On the banks of the Vaal River there are number of guest houses, conference facilities and estates, restaurants and fast food outlets. The town has unique curio, antique and art shops which attract tourists from the Gauteng province and all over South Africa. Parys also has a well-developed airfield that supports commercial and tourism development in the area.



Parys is thought to be derived from the Afrikaans word for Paris. The name was suggested by German surveyor named Schilbach. It was established in 1876 and is located on the banks of the Vaal River. It has a strong commercial component of tourism and it provides a wide range of services including health services, education, and other professional services.

Parys is said to be underlain with granite which is exploited for the export markets. Alluvial diamonds are exploited at isolated locations of the Vaal River riparian.

Over the years, Parys systematically developed as a service center. This is primarily attributed to the fact that the town is located on the development axis between Bloemfontein and the Gauteng Metropolitan area.

During the period prior to 1982, development of the town did, however, not occur according to a specific development strategy since no strategic planning document existed. During 1982, a non-statutory Guideline Plan was compiled. The document provided a framework for primarily future extensions and proposed a comprehensive bypass road network. This document is outdated and does not effectively contribute towards development as circumstances in the urban area have changed dramatically. Consequently, the proposals in that document are no longer relevant.

Tumahole specifically developed within the background of an internal development framework since the late eighties when rapid growth was experienced. All the phases of residential extension were done within the framework. The latter resulted in Tumahole being a reasonably modern town with a proper road network and the ample provision of community facilities. Currently the larger community is relatively well developed regarding different land uses. Land uses, where not developed, are however, purposefully provided regarding modern urban planning principles. A comprehensive Framework Plan for the Parys urban area was compiled during 1997. This document provides a framework for future development and extension in accordance to present government policy and legislation. During the process, future road networks were completely dealt with together with the integration of the involved communities.

**-Heilbron** was laid out in 1872 on the farm Rietfontein and proclaimed in 1873. The name literally means 'spring of salvation' or 'source of salvation', said to be derived either from a strong spring supplying water, or from an ancient town in Germany. It is a typical small town that was established in 1878. It is located approximately 53 Kilometres south of Sasolburg. It has developed to be a small urban centre, serving the surrounding agricultural communities. Heilbron serves as a specialised economic hub focussing on agricultural activities and related manufacturing. There is a Clover SA head office based in Heilbron with a vast range of products manufactured there. There is also Simba Chips factory in Heilbron and Tudor furniture manufacturers.

Heilbron typically developed as a small town since its establishment during 1878. The following period saw it developing into a well-established central town, serving the predominant surrounding agricultural community. A strong industrial character led to the nomination of Heilbron as an industrial growth point during the eighties. Although development occurred in an orderly way, a strategic planning document to guide development, was only available since late 1981. The former structure plan was comprehensively revised in 1992 providing a proper and indicative non-statutory Structure Plan. The document provided a framework for development and specifically addressed the development of a non-noxious and noxious industrial area. The future extension of the Phiritona neighbourhood was additionally addressed. A broad future road network was indicated in the document that influenced future developments to a certain extent especially the development of Phiritona.

Although the non-statutory Structure Plan of 1992 serves as a framework for development, formal status was never given to it due to the fact that the Integrated Development Planning Process was meanwhile developed.

An internal framework for the development of Phiritona did, however, exist since the late eighties when rapid growth was experienced. Since then, development occurred within the context of an internal development framework. This resulted in Phiritona also being a reasonably modern town with a proper road network and the ample provision of community facilities. All the phases of residential extension that followed were done within the framework. Currently, both communities are relatively well developed regarding different land uses.

**-Koppies/Kwakwatsi** is situated approximately 70km south of Sasolburg and about 90km to Vereeniging and Vanderbijlpark. Koppies is an area of agricultural significance and it provides services to the surrounding farms. The agriculture in Koppies is said to be enhanced by the three well developed irrigation schemes. The Renoster River passes through Koppies in a series of dams which are Welteverde, Rooipoort, and Koppies Dam. There has been a recent upgrading of the Koppies Dam Nature Reserve, a new private nature resort at Rooipoort Dam and the development of the R82 Battlefield Route. This enhances and grows tourism development in the area .

There is a Bentonite exploitation and the initiative for coal mining in the Koppies region which led to job creation in the area. National annual angling competitions are held at the Koppies Dam.

Since its establishment in 1910, **Koppies** typically developed as a small town, serving the predominant surrounding agricultural community. Development of the town, however, did not occur according to a specific development strategy since no strategic planning documents existed. During 1982, a non-statutory Guide Plan was compiled for the area. **Kwakwatsi** is a name of Southern Sotho origin and is said mean 'rhinoceros river'. Another explanation of the name's meaning is that the word is linked to kwatsi, meaning 'anthrax'.. Although a new

industrial area, situated between Koppies and Kwakwatsi, was developed, development thereof is notably dormant. All the phases of residential extension that followed were done according to modern town planning principles providing a proper road hierarchy and the purposeful distribution of facilities.

**-Vredefort** was established on the farm Vischgat in 1876. Its literal meaning is 'fort of peace' in Afrikaans. The area is well known for the Vredefort Dome, one of the largest and oldest known meteor impact sites in the world. **Vredefort/Mokwallo** area is located approximately 50 kilometres west of Sasolburg. Vredefort is also serving the surrounding agricultural community. One prominent topographical feature is the Vredefort Dome. The form of the dome consists of a central cone of granite surrounded by concentric ridges of quartzite

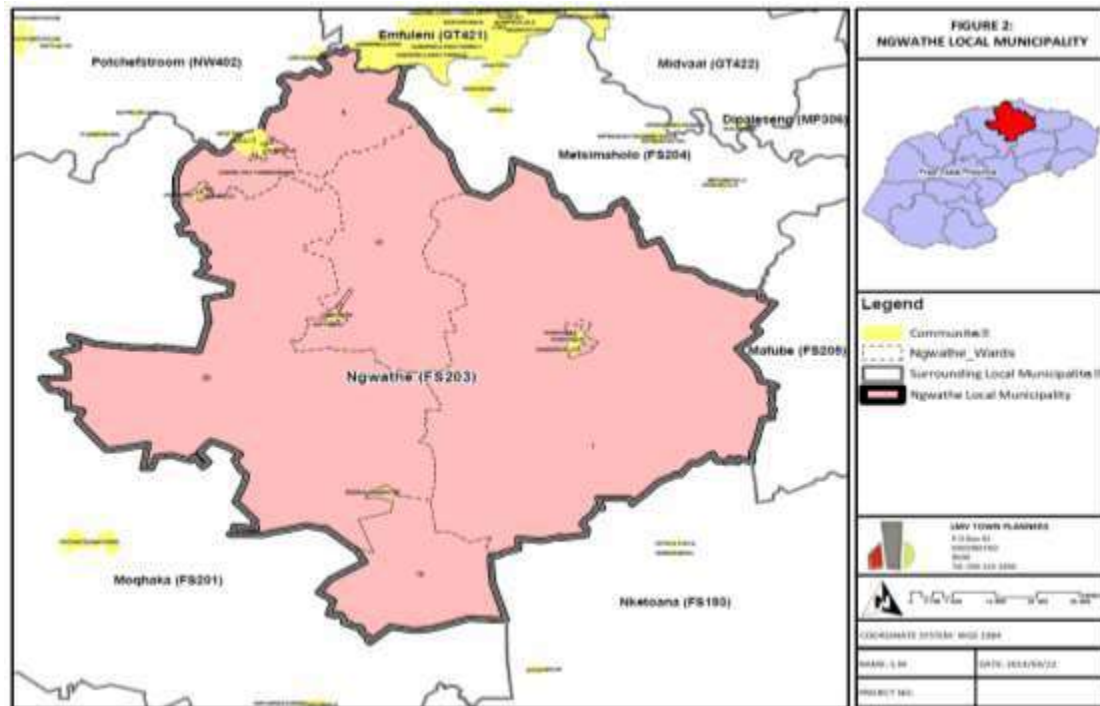
Vredefort typically developed as a small town serving the predominant surrounding agricultural community. Development of the town did not occur according to a specific development strategy since no strategic planning documents existed. During 1984, a Structure Plan was compiled for the area. The document provided a framework for development and specifically addressed the development of **Mokwallo**, the extension of the industrial area and the establishment of an over-night truck stop. All the phases of residential extension that followed were done according to modern town planning principles providing a proper road hierarchy and the purposeful distribution of facilities. Land uses, where not developed, are purposefully provided regarding modern urban planning principles. As adequate provision was made for several facilities, the gradual development thereof should now commence.

**-Edenville** is presumably named after the garden of Eden, though this has not yet been fully verified. The town itself was established in 1912. **Edenville/ Ngwathe** typically developed as a small town serving the predominant surrounding agricultural community. Development of the town, however, did not occur according to a specific development strategy since no strategic planning documents existed. All the phases of residential extension were done according to modern town planning principles. Currently, both communities are relatively well developed regarding different land uses.

Edenville is a small rural town, just east of Kroonstad. It offers a few outdoors activities such as horse riding and horse trails, farm stays and wildlife attractions. The terrain around Edenville is flat like typical of the central Free State. Edenville is about two hours' drive from Johannesburg on the N1 and about 45 minutes' drive from Kroonstad on the R34. It is an agricultural town. The main road linking Kroonstad and Heilbron runs adjacent to the town.

## 2.3 Geographic Profile

The Ngwathe is situated in the northern part of the Fezile Dabi District in the Free State. 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. It is one of four municipalities



### 2.2.3. Geographic Profile

Ngwathe offers numerous opportunities for both the investor as well as visitors wishing to explore the natural scenic routes along the **Renoster River** leading towards the vicinity of Koppies in a series of dams, namely the **Weltevrede, Rooipoort** and **Koppies Dams**. Along these routes number of game farming is found which also offers game drive opportunities for weekend and longer period vacation visitors. Though the optimal tourist operations and opportunities are not fully explored, a more comprehensive economic development programs must continue to be prioritised to broaden and strengthen the economic and subsequent revenue base as potential income stream for the municipality. The visionary leadership of Council, together with the District and Provincial governments, business and other leading stakeholders is required to build and establish Ngwathe as a central leading organisation in the region.

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, recreational 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.

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 Koppies tourist potential is not fully exploited to be built a niche market in the area, in the absence of a complete LED strategy. 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.

## Summary of Ngwathe Strategic Geographical Features

Sector	Area/Town	Offering
<b>Tourism</b>	Parys & Vredefort	We house the Vredefort Dome World Heritage Site: a fascinating exposure of ancient granites emerging from the thick cover of the later Karoo sediments. The form of the dome consists of a central cone of granite surrounded by concentric ridges of quartzite belonging to the Witwatersrand System.
	Parys	Mimosa resort Various tourism centers & accommodation.
	Koppies	Koppies Dam Resort
	Heilbron	Eufees Dam Resort
<b>Geographical location</b>	Parys	Strategically placed as a gateway to North West and Gauteng. Housing major roads in R59 and N1.
	Heilbron	Gate way to Eastern Free State, KZN & Lesotho.
<b>Natural Resources</b>	Parys	The Vaal River: forms the northern boundary of the area, which also serves as the boundary between the Free State and Gauteng and Northwest Province.
	Koppies	The Renoster River & Koppies dam
	Heilbron	Eufees Dam
	Edenville	The endangered species (sun gazing lizards) .
	Vredefort	De Beers Diamond Mine.
<b>Historical Sites</b>	Parys	The Parys Museum (Old Magistrate Office) The Dutch Reformed Church in Parys.
	Koppies	Vredefort Road Concentration Camp Cemetery.
	Heilbron	Old farmhouse, Welsbach House, Leeuwpoort; Heilbron Railway station.

## 2.2.4 Demographics Profile

**Table 4: 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)
Ngwathe	120 007	118 810	-0.2	120 520	0.1

*Source: STATSSA, Census 1996, 2001 and 2011*

Table 1 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.

**Table 5: Statistics for 2016**

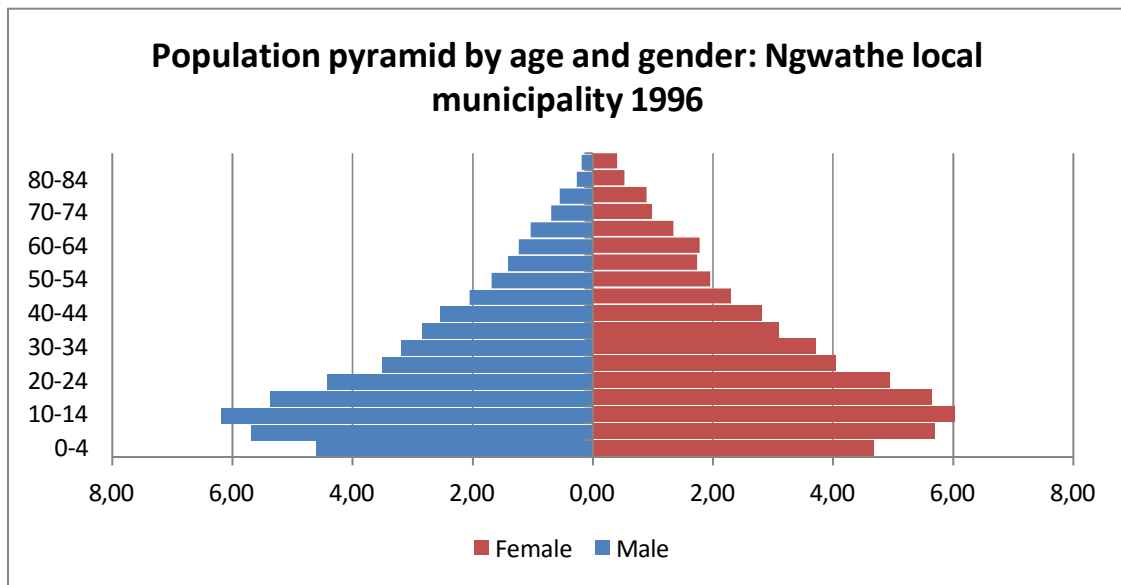
Black African			Coloured			Indian/Asian			White			Total		
Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
50027	54480	104507	1502	1537	3039	61	-	61	4834	6465	11299	56425	62482	118907

**Table 6: Community survey 2016 – Population Growth / Decline**

Growth/ Decline rate	Number
1996	120 007
2001	118 810
2011	120 520
2016	118 907

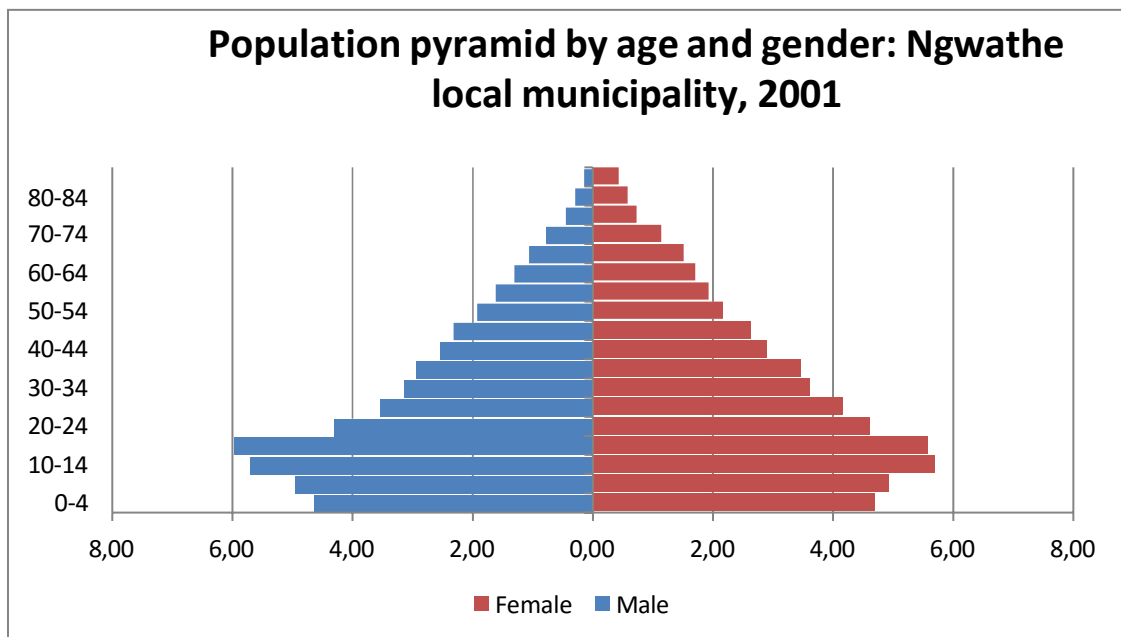
The above table shows that the population decreased in 2001 by 1197 people from 1996. In 2011 the number then increased again 2011 by 1710. Five years down the line the number also decreased by 1613 people in 2016. In essence, it proves that in the last 20 years the population stayed constant.

**Figure 2: Population pyramid by age group and gender, 1996, 2001 and 2011**



Source: STATSSA, Census 1996

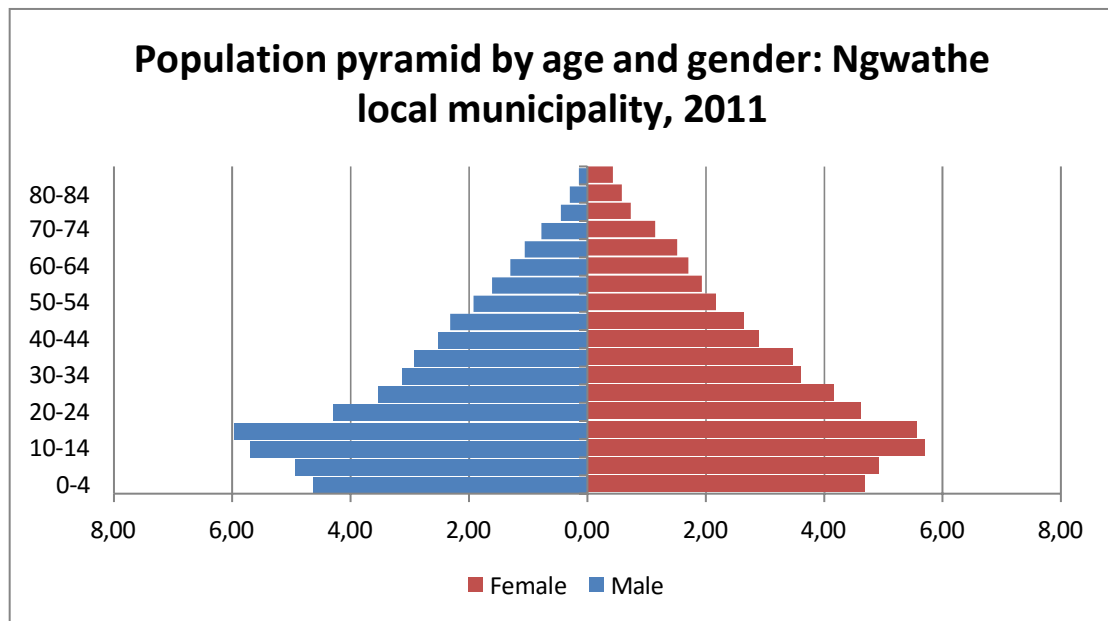
**Figure 3: Population by age and gender**



Source: STATSSA, Census 2001

**Figure 4: Population by age and gender**

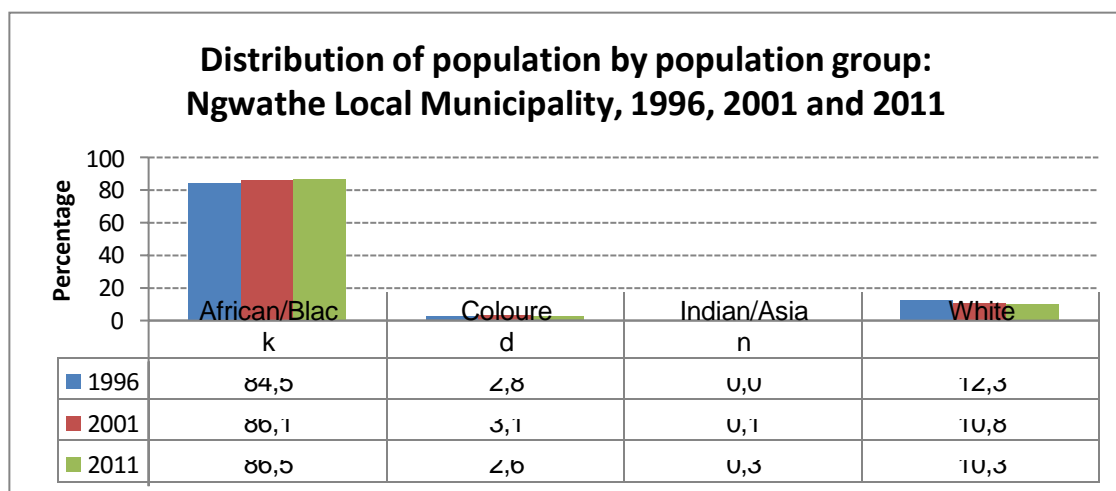




Source: STATSSA, Census 2011

Population pyramid (Figure 1) for 1996, 2001 and 2011 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 5: Distribution of population by population group: Ngwathe Local Municipality, 1996, 2001 and 2011**



Source: STATSSA, Census 1996, 2001 and 2011

Figure 2 above shows that the municipality consists of the large number of Black African population followed by whites then coloureds. However, the Indian population is the smallest it has been growing from less than 0.1% in 1996 to 0.3% in 2011.

**Table 7: Household survey 2016**

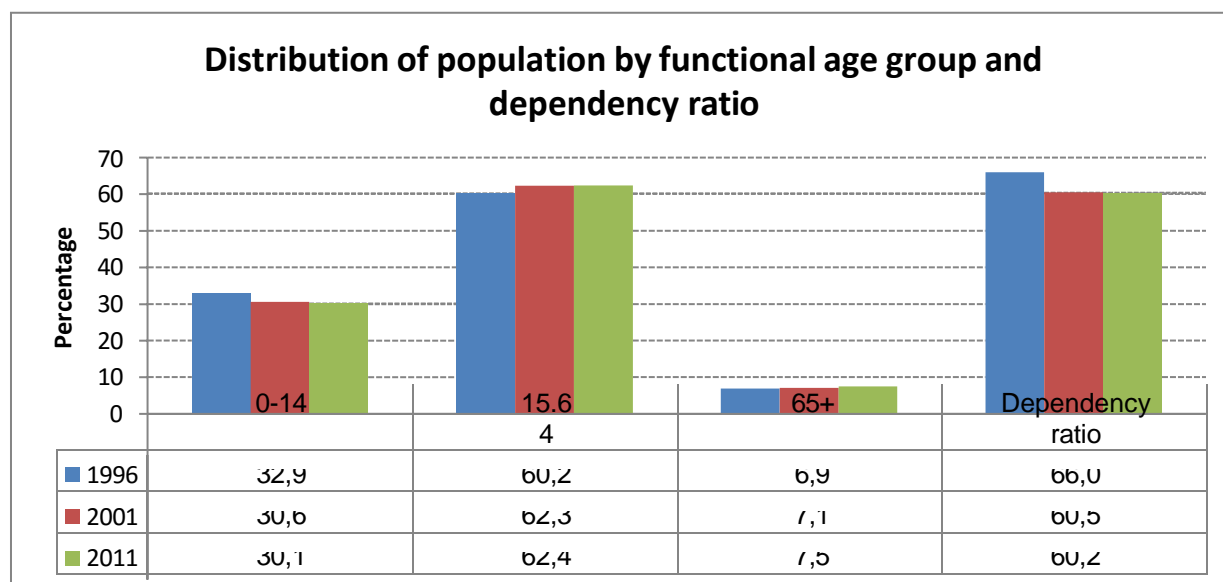
Black African			Coloured			Indian/Asian			White			Total		
Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
50027	54480	104507	1502	1537	3039	61	-	61	4834	6465	11299	56425	62482	118907

BLACK	COLOURED	INDIAN	WHITE
88	2.6	0.05	9.5

**Table 8: Percentages in line with 2016 survey as compared to outer years' surveys**

The table above shows that the number of Black people increased by 1.5% in 2016 from 2011 statistics, number of Coloureds remained the same, number of Indians increased by 0.2% and the number of White people decreased by 0.8%.

**Figure 6: 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

## 2.2.5. Socio Economic Profile

**Table 9: Distribution of population by age/gender/education levels: 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,*

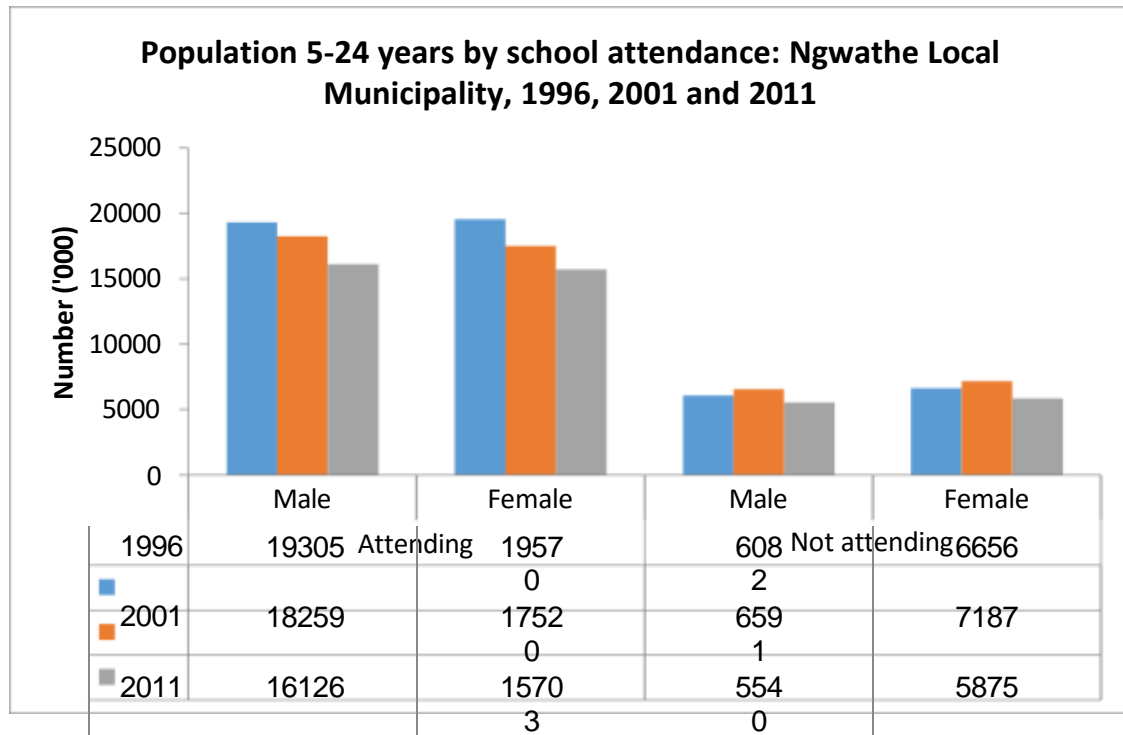
**Table 10: 2016 household survey statistics**

No schooling	4301
Grade 0	3432
Grade 1/Sub A/Class 1	3568
Grade 2/Sub B/Class 2	3244
Grade 3/Standard 1/ABET 1	4809
Grade 4/Standard 2	4927
Grade 5/Standard 3/ABET 2	5099
Grade 6/Standard 4	6059
Grade 7/Standard 5/ABET 3	5948
Grade 8/Standard 6/Form 1	7732
Grade 9/Standard 7/Form 2/ABET 4/Occupational certificate NQF Level 1	8313
Grade 10/Standard 8/Form 3/Occupational certificate NQF Level 2	11406

Grade 11/Standard 9/Form 4/NCV Level 3/ Occupational certificate NQF Level 3	9426
Grade 12/Standard 10/Form 5/Matric/NCV Level 4/ Occupational certificate NQF Level 3	2187 7
NTC I/N1	98
NTCII/N2	28
NTCIII/N3	166
N4/NTC 4/Occupational certificate NQF Level 5	333
N5/NTC 5/Occupational certificate NQF Level 5	153
N6/NTC 6/Occupational certificate NQF Level 5	273
Certificate with less than Grade 12/Std 10	43
Diploma with less than Grade 12/Std 10	195
Higher/National/Advanced Certificate with Grade 12/Occupational certificate NQF	493
Diploma with Grade 12/Std 10/Occupational certificate NQF Level 6	1426
Higher Diploma/Occupational certificate NQF Level 7	534
Post-Higher Diploma (Master's	304
Bachelor's degree/Occupational certificate NQF Level 7	1001
Honours degree/Post-graduate diploma/Occupational certificate NQF Level 8	565
Master's/Professional Master's at NQF Level 9 degree	176
PHD (Doctoral degree/Professional doctoral degree at NQF Level 10)	65
Other	230

The number of learners who have completed matric has increased by 3 143 from 2011 to 2016 and the number of people who undergone tertiary education increased by 1441 from 2011 to 2016.

**Figure 7: 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 11: Distribution of population by employment status and unemployment rate: Ngwathe LM, 1996 2001 and 2011**

	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. The 2016 household survey does not show the unemployment status and therefore we rely on the 2011 statistics

**Table 12: Number of households and the average household size: Ngwathe LM, 1996 2001 and 2011**

	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

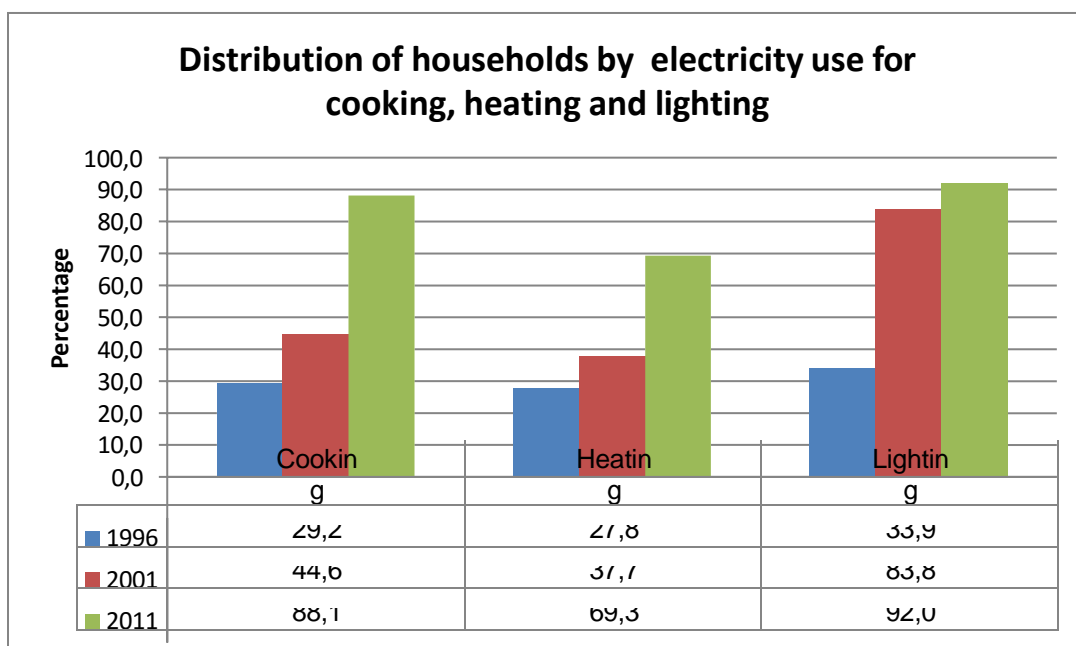
**Table 13: 2016 Community Survey statistics**

Ngwathe Local Municipality	Households
FS203: Ngwathe	40910

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.

The number of households increased by 3808 households in 2016 as compared to the statistics in 2011 which translate to 3 family members staying in one household.

**Figure 8: Distribution of households by electricity use for cooking, heating and lighting: Ngwathe LM, 1996 2001 and 2011**



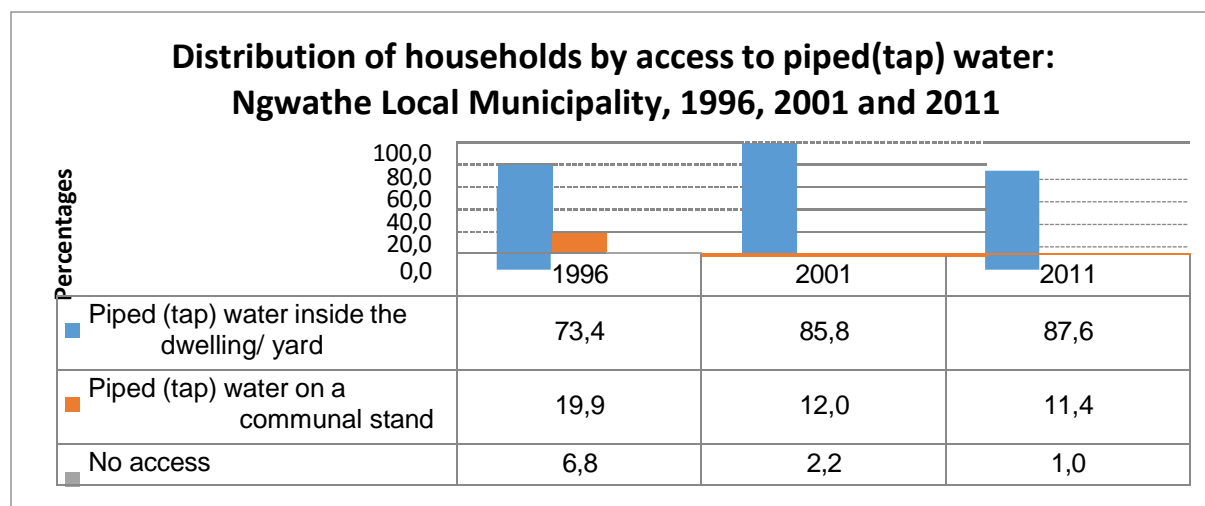
Source: STATSSA, Census 1996, 2001 and 2011

**Table14: Statistics 2016 Household survey**

Household access to electricity									
In-house conventional meter	In-house prepaid meter	Connected to other source which household pays for (e.g. con	Connected to other source which household is not paying for	Generator	Solar home system	Battery	Other	No access to electricity	Total
2959	35321	415	187	0	95	0	99	1835	40910

In 1996 less than 30% of households in the municipality were using electricity for cooking, which improved to be 88% in 2011. The percentage of households connected to electricity infrastructure in 2016 increased to 95%.

**Figure 6: Distribution of households by access to piped (tap) water: Ngwathe LM, 1996, 2001 and 2011.**



Source: STATSSA, Census 1996, 2001 and 2011

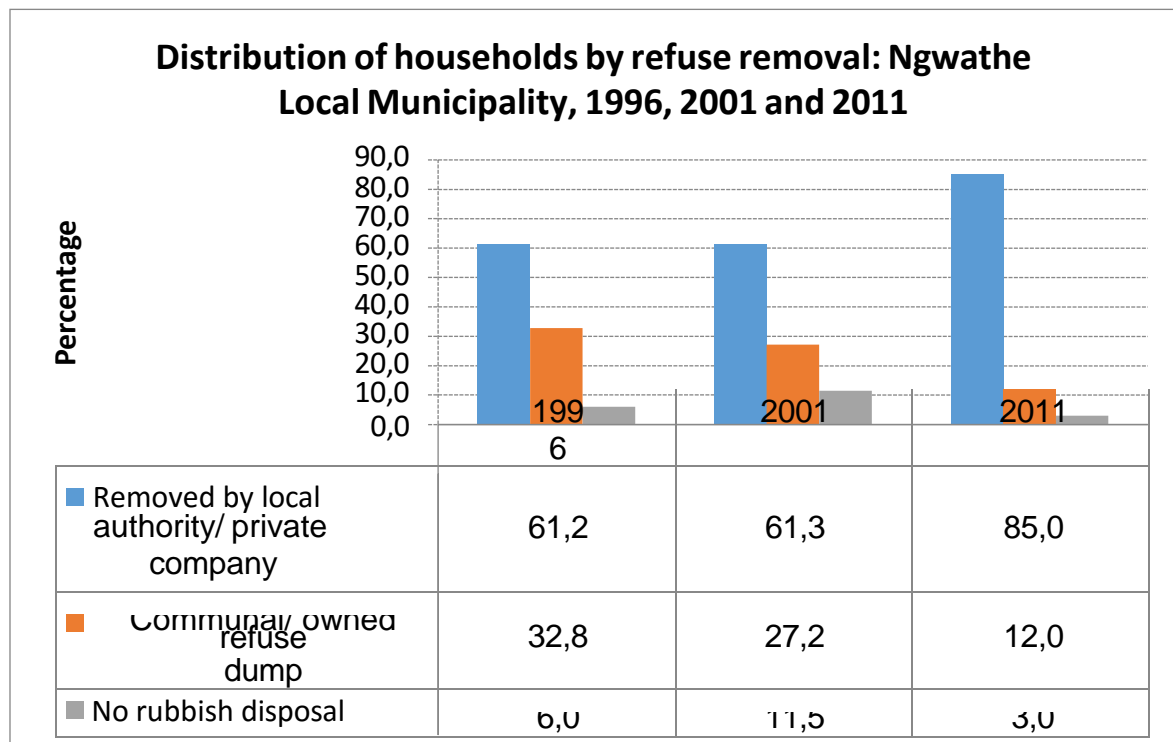
**Table15: 2016 Household survey statistics**

Main source of water for drinking													
Pipe d (tap) water inside the dwelling/house	Pipe d (tap) water inside the yard	Pipe d water on community stand	Bo r eh ole in the yard	Ra i n- wa ter tank in yard	Neigh b our's tap	Publ i c/ com mu n al tap	Wat er- carr i er /tan ker	Bore h ole outsi de the yard	Flow ing wa ter/ stre a m/ river	W e ll	Spr i ng	Ot h er	Tot a l
<b>12474</b>	<b>24858</b>	<b>1222</b>	<b>447</b>	<b>-</b>	<b>190</b>	<b>779</b>	<b>167</b>	<b>536</b>	<b>53</b>	<b>-</b>	<b>-</b>	<b>184</b>	<b>40910</b>

Figure 6 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. 94% households had access to piped (tap) water in 2016 which is a decrease of 5% in 2011.



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



Source: STATSSA, Census 1996, 2001 and 2011

**Table 16: 2016 Households Survey statistics**

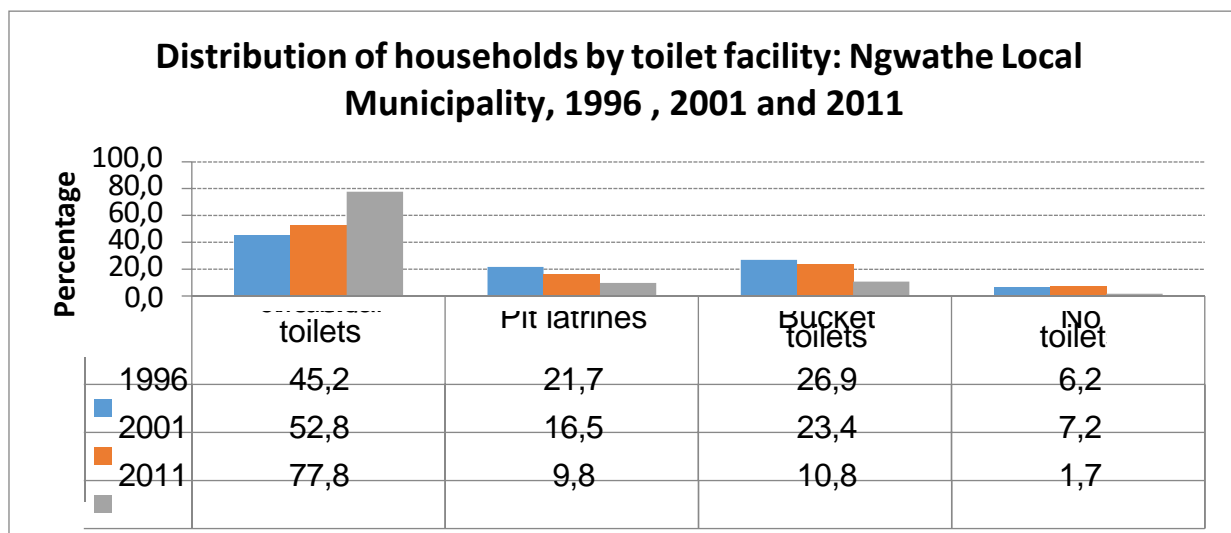
Refuse removal							
Removed by local authority/private company/communit	Removed by local authority/private company/communit	Communal refuse dump	Communal container/central collection point	Own refuse dump	Dump or leave rubbish anywhere (no	Other	Total

	company /community members at least once a week	members less often than once a week				rubbish disposal)		
	34539	1438	939	14	2749	1094	138	40910

Figure 7 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. In 2016 the number of refuse removed by local authority or private company increased to 88% as compared to 88% in 2011.

**Figure 8: Distribution of households by toilet facility, Ngwathe LM, 1996, 2001 and 2011**



Source: STATSSA, Census 1996, 2001 and 2011

**Table 17: 2016 Household's Survey**

Main type of toilet facility used
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Flush toilet connected to a public sewerage system	Flush toilet connected to a septic tank or conservancy tank	Chemical toilet	Pit latrine/ toilet with ventilation pipe	Pit latrine/ toilet without ventilation pipe	Ecological toilet (e.g. urine diversion; eco; etc.)	Bucket toilet (collected by municipality)	Bucket toilet (emptied by household)	Other	None	Total
33124	314	37	1792	939	-	3362	188	502	652	40910

The percentage in flush toilets connected to the infrastructure increased from 77.8% in 2011 to 82% in 2016.

**Table 18: Distribution of child headed households: Ngwathe LM, 1996, 2001 and 2011**

Description	1996	2001	2011
Child headed households	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 7 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. Statistical results in the 2016 household survey does not cover child headed households and therefore we depend on the 2011 results

The road network in the region needs to be maintained. The road conditions are not so good and need attention. It is very important that Road and Access Requirements are met.

Roads in the rural areas are the jurisdiction of the Provincial Government (Department of Public Works, Roads and Transport) who is also responsible for maintenance and upgrading. It was

calculated that 77% (1 298km) of the primary and secondary roads in the region are tarred and the remaining 23% (379km) are gravel. The figures exclude the vast number of tertiary gravel roads serving the farming community in the region. Sections of certain tertiary roads, parallel to the Vaal River and were identified as significant in view of their scenic nature and tourist potential. The major provincial road network is generally tarred and provides sufficient accessibility within the region.

However, the deteriorating condition of particularly tarred roads, as a result of irregular maintenance, is a tangible concern. Studying the major road network will indicate that primary arterials, both from a national and provincial perspective, run through the region and thus also play a significant role with regard to development.

## Road and Access Requirements

Region	Road Requirements	Access Requirements
<b>Regional Road Network and Future Access Requirements - Cross Cutting Issues:</b> The deteriorating condition of gravel roads, as a result of irregular maintenance, is a tangible concern in the area Gravel roads, linking urban areas, ensuring administrative linking, is in a dilapidated and unsafe condition, contributing to the difficulties of integrating the Municipality.		
<b>Parys</b>	R59: Continuous upgrading of the former N1 route (now R59) through the CBD R721: Completion of upgrading of Parys/ Kroonstad alternative road (for N1 toll road) R723 Upgrading of the gravel road between Parys and Heilbron.	A1: Access to the Parys/ Sasolburg road ( through the exiting grazing camp system, F1) to accommodate long term developments further northeast, also allowing for longer term industrial development, linking with a major collector road in Tumahole (A2) providing access to Mandela, Lusaka & Sisulu precincts and long term residential developments, further eastward (R10). A3: Timely construction of a new access route through Oudewerfpark to Tumahole, to ensure appropriated accessibility the northern precincts and town centre of Tumahole.

		<p>A4: Long-term future access is foreseen on the Parys/ Vredefort road (opposite the existing access to the Vaal De Grace golf estate and Island 13 (R12) wildlife estate; especially should urban extensions occur further westward.</p> <p>A5: Apart from the existing access to the Golf and Country estate, envisaged developments associated with the Parys Aerodrome (R3), will necessitated additional access onto the Parys Sasolburg/ Road.</p>
Heilbron	<p>R34: Completion of upgrade of the Heilbron /Frankfort Road.</p> <p>Upgrading of the gravel road between Heilbron and Koppies also improving access to Koppies Dam Nature Reserve and newly established Koppies Dam Resort.</p>	<p><i>Phiritona is exceedingly isolated with limited access onto the provincial road network and access to the Heilbron urban area. Phiritona is inaccessible during flooding of the Eland Spruit (A6).</i></p> <p>7 The road reserve and building restricting adjacent to Road P9/4 should not be considered for urban development and should be upheld for future road widening purposes and to ensure the safety of the traveling public and residents residing adjacent thereto.</p>
<u>Region</u>	<u>Road Requirements</u>	<u>Access Requirements</u>
		<p>A1, A2 and A3: Access to Heilbron via the three existing access roads is adequate.</p> <p>A4 &amp; A7: Additional collector roads are required to provide access to the previous extensions of Phiritona.</p> <p>A5: New access points proposed on the Oranjeville Road to provide adequate access to the eastern extensions of Phiritona</p> <p>A6: Imperative upgrading of the existing access between Phiritona and the Heilbron CBD via the non-noxious industrial area, in view of new extensions further northeast.</p>

		<p>A8: Access between Sandersville and Phiritona must be established to connect urban collector roads and increase accessibility to Phiritona.</p> <p>A9: Long term extension north-eastward will necessitate new accesses onto the Moedersdeel Road.</p> <p>The latter will ensure more direct access onto the Heilbron /Frankfort Road.</p>
<b>Koppies</b>	<p>¶ R82: Imperative upgrading of the Koppies/ Kroonstad</p> <p>¶ alternative road (for N1 toll road)</p> <p>Upgrading of the gravel road between Heilbron and Koppies also improving access to Koppies Dam Nature Reserve and newly established</p> <p>¶ Koppies Dam Resort.</p> <p>Upgrading of sections of the present access road from Koppies to the Koppies Dam Nature Reserve and Resort.</p> <p>R720 : Upgrading of the gravel road between Heilbron and Koppies</p>	<p><i>Kwakwatsi is exceedingly isolated with limited access onto the provincial road network and access to the Koppies urban area</i></p> <p>A4: An additional access road to the western portions of Kwakwatsi (onto Station Street) will improve accessibility</p> <p>A5: Current proposed urban extension south-eastward will necessitate a new access onto the Koppies Dam Road</p> <p>Upgrading of the present access road from Koppies to the Koppies Dam Nature Reserve and Resort</p> <p>A6: Long-term extension further north will likely necessitate a new access onto the Koppies/ Sasolburg Road</p>
<b><u>Region</u></b>	<b><u>Road Requirements</u></b>	<b><u>Access Requirements</u></b>
	<p>¶ R59: Continuous upgrading</p>	<p>A1: A weak business corridor (Oranje Street east) main access and on route to Mokwallo/</p>

<b>Vredefort</b>	of the former N1 route through the CBD.	Vredeshoop must be enhanced.
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of

	<p>R721: Completion of upgrading of the Greenland's Road to the Thambo and Vredefort/ Kroonstad alternative road (for N1 toll road).</p> <p>A2: A proper well-constructed access from the Greenland's Road to the Thambo and Mapetla precincts is deemed a priority.</p> <p>A3: Planning of the southern precincts of Mokwallo allowed for a direct link (crossing the Dover siding) to the existing main access road to Mokwallo.</p> <p>A4 &amp; A5: Additional and a more direct access from the Vredefort/ Parys road is proposed to the industrial area and the Vredeshoop precinct, ultimately also to the Mokwallo precinct.</p> <p>It will imply a crossing over the Lesotho Spruit but will further provide a more direct access to Vredeshoop, Mokwallo and cemetery.</p> <p>A6: Long term extension further north will necessitate a new access onto the Vredefort/ Viljoenskroon Road.</p>
<b>Edenville</b>	<p>᳚ R34: Apart from the main road between Heilbron and Kroonstad, dividing the precinct of Ngwathe and Edenville, there are no major road requirements.</p> <p>᳚ R720: Upgrading of the gravel road between Heilbron and Koppies</p> <p>A1, A2: There are two access roads to Edenville from the Kroonstad/ Heilbron Road. One access road is across the Ngwathe access road and the other access across the Heuning Spruit Road. The above-mentioned secondary roads to Steynsrus and Petrus Steyn, directly link to Edenville.</p> <p>A3: Only one access road exists to Ngwathe from the Kroonstad/ Heilbron Road.</p> <p>᳚ A4: An additional access to Ngwathe will improve accessibility from the major road network, specifically with the residential extension to the south of Ngwathe.</p> <p>᳚ A5: Existing informal accesses from the Heuning Spruit Road is proposed to be formalised, also allowing direct access to the proposed new cemetery.</p> <p>᳚ A6: Long- term extension further north will likely necessitate a new access onto the Edenville/ Heilbron Road.</p>



### **Spatial Development Framework**

According to the Free State Spatial Development Framework, all the Spatial Development Frameworks developed for areas in, or associated with, the Free State province must be represented spatially. In order to create a uniform system across the Province, the attribute data has been represented in this **Ngwathe** SDF review according to the six primary spatial planning categories which are:

- Core Conservation Area
- Natural Environment Buffer Area
- Agricultural Areas
- Urban Areas
- Industrial Areas
- Surface Infrastructure

### **Principles of the Ngwathe SDF**

Ngwathe SDF review is premised upon and gives effect to the following normative principles for spatial development framework stipulated by the Spatial Planning and Land Management Act, 2013:

#### **(a) Spatial Justice**

The unfair allocation of public resources between areas, must be reversed to ensure that the needs of the poor are addressed first rather than last.

#### **(b) Spatial Sustainability**

Sustainable patterns of consumption and production must be supported, and ways of living promoted that do not damage the natural environment .

#### **(c) Spatial Resilience**

Vulnerability to environmental degradation, resource scarcity and climatic shocks must be reduced. Ecological systems should be protected and replenished.

**(d) Spatial Equality**

The aesthetic and functional features of housing and the built environment need to be improved to create a liveable, vibrant and valued places that allow for access and inclusion of people with disability.

**(e) Spatial Efficiency**

Productive activities and jobs should be supported and burdens on business minimised . Efficient commuting patterns and circulation of goods and services should be encouraged , with regulatory procedures that do not impose unnecessary costs on development.

**Objectives of the Ngwathe SDF**

Ngwathe SDF is to serve as a framework and manual for integrated spatial planning and land use management in accordance with the principles of sustainability and sustainable development. Embodied in this function are the following:

- Providing a spatial rationale and directive for future development in terms of sustainability principles.
- Giving effect to the directives of both provincial and national as expressed in PSDF and NDP.
- Enabling intergovernmental alignment and guiding the activities of the relevant role players and agencies ( including provincial and national sectoral departments and other municipalities).
- Ensuring uniformity of application of planning processes and methodologies.
- Serving as the basis for ongoing monitoring and auditing performance and for continual improvement of land use methodologies, technologies and practices.

Below is a summary of the critical features of the Ngwathe Spatial Development:

**Growth Points and Potential**

Future growth is attributed to the influx and the commercial and agricultural components of the region. Limited growth is envisaged due to long term coal mining opportunities as well as the weekend related tourism potential of the area. Future urbanisation will principally be attributed to natural growth and influx in the area. Although the population growth and

housing requirements are predicted below, influencing factors described and section 5.3, although not quantitatively analysed, may influence predications made.

**Table : Ngwathe Projected Population Growth v/s adjacent Municipalities**

<b>Municipality</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b><u>Growth</u> <u>2019</u></b>
Moqhaka Local Municipality	166954	167503	168074	168670	169290	169936	170608	1.85
Ngwathe Local Municipality	121024	120520	120764	120521	120759	120522	120754	0.99
Metsimaholo Local Municipality	149057	148820	148537	148201	147799	147321	146752	-1.39
Mafube Local Municipality	54439	54547	54651	54750	54845	54936	55023	0.87
<b>Fezile Dabi (District)</b>	<b>491474</b>	<b>491390</b>	<b>492026.3</b>	<b>492142</b>	<b>492693.4</b>	<b>492715</b>	<b>493137.6</b>	<b>0.60</b>

Population growth in the Fezile Dabi District, in general, is lower (0.60%) in comparison to the estimated annual population growth rate of South Africa (1.34%)<sup>23</sup>. Although the predicted population growth in the Ngwathe region is slightly higher (0.99%) than the average for the District, it is also lower than the calculated national growth. Population growth, in general, and as illustrated in the graph below, is deemed exceedingly marginal. The above figure confirms the fact that the Free State has the second smallest share of the South African population, constituting just over 5% of the population.

- Due to the dominant regional role Parys and Heilbron play in terms of regional service providers and industrial and commercial development, the focus of urbanisation will probably be on these centres.
- Smaller towns such as Vredefort, Koppies and Edenville primarily accommodate farm workers migrating to these towns.
- Parys with its strong service character and prominent commercial and industrial components, will remain the main town and growth point of the region and will continue to render various services to the surrounding smaller towns and rural areas.
- Koppies and Heilbron are located in areas of agricultural significance and mainly provide services in this regard to the surrounding rural areas.
- Heilbron also has a strong manufacturing component that is principally agricultural related.

Edenville and Vredefort are located in areas of agricultural significance and mainly provide restricted services in this regard to the surrounding rural communities. Substantial future growth of these towns is not foreseen.

Future directions for residential extension, predominantly in the high density low cost residential areas, were identified for all urban areas and indicated on the Spatial Framework.

An assessment of the development potential of urban areas in the Free State Province were endeavored by the Department of Rural Development and Land Reform during 2014, illustrated in the ensuing table.

It is believed that Parys (including Sasolburg and Kroonstad will remain growth points in the larger Fezile Dabi District.

Heilbron and Koppies additionally might serve as growth points if the existing manufacturing opportunities are exploited in Heilbron and the mining and tourism opportunities are extensively exploited in Koppies. Edenville and Vredefort will continue to serve as small towns with limited economic growth potential focusing on tourism and providing a service to the agricultural community.

Employment opportunities will mainly be created in Sasolburg, Kroonstad, Heilbron, Frankfort and Parys as continuous growth points.

Koppies also has the opportunity to create future employment opportunities based on the tourism potential as well as the possibility for coal mining in Koppies.

Employment opportunities in the other smaller towns, will remain limited and agricultural orientated.

A number of regional problems have surfaced over recent decades that have demanded the attention of planners and developer's in so far as economic development of small and rural towns, in the broader Free State context, is concerned. The "dying rural town syndrome" seems both the most intractable and the one that continues to capture the public's concern. Development initiatives, at large, do not focus on the plight of the Regional Free State, losing population or businesses, not thriving economically and there is widespread evidence that many urban towns are in trouble. These problems include:

- the sudden economic shocks caused by downturns in "urban areas" because of economic restructuring,
- the continued "emptying" of rural areas,
- the ongoing (and increasing) domination of larger urban areas,
- increasing disparities within and between regions across a wide range of social and economic indicators.

## Influencing Factors

The following factors are determined as prominent influences that currently impact or will, in future, impact on development of the region:

**Road Infrastructure:** An effective primary road network exists in the study area. The secondary road network provided effective access to the above primary road network.

- **Strategic location:** The Ngwathe is situated strategically in close proximity to the Gauteng and North West Provinces.
- **Tourism Potential:** Ngwathe has a significant weekend related tourism potential that could, in future, contribute to the GGP of the district and should be further exploited.
- **Agricultural Sector:** The agricultural sector of certain areas in the district is extremely prominent and contributes largely to the GGP of the Fezile Dabi District, which emphasize the agricultural significance of this district. The latter results to industrial development that is agricultural orientated.
- **AIDS:** The impact of AIDS on economic growth patterns is still largely an unknown entity. An increase in mortality will, however, place a large burden on health services and the cost thereof that will influence future economic growth. The estimated overall HIV prevalence rate in South Africa is approximately 10%. The total number of people living with HIV was estimated at approximately 5,26 million in 2013. For adults aged 15–49 years, an estimated 15,9% of the population is HIV positive<sup>1</sup>.
- **Competition:** The impact of international trade and competition in agricultural products might result that the agricultural sector is internationally less competitive. The latter implies a negative effect on economic growth leading to a possible loss in employment.

- **Pollution:** Impact of pollution on the Vaal River through high-density development.
- **Influx:** Influx of residents from neighboring metropolitan areas (Gauteng and Vanderbijlpark and Vereeniging) is deemed a critical influencing factor. The continuous influx of migrant workers, using the towns of Sasolburg, Parys and Deneysville (Parys and Heilbron to a lesser extent) as satellite or “sleep towns” is a burden on the delivery of housing in the Fezile Dabi District. Migration therefore is an important demographic process in shaping the age structure and distribution of the provincial population.

Status Quo	Future Development Framework
<p>The Parys District comprises an unique nature and environmental assets such as the Vredefort Dome, landscapes associated with the dome, the Vaal River, its tributaries and riparian, also including several in stream islands (in the proximity of Parys).</p> <p>The Parys islands system (Bok, Steyn and Woody Islands) is unique, environmentally sensitive and subject to sporadic flooding.</p> <p>The VDWHS and associated buffer areas are located close to Parys. Due to the demarcated municipal boundaries (between Ngwathe and the Moqhaka Municipality) only 3 properties of the Dome and its associated buffers (located on the Free State side), are located in the Ngwathe Municipality – most of the properties are located in the Moqhaka Municipality.</p> <p>The Oudewerf Spruit and several other smaller tributaries drain through the urban area into the Vaal River. A significant vlei area (S10) formed adjacent one of the tributaries (west of Parys).</p>	<p>Optimal development and utilisation of the unique tourism potential of the Dome and Vaal River areas is proposed, but without compromising the outstanding universal value thereof and unduly impairing the safe, undisturbed and quiet enjoyment of the area.</p> <p>Significant surface water features (Vaal River), as well as their tributaries must be regarded as sensitive to activities that might further deteriorate their quality.</p> <p>Riparian areas to the Vaal River, Oudewerf Spruit and their tributaries are an integral part of the river ecosystem and regarded as important ecological features, experiencing substantial development pressures.</p> <p>They must be regarded as sensitive to activities that threaten to severely degrade them.</p> <p>Urban conservation areas, namely the in stream islands of the Vaal River, are deemed of significance for protection and must be retained.</p>

	S10: Development further westward must take cognisance of an existing vleis area as it is deemed a sensitive ecological feature.
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#### B: BUFFER

Status Quo	Future Development Framework
<p>The Vaal River forms the northern boundary of the urban area that also serves as the boundary between the Free State and Gauteng and North West Province.</p> <p>Most significantly, however, is the proposed 5 km buffer zone associated with the core properties of the VDWHS (refer to Annexure 1), occupying farmland between Parys and Vredefort, amongst other, also the potential hinterland of Parys and Vredefort.</p>	<p>The practicality of the VDWHS buffer areas need to be investigated; especially in the immediate vicinity of Parys and Vredefort, as they impede on the natural hinterland of the involved urban areas. The tar road between Vredefort and Parys should preferably serve as buffer boundary and land to the east thereof released for urban development of Parys and Vredefort.</p> <p>The Vaal River and Oudewerf Spruit and associated tributaries are significant natural resources and should be protected to minimise pollution thereof.</p> <p>The areas within 32 m and 100 m of water courses, as defined in the National Water Act, and within 500 m of wetlands should be regarded as sensitive.</p>



## C: AGRICULTURAL AREAS

Status Quo	Future Development Framework
<b>Urban Agriculture</b>	
<p>A substantial grazing camp system (F1) is located east of the urban area although usage thereof as the future hinterland is becoming immanent.</p> <p>The Pistorius Rust Smallholdings (R7), comprising of 12 plots are located west of Parys and are included in the TPS boundaries. Although small farm portions (of similar dimensions as the neighbouring smallholdings) are situated opposite the Parys/Vredefort Road, they are not included in the TPS boundaries. The properties are directly associated with the <i>Island 13</i> wildlife estate on "Groot Eiland".</p>	<p>F1: the existing grazing camp system will be impeded on to accommodate new developments and access roads</p> <p>A1: Access to the Parys/ Sasolburg road (through the exiting grazing camp system, F1) to accommodate long term developments further northeast, also allowing for longer term industrial development, linking with a major collector road in Tumahole (A2) providing access to Mandela, Lusaka &amp; Sisulu precincts and long term residential developments, further eastward (R10). Although residential extensions (R1, R2 and R3) are proposed to</p>
Status Quo	Future Development Framework
<p>Areas annulled for urban development by approach angles and safety zones, associated with the Parys Aerodrome, could purposefully be utilised for urban agriculture or a regional cemetery.</p>	<p>promote a more compact urban form, the existing grazing camps (F1) will be utilised for urban extension in the foreseeable future.</p> <p>R7: Development of the Pistorius Rust Smallholdings, in all probability, will be associated with the adjoining developments; that of high cost low density residential development and upmarket tourism development.</p>

	R8: Although small farm portions (of similar dimensions as the Pistorius Rust Smallholdings) are situated opposite the Parys/ Vredefort Road, these properties now included in the urban fringe. Must be included in the TPS for urban extension as described above, to occur in this area.
<b>Commonage</b>	
Several farms (F2 & F3), acquired during 1998, to the southeast of Tumahole that are currently utilised as grazing for stock farmers, including: The farm Wildehondekop 396 The remainder of the farm Boschkop 220 The remainder of the farm Klipbos 445	F2 & F3: Continual extension in a north-easterly direction will necessitate purchasing of additional commonage to the east of Tumahole. It is proposed to acquire: Subdivisions 3 & 4 of the farm Boschkop 220 The remainder of the farm Kliprug 344 Subdivision 1 of the farm Wildehondekop 396

#### D: URBAN RELATED

The rural area comprises 2332 farms (excluding the subdivisions of agricultural land adjacent the Vaal River). The current tendency is for most rural families to rather reside in the urban areas with only the laborer's residing on the farms during the week. A substantial migration occurred the past few years from the rural to the urban areas. Current housing needs and the provision of housing in the urban areas are illustrated below. The continuous expansion and growth of urban areas imply that additional land will have to be acquired for most of the urban area.

## **2.6 Institutional Profile**

### **2.6.1 Governance System**

Local government function in a highly sophisticated environment. To be successful in its endeavors to render quality, affordable and sustainable municipal services, it needs to be structured in the best possible way to facilitate effective governance as well as to ensure proper oversight and to measure performance.

The municipality is constituted in the following manner:

- The Executive Mayor
- The Speaker
- The Chief Whip
- Chairperson of MPAC
- Ward Committees.
- Administration with the Municipal Manager as Head. This incumbent also serves as the Accounting Officer of the municipality.

### **2.6. 2 Political Leadership**



**CLLR V DE BEER - MTHOMBENI**  
**MOPEDI EXECUTIVE MAYOR**



**CLLR NP**  
**SPEAKER**



**CLLR L**  
**SOTSHIVA**  
**CHIEF WHIP**

Municipality is a Category B municipality with an Executive Mayor Governance System. The Executive Mayor is supported by six (7) Mayoral Committee Members who are responsible for heading their respective Section 80 Portfolio Committees to which specific departments report.

The Speaker is the Chairperson of Council and is responsible for overseeing the functioning of Council and its committees. The Office of the Speaker is also responsible for the establishment and functioning of the ward committees.

The Chief Whip is responsible for ensuring compliance of the code of conduct by Councillors. Ngwathe comprises 19 Wards in terms of Section 18 (3) of the local government: Municipal Structures Act 1998, (Act 117 of 1998).

### **2.6.3 Governance Structures**

#### **2.6.3.1 Composition of Council**

Council comprises of 19 Ward Councillors and 18 Proportional Representative Councillors. Below is a list of Councillors making up the Council of Ngwathe Local Municipality:

Name	PR/Ward	Political Party
V De Beer- Mthombeni	PR	ANC
N Mopedi	PR	ANC
N Moloi	PR	ANC
N Sehume	PR	DA
S Sekgoba	PR	DA
A Schoonwinkel	PR	DA
F De Jager	PR	DA
R Ferendale	PR	DA
C Serfontein	PR	DA
S Moseme	PR	EFF
P Motaung	PR	EFF
J Mokoena	PR	EFF
M Moloi	PR	EFF
A Jantjie	PR	EFF
M Matthysen-Engelbrecht	PR	VF
J Meyer	PR	VF
P Van Der Merwe	PR	VF
S Kok	PR	NRA

### 2.6.3.2 WARD REPRESENTATIVE COUNCILLORS

NAME & SURNAME	WARD NO	POLITICAL PARTY
Cllr AJ De Jager	1	ANC
Cllr MJ Serati	2	ANC
Cllr MD Mofokeng	3	ANC
Cllr S Nteo	4	ANC
Cllr MD Rapuleng	5	ANC
Cllr BT Mokoena	6	ANC
Cllr MJ Moroenyane	7	ANC
Cllr KI Khumalo	8	ANC
Cllr IM Magashule	9	ANC
Cllr MM Rantsaile	10	ANC
Cllr MTJ Mosepedi	11	ANC
Cllr M La Cock	12	DA
Cllr MJ Tyumbu	13	ANC
Cllr TP Sothoane	14	ANC
Cllr ME Sefako	15	ANC
Cllr L Sotshiva	16	ANC
Cllr D Masooane	17	ANC
Cllr M Toyi	18	ANC
Cllr ES Nthoesane	19	ANC

As an Executive Mayor Type System municipality, the Council is chaired by the Speaker as Head of the legislative arm of Council. The Council then elects an Executive Mayor who is the Head of the executive arm of Council.



The Speaker of Council, Ms N Mopedi's role in a municipality is key to ensuring oversight, accountability, integrity, discipline of office, and the efficient running of council meetings.

- Oversee public participation strategy in the Municipality;
- facilitating public participation in legislative matters;
- establishment and functioning of ward committees; and
- Support to councillors.



The Executive Mayor drives the executive program of council, supported by a Mayoral committee which she appoints. Executive Mayor V De Beer, represents the African National Congress in council and is now serving a term as Executive Mayor and is administratively supported by the Municipal Manager who leads the administration.



The Executive Mayor reports directly to council, leading the strategic planning and budgeting processes of council, consistent with the Municipal Finance Management Act, Act 56 of 2000.


The Executive Mayor also directs specific special programs and projects, relating to vulnerable groups, empowerment projects,

whilst the protection and promotion of women, disabled and children's rights are of the key sectors/groupings to whom she leans strongly. The special projects of the mayor will therefore find strong expression in the municipality Service Delivery Budget Implementation Plan where significant progress was seen during the latest performance report presented to Council.




The Mayoral Committee (MAYCO), is chaired by the Executive Mayor and draws membership from the chairs of the following Municipal Portfolio Committees (Section 80 committees):

### 2.6.3.3 SECTION 80 Committees

Committee	Name of Councillor	Designation
<b>1.Finance and Budget</b>		
	<b>1. Cllr</b> Mmutenyane Johny Serati	<b>Chairperson</b>
	<b>2. Cllr</b> Thabo Petrus Sothoane	
	<b>3. Cllr</b> Modise Joshua Moroenyane	
	<b>4. Cllr</b> Kau Jacob Khumalo	
	<b>5. Cllr</b> Matjhini Shadrack Toyi	
	<b>6. Cllr</b> Arnold Mattheus Schoonwinkel	
	<b>7. Cllr</b> Phillippus Petrus Van Der Merwe	
	<b>8. Cllr</b> Sellwane Lydia Moseme	
<b>2.Infrastructure And Led</b>		
	<b>1. Cllr</b> Mosiuwa David Mofokeng	<b>Chairperson</b>
	<b>2. Cllr</b> Jerry Mbuyiselo Tyumbu	
	<b>3. Cllr</b> Matjhini Shadrack Toyi	
	<b>4. Cllr</b> Manthole Elsie Sefako	
	<b>5. Cllr</b> Leponesa Petrus Sotshiva	
	<b>6. Cllr</b> Salomon Hercules Francois De Jager	
	<b>7. Cllr</b> Phillippus Petrus Van Der Merwe	
	<b>8. Cllr</b> Sellwane Lydia Moseme	
<b>3. Urban ,Planning and Rural</b>		
	<b>1. Cllr</b> Mohau Thabiso Joseph Mosepedi	<b>Chairperson</b>
	<b>2. Cllr</b> Serame Nteo	
	<b>3. Cllr</b> Ephaus Sipho Nthoesane	
	<b>4. Cllr</b> Nomakhaza Suzan Moloi	
	<b>5. Cllr</b> Jan Abraham Meyer	

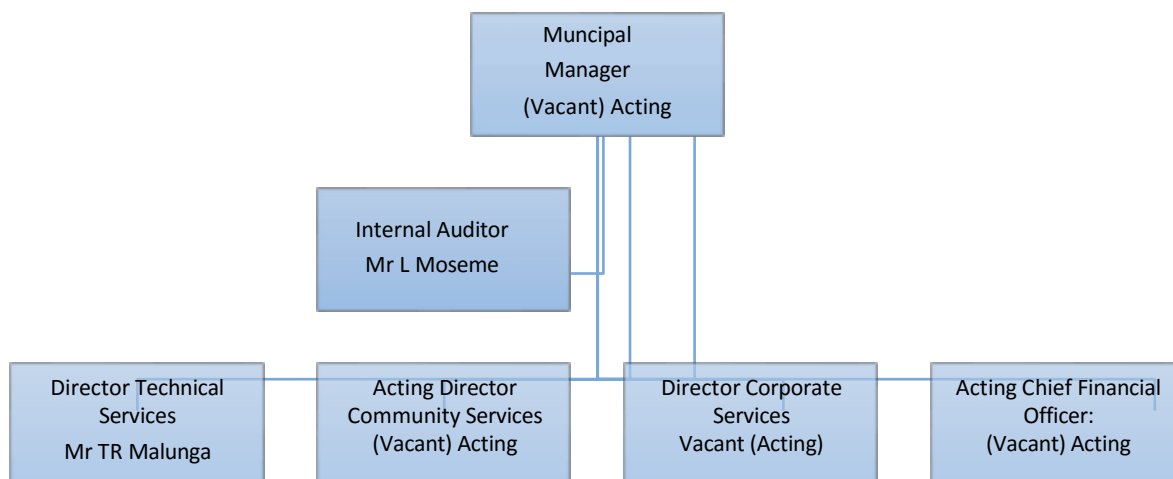
	<b>6. Cllr Robert Sadat Ferendale</b>	
	<b>7. Cllr Andele Abram Jantjie</b>	
<b>4. Corporate Services</b>		
	<b>1. Cllr Kau Jacob Khumalo</b>	<b>Chairperson</b>
	<b>2. Cllr Ephaus Sipho Nthoesane</b>	
	<b>3. Cllr Thabo Petrus Sothoane</b>	
	<b>4. Cllr Leponesa Petrus Sotshiva</b>	
	<b>5. Cllr Serame Nteo</b>	
	<b>6. Cllr Selby Sekgoba</b>	
	<b>7. Cllr Marinda Matthysen-Engelbrecht</b>	
<b>5. Social and Community Development</b>		
	<b>1. Cllr Manthole Elsie Sefako</b>	<b>Chairperson</b>
	<b>2. Cllr Makoena Mirriam Rantsaile</b>	
	<b>3. Cllr Dorris Masooane</b>	
	<b>4. Cllr Isaac Malebo Magashule</b>	
	<b>5. Cllr Mmutenyane Johny Serati</b>	
	<b>6. Cllr Catharina Serfontein</b>	
	<b>7. Cllr Marinda Matthysen-Engelbrecht</b>	
	<b>8. Cllr Kgathatso Josephina Mokoena</b>	
<b>6. Special Programme and IDP</b>		
	<b>1. Cllr Dorris Masooane</b>	<b>Chairperson</b>
	<b>2. Cllr Modise Joshua Moroenyane</b>	
	<b>3. Cllr Ben Thabo Mokoena</b>	



	4. Cllr Isaac Malebo Magashule	
	5. Cllr Makoena Mirriam Rantsaile	
	6. Cllr Ntutu Alfred Sehume	
	7. Cllr Jan Abraham Meyer	
	8.Cllr Mahlomola Piet Motaung	
<b>7. Public Safety and Transport</b>		
	1. Cllr Nomakhaza Suzan Moloi	<b>Chairperson</b>
	2. Cllr Aron Johann De Jager	
	3. Cllr Selma Kok	
	4. Cllr Mosiuwa David Mofokeng	
	5. Cllr Isaac Malebo Magashule	
	6. Cllr Ben Thabo Mokoena	
	7. Cllr Marie La Cock	
	8. Cllr Jan Abraham Meyer	
	9. Cllr Makabelo Princilla Moloi	
<b>8. MPAC/Section 32</b>		
	1. Cllr Matjhini Shadrack Toyi	<b>Chairperson</b>
	2. Cllr Leponesa Petrus Sotshiva	
	3. Cllr Jerry Mbuyiselo Tyumbu	
	4. Cllr Makoena Mirriam Rantsaile	
	5. Cllr Thabo Petrus Sothoane	
	6. Cllr Makabelo Princilla Moloi	
	7. Cllr Arnold Mattheus Schoonwinkel	
	8. Cllr Jan Abraham Meyer	

### 2.6.3.4 Management Structures

In accordance with Chapter 7 of the Municipal Systems Act, the municipality has established an administration with organizational structure made up of staff and managers to support the Council fulfil municipality's mandate. The municipality regularly reviews the organizational structure to ensure that it is geared to support implementation of the IDP. The structure is made up of macro and micro level structures. Below is the macro structure of the municipality:



Four of the five section 56/57 Managers positions are vacant and a process to have them filled is underway. The municipality is currently in the process of appointing both the director Community Services and Chief Financial Officer.

The municipality has undertaken an organizational review and reached a conclusion that our staff establishment is not fit for purpose and there is a need to change it accordingly. The change management process will have to include the development of a comprehensive Human Resources Strategy aligned to the IDP and long-term vision of the Municipality.

The municipality is also committed to do a skills audit which will focus on analysing skills and competencies of all municipal staff.

## 2.7 Sector Plans, strategies, By- Laws and Policies

### Status Quo Introduction

At the core of the new system of local government is the ability of municipalities to coordinate and integrate programmes of other spheres and sectors operating in their space. This role is very critical given that all government programmes and services are delivered in municipal spaces. In this regard, the integrated development planning process becomes a vehicle to facilitate integrated development to ensure

the attainment of local government outcomes contained in the White Paper on Local Government.

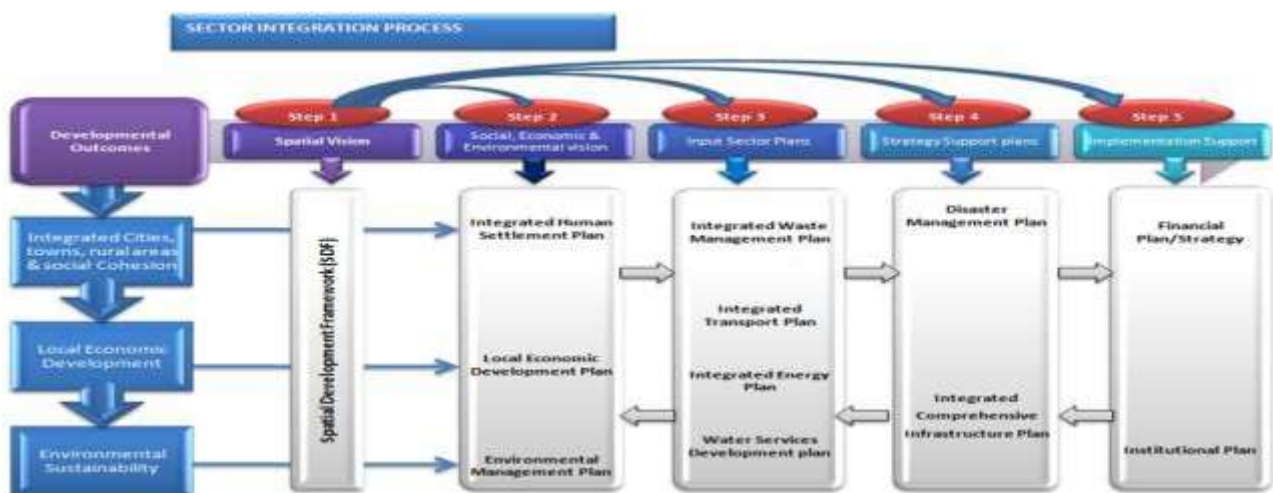
The approaches and plans to achieve these outcomes are contained in various national and provincial legislation and policy frameworks. National departments through legislation and policies express government priorities, strategies, plans and programmes. The legislation and policies also require municipalities to develop sector specific plans to guide the rendering certain services. For the purpose of this framework these sector plans are grouped in two (2) main categories, namely:

- sector plans providing overall development vision of the municipality and
- sector plans that are service-oriented.

### 2.7.1 Integration of Sector Plans

The diagram below illustrates how the sector plans are to be integrated into the IDP.

**Figure 18: Sector Plan Integration**



## 2.7.2 Sector Plans

Below are the sector plans and their status:

Sector Plan	In Place /Not in Place	Status	Next review date	Lead Department
SDF	In place	Under reviewed		DCS
Rural Development Sector Plan	In Place	Draft		DLRD
Waste Management Strategy/Plan	In place	Draft		DCS
LED Strategy	In place	Under review		DCS
Integrated Waste Management Plan	In place	Draft		DCS
Housing Sector Plan	In place	Under review		DCS
Integrated Environmental Management Plan	In place	Draft		DCS
Disaster Management Plan	In place	Under Review		DCS
Internal Audit Charter	In place			MM
Communication Strategy	In place	Draft		Mayor
Public Participation Plan/Policy	In place	Under review		Speaker
Fraud Prevention Plan	In Place	Draft		MM
PMS Framework	In Place	Adopted		IDP/PMS
Electricity Master Plan	In place	Draft		DTS
Sanitation Master Plan	In place	Draft		DTS
Solid Waste Master Plan	In place	Draft		DTS
Road & Storm Water Master Plan	In place	Draft		DTS
Water Master Plan	In place	Draft		DTS

Water Safety Plan	In place	Draft		DTS
HR Strategy	Not in Place			DCOS
Employment Equity	Not in place			DCOS
Workplace Skill Plan	In place	Reviewed		DCOS
Institutional Plan	Not in place			DCOS
Employee Wellness Strategy/Plan	Not in place			DCOS
Financial Plan	Not in place			CFO

### 2.7.3 Status Quo of Policies

POLICY	COUNCIL
<ul style="list-style-type: none"> <li>Ngwathe Municipality Fraud Prevention Policy</li> <li>Ngwathe Municipality Risk Management Policy</li> <li>Attendance and Punctuality Policy</li> <li>Bursary Scheme for community members policy</li> <li>Communication and strategy policy</li> <li>Incapacity policy</li> <li>Internal Bursary Policy</li> <li>Leave policy</li> <li>Occupational Health and Safety Policy</li> <li>Recruitment and placement policy</li> <li>Training and Development policy</li> <li>Subsistence and travelling policy</li> <li>HR Policy and procedure manual</li> </ul>	30/08/2019 30/08/2019 10/12/2020 01/08/2008 01/08/2008 01/08/2008 01/08/2008 01/08/2008 01/08/2008 01/08/2008
BY-LAWS ADOPTED	COUNCIL RESOLUTION
<ul style="list-style-type: none"> <li>Standard Commonage</li> <li>Standard Delegation of powers</li> <li>Encroachment policy</li> <li>Fire and Emergency services</li> <li>Ward committee</li> <li>Waste Management</li> <li>Water Restriction</li> <li>By-law on Promulgation of Water Services intermediary and provision of water and sanitation services to residents on privately owned land</li> </ul>	14/12/2016 N/A 14/12/2016 17/03/2013 N/A 14/12/2016

## 2.8 SWOT ANALYSIS

SWOT Analysis is a strategic planning technique used to help an organisation identify its strengths, weaknesses, opportunities and threats related to its operations and project planning. In order for Ngwathe Local Municipality to be better placed to deliver on its strategic objective and its goals, it is important that the process is undertaken so that it is aware of where attention should be given. The

following constitutes the strengths, weaknesses, opportunities, and threats that have been identified by the Municipality

STRENGTHS	WEAKNESSES
<p>Political stability</p> <p>Location of municipality</p> <p>Land for Economic Development</p> <p>Equitable Share from National Government</p> <p>Community Supporting the Municipality</p> <p>Tourism for Economic Development</p> <p>Offices /Hospital</p>	<p>Institutional Capacity</p> <p>Poor Infrastructure</p> <p>Old apartheid Human settlement</p> <p>Poor Communication within the organization</p> <p>Wrong Placement</p> <p>Lack of implementation of Council Resolution</p>
OPPORTUNITIES	THREATS
<p>Economic Opportunities</p> <p>Bed and Breakfast facilities</p> <p>Restaurants</p> <p>Power boat</p> <p>Dome in Vredefort</p> <p>Madeira Flower Festival</p> <p>Recreation Facilities / Boating / Mimosa</p> <p>Aviation EXPO / Parys Airport</p> <p>Koppies Dam / Heilbron</p> <p>Conference Centres / Across the municipality</p> <p>Vaal River</p> <p>Mines</p> <p>De Beers</p> <p>Bentonite</p> <p>PV Power Generation</p> <p>Agriculture</p> <p>Agri-park</p> <p>Manufacturing (More opportunities available)</p>	<p>Eskom Account – from external point of view</p> <p>Ageing Infrastructure (E.g. Old Water pipes Pipe-bursts)</p> <p>Population Growth (E.g. all town population growth)</p> <p>Increasing risk of crime amidst limited employment</p> <p>High rate of Unemployment, increased rate of indigents</p> <p>Flooding – E.g. some of the places in Koppies were flooded as a results of rains</p> <p>Crime – E.g. a number of cable thefts cases reported to-date – Execution Gaps</p> <p>Drug Abuse</p> <p>Social Problems – Informal Settlement (It is mushrooming in our towns, the increasing number of street kids in our towns)</p> <p>Poor Management of Assets</p>

Refrigeration	
Telwerde - Cattle feed	
Sernick - Maize	
Fluit - Boots	
Land	
Industrial Sites and buildings	
Commonages land	
Airport as opportunity Game farming	
Zoo	
Abattoirs	

## 2.9 Risk management and Fraud Prevention

Risk management in the municipality is guided and monitored by various committees at Council and administrative levels. These committees include the Executive Management Committee, Risk Management Committee, and the Audit Committee. Additionally, the municipality appointed a Risk and Compliance Manager as part of the reasonable steps taken to maintain an effective, efficient, and transparent system of general risk management.

Risk Management Committee is not functional, the instability in the municipality that was caused by vacant positions of senior managers contributed to the state of affairs, however we are planning to appoint Risk Committee Independent Chairperson in the new financial year. As soon as Municipal Manager position is filled the three vacant positions for directors will soon be filled and the committee will be correctly constituted

Council has not approved Risk Management enablers, the Risk Management Strategy, Policy and Fraud Prevention Policy as well as Risk registers (strategic and preventative and Fraud) that enable management to proactively identify and respond appropriately to all significant risks that could impact municipal objectives. In line with the Draft Risk Management Strategy, a top-down and bottom-up approach has been adopted in developing the risk profiles of the municipality. Operational/preventative risk assessment was conducted and the results were communicated to Municipal Manager. The top ten risks identified for 2017- 2022 were removed from the new council Integrated Development Planning (2021-2026). The 2017 – 2022 risks as listed below will form a base for the reviewing process.

- ☐ Poor Water Quality
- ☐ Electricity Cable theft
- ☐ Distribution loss (water and electricity)
- ☐ Aged infrastructure
- ☐ Outdated Master Plans
- ☐ Floods
- ☐ Low Revenue
- ☐ High Expenditure
- ☐ Weak Internal Controls
- ☐ High Litigations.



## 2.10 Powers and Functions

Local government is assigned specific powers and functions that 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 Municipal Systems Act, 2000 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, 1998. 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. Ngwathe Local Municipality, as a category B municipality, has been allocated and performs the following powers and functions in terms of the Municipal Structures Act of 1998.

Below is a set of powers and functions allocated to Ngwathe Local Municipality.

Category B Functions	Category C Functions	Provincial and National
<b>Local Municipality</b>	<b>District Municipality</b>	
Air pollution Building regulations Bill boards and display of advertisements Storm water Trading regulations Cleansing Facilities, accommodation and burial of animals	Refuse removal and solid waste Municipal roads Municipal airports Fire fighting Markets Cemeteries Municipal public works	Libraries Housing
Fencing and fences Local sport facilities Municipal parks and recreation Municipal planning Municipal public transport Municipal roads Public places and local amenities Street lighting Traffic and parking Licensing of dogs	Electricity regulation Municipal health Storm water Potable water Sanitation Licensing	

The powers and function above can be briefly described as follows:

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	<p>Bulk supply of electricity, which includes for the purpose of such, the supply, the transmission, distribution, and where applicable the generation of electricity.</p> <p>Regulation, control and maintenance of the electricity reticulation network.</p> <p>Provision and maintenance of public lighting which includes street lights, high mast lights, etc.</p> <p>Tariff policies, monitoring of the operation of the facilities for adherence to standards.</p>
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
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

## **CHAPTER 3:**

### **MUNICIPAL DEVELOPMENT STRATEGIES**

#### **3.1. Introduction**

Section 25 of the Municipal Systems Act (2000) requires that each municipal council must within a prescribed period after the start of its elected term adopt a single, inclusive and strategic plan, commonly known as Integrated Development Plan (IDP). The IDP must guide and inform all planning, development, budgeting decisions of the municipality.

Section 26 (a) of the above said act also requires that the IDP must reflect the municipal council's vision for the long term development of the municipality. This chapter outlines the municipal vision, mission, motto, development objectives and priorities.

#### **3.1.1 Strategic framework**

In its simplest form, planning is the process of reflecting on and structuring activities necessary to achieve a desired output, goals or outcomes. Within an organisation, planning is a core leadership and management function that involves the formulation of the roadmap that will enable to organisation to fulfil the reason for which it was established. Over the years, as the organisational planning discipline has evolved, numerous definitions of planning have been put forward.

The importance of planning in organisations cannot be over-stated. Planning is necessary for numerous reasons, the most important of which is that it develops the necessary organisational blueprint, linking financial and non-financial investments, to outcomes, and ultimately impacts. Without a plan, an organisation would not be able to effectively deliver on its objectives or achieve its goals.

Strategic planning enables organisations to focus their energy to ensure that different teams and business units and departments of the organisation are working toward the same goals, to assess and adjust the organisation's direction in response to a changing environment. In short, strategic planning is a disciplined effort to produce fundamental decisions and actions that shape and guide how the organisation defines itself, what it does, and why it does it, with a focus on the future. Strategy is about how to create linkages between these in order to arrive at a position that optimises the alignment between internal resources, capacities, external demand and impact. It is also about ensuring that the various strategies adopted by the different functional areas are complimentary and reinforce each other and are supported by the organisational infrastructure. Therefore, Strategy is a decision-making process that culminates in the Operational Plan.

A strategic plan is a road map that leads an organization from where it is now (current state) to where it would like to be over a pre-determined period of time (desired state). The strategic plan sets out the policy priorities, programmes and in some instances, project plans for the

five-year MTSF period. It focuses on the strategic goals of the municipality and should be an expression of how the municipality will implement its human settlements mandate in line with the national policy priorities set out in the National Development Plan and Medium Term Strategic Framework.

Strategic planning is important because it provides necessary direction to an organization. When it is fully cascaded into the departments, it tells the organization how it should go about doing its work. Strategy sets the basis for a sound performance measurement system. Strategy is not only the road map for the organization, but also sets up the signposts to measure progress.

Strategic planning is necessary for numerous reasons, the most important of which is that it develops the necessary organisational blueprint, linking financial and non-financial factors to outcomes, and ultimately impacts. Without a plan, an organisation would not be able to effectively deliver on its objectives or achieve its goals. Some of the reasons why institutional planning is necessary, are listed below:

- Planning fosters accountability and transparency
- Planning establishes the focus for the organisation
- Planning prepares the organisation for the future

In addition to the above, institutional planning is both a driver and enabler of budgeting, reporting, regulatory compliance, M & E and overall organisational performance management. A clear strategic plan allows for:

- A clear understanding of where the organization wants to go and in what timeframes
- The establishment of performance measures against known objectives or outcomes
- Linking the organization to work towards common objectives
- Creating a dynamic organization that can easily adapt to internal and external changes
- Focusing of the organization's resources
- Effective prioritization and decision making
-

The strategic management/IDP process that Council and Officials followed was structured to take them through a logical strategic thought process. It covered both the external and internal environments and looked at the past present and future. It addressed all stakeholders and focused on meeting the needs of the NLM's various stakeholders by integrating the results of the previous IDP process and their current needs. The output is a document that does not only cover high-level strategic objectives, but also identifies the strategies and actions that need to be performed at the strategic, managerial and the operational levels. It gives senior and lower level managers a clear indication of what has to be accomplished to successfully achieve the organisations vision and mission.

There are different ways in which organisations can undertake the strategic planning process. It is however important that the strategic planning process is fit for purpose and meets the planning needs of the organisation while complying with guidelines provided. The South African Government, in 2010, adopted the outcomes-based approach to planning, performance management, monitoring and evaluation.

The process of planning in Government is inextricably linked to the budgeting process. Government has the responsibility to ensure responsible expenditure, given the limited resources. Thus every activity and process must be linked to results to ensure value for money. Furthermore, strategic planning at institutional level must seamlessly link programmes to programme budgets. It is for this reason that planning and budgeting cannot be separated.

This Module provides an overview of the outcomes approach to strategic planning as the preferred planning methodology of Government in South Africa and forming the basis of the Government-wide system of planning, budgeting and management. The outcomes approach to planning is therefore the planning methodology that the municipality must use in its own planning processes.

### **3.1.2 Outcomes Based Approach**

The Outcomes Approach to planning and management in Government was introduced in 2010. This came against the backdrop of severe service delivery backlogs which persisted despite the steady increase in service delivery expenditure. In other words, government's failure to achieve the desired outcomes that necessary to ensure progressive development as articulated in its 2010 "Guide to the Outcomes Approach" document, necessitated the shift to the outcomes approach.

The Outcomes Approach is a philosophy and approach of planning and management that focuses all planning and management activities on the outcome and impact. It means planning backwards from the desired outcome, to identifying how best to achieve it. The outcomes approach clarifies what Government hopes to achieve, how it will be achieved, and how Government will know in the short, medium and long-term, if the desired outcomes are being achieved.

In order to understand the Outcomes Approach as it is practised in Government in South Africa, it is necessary to build a conceptual framework of the various terms and concepts used and applied in the outcomes approach.

This Section of the manual presents an overview of the most common concepts used and applied in the outcomes approach

The Outcomes Approach starts by identifying what outcome (result) must be achieved and then working out what outputs will ensure that the identified outcome is achieved. It goes further to identify what activities must be undertaken in order to achieve the identified outputs, and what resources are required to undertake the identified activities. Figure 5 below, illustrates the backwards planning mechanism of the outcomes approach:



Figure 1: The Backwards Planning Mechanism of the Outcomes Approach.

The Outcomes Approach essentially proposes that organisation should start planning with a look at the long term impact it wishes to make and then work backwards. This suggests therefore that organisations should then develop a long term vision, mission, strategic goals, objectives, outputs, indicators and targets in that order. Below is a diagram that represents the strategic framework to be followed in planning across government in line with the Outcomes Approach:



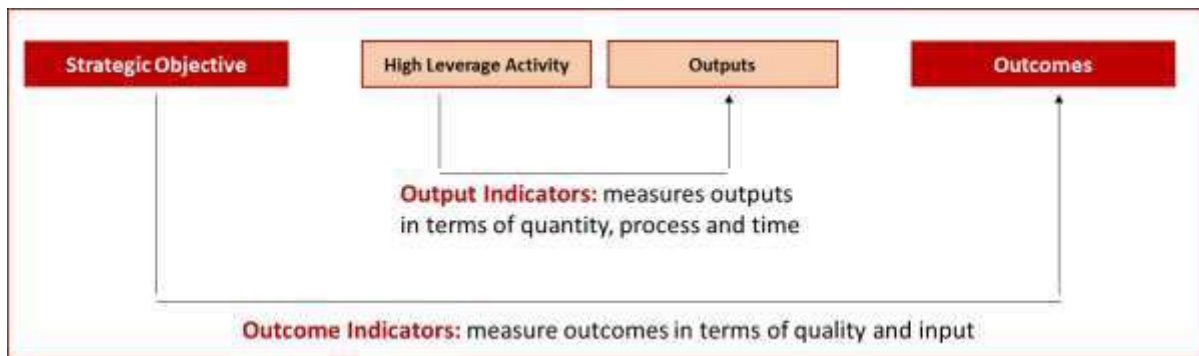
### 3.1.3 Logical Framework Analysis

Connected to the Outcomes Approach is the Logical Framework Analysis. The Logical Framework Analysis is an approach that seeks to break down plans into measurable quantities. It starts with an understanding that Once the long term Vision has been set, organisations must develop long term strategic goals geared to assist achieve the vision. The strategic goals are long term goals against which long term indicators would be used to measure long term impact of programmes and projects.

Below the strategic goals are strategic objectives which are 1-5 year goals to measure outcomes over the set period. The strategic objectives are statements describing what the organization seeks to achieve outcomes in the stated period as part of the effort to achieve strategic goals for the long term impact. Outcomes indicators are therefore set to measure performance on strategic objectives Below the strategic objectives would be the outputs which are basically short term plans to achieve short term (3months-1 year) targets.

The Logical Framework Analysis is therefore a planning framework that seeks outline how long term vision is translated into strategic goals, how these goals are translated into objectives and how the objectives are translated into outputs in a logical manner and how indicators and targets are set to measure performance in the short, medium and long term.

The diagram below represents the relationship between strategic goals, strategic objectives, outcomes, outputs and activities which ultimately inform planning and performance evaluations:



The IDP therefore used both the Outcome Based Approach and Logical Framework Analysis. It started with an analysis of the external environment and then set out a long term vision, mission and values of the municipality. The Vision sets out the kind of a municipality Ngwathe should be in longest term. Following this strategy sets out the overarching strategic goals of the municipality over the long term. These are the long term of the municipality in various areas of its mandate. These are subsequently followed by strategic objectives, which are the aims the municipality would like to achieve in the next 5 years. These are then followed by outputs and projects the municipality wishes to implement in the 5 year period. Attached to these are indicators and targets to measure performance of the municipality on those outputs and projects for the period in question. These indicators and targets are then translated into annual plans and targets in the Service Delivery Budget Implementation Plan(SDBIP).

### 3.2 Vision Statement

A viable municipality with inclusive economy, sustainable development and quality services for all'

### 3.3 Mission Statement

To provide affordable and quality municipal services and address triple challenges of poverty, unemployment and inequality, and promote sustainable development through cooperative, strategic partnerships and innovation.



### 3.4 Core Values

Values	Descriptions
Transparency	We practice good 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 realise 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.
Perseverance	We work with tolerance and patience in the service of our communities.

### 3.5 Strategic Goals

NLM has adopted objects of local government which are enshrined in section 152 (1) of the Constitution of the Republic of South Africa, 1996 as its own Strategic Goals; namely:

- (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 social and economic development;
- (d) To promote a safe and healthy environment; and
- (e) To encourage the involvement of communities and community organisations in the matters of local government.

Municipality's development strategies are therefore, crafted within the context of ensuring that efforts are focused on delivering the expected outcomes of the developmental mandate of the local sphere of government.

### **3.6 Key Performance Areas**

In line with the IDP Framework Guide, Ngwathe has adopted the 5 Areas of Local Government Strategic Agenda as outlined in the Municipal Performance Regulations for Municipal Manager and Managers Accountable to the Municipal Manger of 2006 as own KPAs as outlined below:

KPA1: Basic Service Delivery and Infrastructure Investment;

KPA2: Local Economic Development;

KPA3: Financial Viability and Financial Management;

KPA4: Municipal Transformation and Institutional Development;

KPA5: Good Governance and Community Participation

### **3.7 Strategic Objectives**

Ngwathe Local Municipality adopted the following strategic objectives to inform its strategies and plans for the next 5 years

- To ensure sustainable provision of safe, reliable and quality water to the community
- To ensure sustainable provision of electricity
- To ensure the provision of sustainable sanitation to the community
- To ensure the provision of trafficable roads and stormwater
- To ensure provision of social services to communities
- To ensure environmental sustainability in Ngwathe
- To create an enabling environment that stimulates economic growth and create jobs
- To ensure effective organisational and management of human resources
- To ensure sound budgeting and accounting systems compliant with applicable legislation
- To ensure a financially viable municipality
- To ensure effective management of municipal expenditure
- To ensure effective mitigation of risks to the municipality
- To ensure effective financial reporting compliant with applicable legislation
- To ensure good governance and participation of communities

### 3.8 Development Strategies and Plans

Ngwathe Local Municipality developed and adopted the following development strategies, plans with key performance indicators and targets for the 2023/24:

#### **KPA : BASIC SERVICE AND INFRASTRUCTURE: TECHNICAL SERVICES DEPARTMENT:**

IDP REF NO	KPA	OUTCOME	OUTPUT	OUTPUT INDICATOR	ANNUAL TARGET	ACTIVITIES	BUDGET	RESPONSIBLE PERSON
01	Basic Service delivery and infrastructure	To ensure sustainable provision of electricity  Maintaining existing infrastructure	Repairing Substations (10 out of 28)	Tumahole/Parys/Schonkenville Heilbron/Phiritona Vredefort/Mokwallo Edenville Koppies/Kwakwatsi	10 Substations (Give names )		R10 000 000	1. Electricity Manager. (Implementation ) 2. Finance Department. (Avail funds) 3. Internal Audit (quality assurance)
02	Basic Service delivery and infrastructure	To ensure the provision of trafficable roads and storm- water. Maintaining existing infrastructure	Resurfacing tar roads	Tumahole/Parys/ Schonkeville. Heilbron/ Phiritona Vredefort/ Mokwallo Edenville Koppies/Kwakwatsi	3 per town (Give names of the roads).		R10 000 000	1. Roads and Storm Water Manager. 2. Finance Department (Avail funds)
03	Basic Service delivery and infrastructure	To ensure the provision of trafficable roads and storm- water  Maintaining existing infrastructure.	Resurfacing Gravel Roads	Tumahole/ Schonkeville/ Parys. Heilbron/Phiritona Vredefort/ Mokwallo. Edenville Koppies/Kwakwatsi.	3 per town (Give names)		R 5 000 000	1. Roads and Storm Water Manager. 2. Finance Department (Avail funds)
04	Basic Service delivery and infrastructure	To ensure the provision of sustainable sanitation to the community.  Maintaining Existing Infrastructure	Thabo MBEKI sewer spillage	Tumahole	79 Households		R 2 000 000	???
05	Basic Service delivery and infrastructure	Maintaining Existing Infrastructure	Renovating Municipal Administration Buildings	Liebenberg Heilbron Edenville Koppies			R10 000 000	?????
06	Basic Service delivery and infrastructure	To ensure sustainable provision of safe, reliable and quality	Water Master Plan	Approved Water Master Plan		- Development of water master plan - Develop water conservation and water	<b>R1,500,000.00</b>	<b>DTS</b>

		water to the community				<b>demand management plan</b>		
07	Basic Service delivery and infrastructure	To ensure sustainable provision of electricity	Electricity Master Plan	Approved Electricity Master Plan		- Development of Electricity master plan - Develop Electricity conservation and water demand management plan	R1,000,000.00	DTS
08	Basic Service delivery and infrastructure	To ensure sustainable provision of safe, reliable and quality water to the community	Safe Drinkable Water	Communities accessing safe drinking water in line with the Blue Drop Requirement		Providing safe drinkable water in line with blue drop requirement.	R30,900,000.00	DTS
09	Basic Service delivery and infrastructure	To ensure sustainable provision of electricity	Upgrading of Heilbron, Monument, Park-mansion, Vredefort, Edenville, Lusaka and Bree sub-station.	<b>Completed upgrade of</b> Heilbron, Monument, Park-mansion, Vredefort, Edenville, Lusaka and Bree sub-station.		Appointment of service providers	<b>R15,000,000.00</b>	DTS
10	Basic Service delivery and infrastructure	To ensure sustainable provision of safe, reliable and quality water to the community	Upgrading of Ring Main Unit for all towns	Completed upgrades of Ring Main Unit		Appointment of service providers	R5,000,000.00	DTS
11	Basic Service delivery and infrastructure	To ensure sustainable provision of safe, reliable and quality water to the community	Building a new line from Parys Eskom Substation to water treatment plant.	Completed new line from Parys Eskom Substation to water treatment plant.		Appointment of service providers	R7,000,000.00	DTS
12	Basic Service delivery and infrastructure	To ensure sustainable provision of electricity	Replacing streetlight poles, replacing of the aging equipment, replacement of copper cables into aluminium cables and attending to the daily queries	Installed streetlights infrastructure		In-house operations team	R9,000,000.00	DTS
13	Basic Service delivery and infrastructure	To ensure the provision of trafficable roads and storm- water	Roads and storm water master Plan	Approved Roads and storm water Plan		- Development of Roads and storm water master plan - Develop Roads and storm water	R 1,000,000.00	DTS
14	Basic Service delivery and infrastructure	To ensure the provision of sustainable sanitation to the community	Green Drop Action Plan Adopted	Green Drop Action Plan implemented		Implementation Of Green Drop Action Plan	R20,600,000.00	DTS
15	Basic Service delivery and infrastructure	To ensure the provision of sustainable	Temporary toilet facilities in Vredeford community	-47 toilets in Vredeford extension 4&7 -12 toilets in Zuma section(Parys) -12 toilets in Mbeki section (Parys)		Provision Of Alternative	Included in Sanitation Budget	DTS

		sanitation to the community		-12 new transit camp toilets in koppies		Sanitation Services (Non Flushing Chemical Toilets) For All Towns		
16	Ba18sic Servi19ce delivery and infrastructure	To ensure sustainable provision of electricity	Replacing streetlight poles, replacing of the aging equipment, replacement of copper cables into aluminium cables and attending to the daily queries	Installed streetlights infrastructure		In-house operations team	R9,000,000.00	DTS
17	Basic Service delivery and infrastructure	To ensure the provision of trafficable roads and storm- water	Construction of 1 km paved road of Schonkenville	Completed construction of paved 1km road in Schonkenville		Procuring of Service Providers to Implement	R6,900,000.00	DTS
18	Basic Service delivery and infrastructure	To ensure sustainable provision of electricity	Maintenance and upkeep of Irrigation infrastructure network	Repairs and maintenance to irrigation infrastructure		in-house technical team	R1,000,000.00	DTS
19	Basic Service delivery and infrastructure	To ensure the provision of trafficable roads and storm- water	Construction of 2 km paved road of Mokwallo	Completed construction of paved 2km road in Mokwallo		Procuring of Service Providers to Implement	R16,000,000.00	DTS
20	Basic Service delivery and infrastructure	To ensure sustainable provision of safe, reliable and quality water to the community	Parys water treatment works	Refurbished Water Supply Infrastructure		Procuring of Service Providers to Implement		DTS
21	Basic Service delivery and infrastructure	To ensure sustainable provision of safe, reliable and quality water to the community	Uninterrupted water supply	Completed upgrading of Koppies & Kwakwatsi		-Upgrading water supply to koppies and Kwakwatsi  -Procuring of Service Providers to Implement		DTS
22	Basic Service delivery and infrastructure	To ensure sustainable provision of safe, reliable and quality water to the community	Adequate and reliable water supply	34 000 consumers receiving reliable basic service delivery	50% reduction of complaints from the Consumers due to unreliable water supply by June 2024	Procuring of the services of the service providers	INCOORPORATED TO THE BLUE DROP BUDGET ITEM	DTS
23	Basic Service delivery and infrastructure	To ensure the provision of trafficable roads and storm- water	Repairs and maintenance	Fixing/ closing of potholes, gravelling of roads, replacing of speed humps	60% of the complaints will have been attended to	In house technical team	R2,500,000.00	DTS
24	Basic Service delivery and infrastructure	To ensure sustainable provision of safe,	Refurbishment and upgrading of Parys water treatment works	Upgrading of water sump, trident plant, refurbished clarifiers, inlet channels and dosing systems	60% of the project will be completed by 30 June 2024	Procuring Of Service	R40,000,000.00	DTS

		reliable and quality water to the community				Providers To Implement		
25	Basic Service delivery and infrastructure	To ensure sustainable provision of safe, reliable and quality water to the community	Construction of secondary bulk supply	Completed Upgrade of water supply to Koppies and Kwakwatsi	50% of the project will be completed by 30 June 2024	Procuring Of Service Providers To Implement	R40,000,000.00	DTS
26	Basic Service delivery and infrastructure		Capital Project Plan for the entire MTREF	Approved Capital Project Plan	Approval by Council by December 2023	Develop Capital Project Implementation Plan For All Projects	N/A	DTS
27	Basic Service delivery and infrastructure	To ensure sustainable provision of electricity	Koppies sub-station intake	Completed upgrades of Koppies Sub-station	40% of the project will be completed by 30 June 2024	Procuring of the services of the service providers	R30, 000, 000.00	DTS
28	Basic Service delivery and infrastructure		Compliance with national building regulation and building standards	Approved building plans that are in line with the building regulations and standards	100% of the submitted building drawings will have been attended to	Inspection And Approval Of Building Plans, Inspections Of Buildings, Enforcement Of Building Regulations, Monitoring Of Unsightly Neglected And Problematic Buildings And Premises, Attend To Building Related Complains	R500, 000.00	DTS

## KPA: BASIC SERVICE AND INFRASTRUCTURE: COMMUNITY SERVICES DEPARTMENT

IDP REF NO	KPA	OUTCOME	OUTPUT	OUTPUT INDICATOR	ANNUAL TARGET	ACTIVITIES	BUDGET	RESPONSIBLE PERSON
29	Basic Service Delivery and Infrastructure development	To ensure environmental sustainability in Ngwathe	Landfill sites Management Sustainable Waste Management Clean and Healthy Municipality.	License Landfill sites				
30	Basic Service Delivery and Infrastructure development	To ensure environmental sustainability in Ngwathe		Weigh bridge				
31	Basic Service Delivery and Infrastructure development	To ensure environmental sustainability in Ngwathe		Bulldozers				
32	Basic Service Delivery and Infrastructure development	To ensure environmental sustainability in Ngwathe		Front end loaders				
33	Basic Service Delivery and Infrastructure development	To ensure environmental sustainability in Ngwathe		Tipper trucks				
34	Basic Service Delivery and Infrastructure development	To ensure environmental sustainability in Ngwathe	Household collection of Refuse.	Review the present refuse collection schedule and ensure that the household collection is done in wards.	42 000 households per week	8 400 households per day to be collected. Collect refuse sustainably at ward level.		1. Refuse Manager 2. Fleet Manager 3. Ward Councilors
35	Basic Service Delivery and Infrastructure development	To ensure environmental sustainability in Ngwathe	Business and Industrial collection of refuse.	Review the present refuse collection schedule and ensure that the business and industrial collection is done in as a dedicated service.				
36	Basic Service Delivery and Infrastructure development	To ensure environmental sustainability in Ngwathe	Sustainable Management of Cemeteries.	Fence and Clean two cemeteries per town.(Give names) Cleaning Equipment Plan for a new Cemetery in Parys and Vredefort		1. Fencing 2. Cleaning 3. Appoint a service Provider to develop the plans.	R200 000 R50 000	Cemetery Manager Director Community Services
37	Basic Service Delivery and Infrastructure development	To ensure environmental sustainability in Ngwathe	Clean Parks Open Spaces	Turning illegal dumps into Parks. (Identify the dumps)(One per Town)		1. Fencing 2. Plant trees 3. Plant Flowers	R50 000	Parks Manager

38	Basic Service Delivery and Infrastructure development	To ensure environmental sustainability in Ngwathe	Planning Tribunal Create an innovative and inclusive investment friendly municipality					
39	Basic Service Delivery and Infrastructure development	To ensure provision of Social Services to communities	Fire Prevention Disaster Management Fire and Rescue					
40	Basic Service Delivery and Infrastructure development	To ensure provision of Social Services to communities	Save lives and Property			Inspections		
41	Basic Service Delivery and Infrastructure development	To ensure provision of Social Services to communities	Public education and Outreach					
42	Basic Service Delivery and Infrastructure development	To ensure provision of Social Services to communities	Disaster Management Plan					
43	Basic Service Delivery and Infrastructure development	To ensure provision of Social Services to communities	Secured Municipal Personnel Safe Municipality					



**KPA: LOCAL ECONOMIC DEVELOPMENT: COMMUNITY SERVICES**

IDP REF NO	KPA	OUTCOME	OUTPUT	OUTPUT INDICATOR	ANNUAL TARGET	ACTIVITIES	BUDGET	RESPONSIBLE PERSON
44	Local Economic Development	To create an enabling environment that stimulate economic growth and create jobs	Three companies partly owned by Ngwathe Municipality. Tourism Office in Parys. Enhanced Tourism in Ngwathe Local Municipality. Promotion of the Municipality as a tourist destination	Public Private Partnership Publicity Attracted by the Municipality	Enter into 3 partnerships with private investors. 80 000 tourists per annum	1.Mimosa Gardens 2 .Parys Airfield 3. Unifees Dam 1. Open an Office 2. Office Equipment 3. Tools of trade for Staff	R 3 000 000 R 25 000	Director LED Tourism Officer
45	Local Economic Development	To create an enabling environment that stimulate economic growth and create jobs	Funding of SMME That will operate businesses in: Mimosa Gardens Parys Airfield Unifees Dam	SMME Fund Plan for 2023/2024.	10 SMME's	1.Develop policy on how the fund will be managed and criteria to qualify and submit to Council for Approval.	R 1000 000	Director LED Finance Manager

## KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT: CORPORATE SERVICES DEPARTMENT

IDP REF NO	KPA	OUTCOME	OUTPUT	OUTPUT INDICATOR	ANNUAL TARGET	ACTIVITIES	BUDGET	RESPONSIBLE PERSON
46	Good governance and public participation	To ensure good governance and public participation	Council Resolutions Attendance Register	Council Sitzings Section 79 Committee sittings	12 sittings (inclusive of special sittings)	1. Agenda Preparations 2. Printing. 3. Hybrid setting 4. Equipment	R300 000	Speaker's Office
47	Good governance and public participation	To ensure good governance and public participation	DDM	Participation in formal District and Provincial meetings	4 IGR/DDM 4 MECLOCA 4 National	Attendance of IGR structures meetings	R100 000	Executive Mayor Municipal Manager Speaker's office
48	Good governance and public participation	To ensure good governance and public participation	Oversight work over Administration	Mayoral Committee Section 80 Committees	24 sittings	1. Agenda Preparations 2. Printing 3. Hybrid settings	R200 000	Executive Mayor's Office
49	Good governance and public participation	To ensure good governance and public participation	Quarterly Reports on Performance	Troika Meetings (Speaker, Executive Mayor and Chief Whip)	4 meetings	1. Agenda Preparations 2. Printing	R10 000	Chief Whip's Office
50	Good governance and public participation	To ensure good governance and public participation	1. Annual Report 2. Adjustment Budget 3. Performance Contracts 4. Section 46 Reports 5. Audit Action Plan 6. Implementation of Council and Mayoral Committee Resolutions	Management Committee. (MM and Section 56 Managers)	56 meetings	1. Agenda Preparations 2. Printing 3. Editing Reports and Professionalization	R500 000	Municipal Manager Corporate Services
51	Municipal Transformation and institutional development	To ensure effective organisational and management of the human resources	Local Labor Forum	Employer Component: Management Councilors Employee Component: Unions	4 meetings	Agenda Printing	R20 000	Corporate Services
52	Municipal Transformation and institutional development	To ensure effective organisational and management of the human resource	Staff Establishment: Structure Job	Fit for purpose staff structure that talks to the implementation of SDBIP.	1 Organizational Structure.	1. Structure 2. Job Descriptions 3. Job Evaluation 4. Performance Contracts (cascading to all levels) 5. Skills Audit		Corporate Services
53	Good governance and Public	To ensure good governance and public participation	Compliance with legislations	Council effective functioning measured by the annual number of ordinary scheduled council meetings	12 sittings (inclusive of special sittings)	1. Agenda Preparations 2. Printing.	R200 000	Corporate Services

	Participation			held.		3. Hybrid setting 4. Equipment		
54	Good governance and Public Participation	To ensure good governance and public participation		Participation in formal District and Provincial meetings	100% of attendance of formal District and Provincial meetings	Attendance of IGR structures meetings	R500 000	Corporate Services
55	Municipal Transformation and institutional development	To ensure effective organisational and management of the human resource	Local Government Professionalization programme	Initiate an Organisation Structure review for consideration by Council aligned with Objectives and IDP and policies and by-laws	Development and implementation of the Staff Establishment by 01 July 2023 and review of policies and by laws	Engage and mobilize directorates on Staff Establishment, Job Description and Job Evaluation and recruitment, and policies and by laws	R2 500 000	Corporate Services
56	Municipal Transformation and institutional development	To ensure effective organisational and management of the human resource	Compliance with legislation	Number of people from EE target groups employed in three highest levels of management in compliance with municipality's approved EE Plan	Development of the EE Plan	Advertise for the experts to review the EE Plan	R350 000	Corporate Services
57	Municipal Transformation and institutional development	To ensure effective organisational and management of the human resource		Draft and submit to Council a Scarce Skills Policy	Implementation of the skills audit process	Request SALGA and/or COGTA to assist with the implementation of skills audit	R0	Corporate Services
58	Municipal Transformation and institutional development	To ensure effective organisational and management of the human resource		Implementation of the WSP	Training of skills development of staff	Ring fencing of the training budget	R750 000	Corporate Services
59	Municipal Transformation and institutional development	To ensure effective organisational and management of the human resource		Develop a policy of time and attendance and a System and Procedures/Mechanisms to manage Time and Attendance of all Employees	Purchasing of a time management system	Advertisement of tenders for the time management system	R1 200 000	Corporate Services
60	Municipal Transformation and institutional development	To ensure effective organisational and management of the human resource	Tender advertised	To have a reliable telephone system	Installation of reliable telephone system by December 2023	Advertisement of tenders for possible suppliers	R 2 000 000	Corporate Services
61	Municipal Transformation and institutional development	To ensure effective organisational and management of the human resource	Antivirus, Firewall and Domain in place	To have a secured environment for our information	Present ation and approval of IC T policies to Council	Preparation of policies and items for council consideration	R 500 000	Corporate Services
62	Municipal Transformation and institutional development	To ensure effective organisational and management of the human resource	Connection of WAN	To have a system connected in all towns that talks to one another	Interconnected Wide Area Network and Virtual Private Network	Advertisement of tenders for possible suppliers	R 2 000 000	Corporate Services

63	Municipal Transformation and institutional development	To ensure effective organisational and management of the human resource	Migrate to SOLAR	To have a solar connection implemented	To have a fully functional financial system	Advertisement of tenders for possible suppliers	R1 500 000	Corporate Services
64	Municipal Transformation and institutional development	To ensure effective organisational and management of the human resource	Standardized hardware and software	Procurement of similar brands within the institution	To have a standardized hardware and software	Advertisement of tenders for possible suppliers	R500 000	Corporate Services
65	Municipal Transformation and institutional development	To ensure effective organisational and management of the human resource	Acquire services of one legal advisor specializing in labour.	Reduction of labour matters against the Municipality	Reduction of litigation on labour matters by 30%	Appointment of services of one legal advisor specializing in labour.	R1 000 000,00	Corporate Services

## KPA: FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT: FINANCIAL SERVICES DEPARTMENT

IDP REF NO	KPA	OUTCOME	OUTPUT	OUTPUT INDICATOR	ANNUAL TARGET	ACTIVITIES	BUDGET	RESPONSIBLE PERSON
66	Financial Viability and Financial Management;	To ensure sound budgeting and accounting systems compliant with applicable legislation	Develop and submit budget and all related policies in time and in line with MFMA	To ensure sound budgeting and accounting systems compliant with applicable legislation	Number of MFMA Compliant Budget submitted and approved by Council in time by June 2023	Migration to SOLAR	R 2 500 000,00	CFO
67	Financial Viability and Financial Management	To ensure sound budgeting and accounting systems compliant with applicable legislation  Revenue Management	Financial Viability and Management	Develop the Finance Turnaround Plan inclusive of expanding income base and sweating	Number of Finance Turnaround Plans inclusive of expanding income base and sweating	Implement vigorous credit control policy.	R 5 000 000,00	CFO
68	Financial Viability and Financial Management	To ensure sound budgeting and accounting systems compliant with applicable legislation	Financial Viability and Management	Introduce cost reflective tariffs	Number of Tariff obtained and approved by Council by June 2023	Run the services as a going concern, to enable the municipality to have return on investments made.  Recover the costs or overheads incurred and continue to service the community.	R 3 000 000,00	CFO
69	Financial Viability and Financial Management	To ensure a financially viable municipality  Compliance and Internal Controls	Good Governance	Report progress on Audit plan in Senior Management Meetings and enforce actioning.	Number of Audit action plans prepared, submitted to Council, implemented by management and progress is monitored.	Address the audit shortcomings and prevent them from recurring.	R 1 000 000,00	CFO
70	Financial Viability and Financial Management;	To ensure a financially viable municipality	Revenue Management	Cleanse billing data and minimise the billing variances.	Is to produce a default free monthly bill to all households of Ngwathe municipality.	Number of household data cleansed.	R 2 000 000,00	CFO
71	Financial Viability and Financial Management	To ensure a financially viable municipality  Healthy revenue and cash flow for the municipality	Revenue Management	Resolve customer queries speedily, turn around time.	Percentage of Customer queries resolved within 3, 7, 14 and 21 days. As per magnitude of the matter.	Implementation of bathopele principles, inculcate sense of responsibility and urgency in all of personnel.	R 500 000,00	CFO
72	Financial Viability and Financial Management	To ensure a financially viable municipality  To ensure effective management of municipal expenditure  Expenditure Management	Financial Viability and Management	Implement cost containment measures	Percentage on the reduction of avoidable Expenditure	Prioritise the service delivery line items over cosmetic expenditures.	R 1 000 000,00	CFO

73	Financial Viability and Financial Management	To ensure a financially viable municipality Expenditure Management	Financial Viability and Management	Build the capacity of the SCM Section and Improve turnaround time	Percentage or number of Responses of the unit on the service delivery items, TURN AROUND TIME MUST BE SHORTENED.	Strictly stick to the 3 days turn around turn of service in SCM.	R 500 000,00	CFO
74	Financial Viability and Financial Management	To ensure a financially viable municipality Expenditure Management	Financial Viability and Management	Purchase Financial Accounting Software Package	Migration to SOLAR	Purchase the software to migrate to SOLAR, which will now enable seamless integration and direct reporting.	R 6 500 000,00	CFO
75	BASIC SERVICE DELIVERY AND INFRASTRUCTURE	To ensure provision of social services to communities  A long and healthy life for all residents  Protection of the poor	To ensure sustainable provision of safe reliable and quality water to the community	Indigent Register	5 809 households 6000 kl per household	1. Ward Councilor to submit 305 qualifying households per ward to the Indigent Register office.	R32 000 000 (part)	1. Ward Councilors (Make the list available) 2. Indigent Register office (Approve the list) 3. Finance (Fund the list) 4. Water Section (Implement the program) 5. Internal Audit (quality control)
76	BASIC SERVICE DELIVERY AND INFRASTRUCTURE	To ensure provision of social services to communities Creating sustainable communities. Protection of the poor	To ensure sustainable provision of electricity to the community.	Indigent Register	5 809 households 50kw per household.	1. Ward Councilor to submit 305 qualifying households per ward to the Indigent Register office.	R32 000 000(part)	1. Ward Councilors 2. Indigent Register office 3. Finance 4. Electricity Section (quality control)
77	BASIC SERVICE DELIVERY AND INFRASTRUCTURE	To ensure environmental sustainability in Ngwathe  Clean and healthy communities.	To ensure sustainable provision of refuse removal.	Indigent Register	5 809 households	1. Ward Councilor to submit 305 qualifying households to the Indigent Register office.	R32 000 000 (part)	1. Ward Councilors 2. Indigent Register office 3. Finance 4. Electricity Section

## KPA: GOOD GOVERNANCE AND COMMUNITY PARTICIPATION: MUNICIPAL MANAGER'S OFFICE

IDP REF NO	KPA	OUTCOME	OUTPUT	OUTPUT INDICATOR	ANNUAL TARGET	ACTIVITIES	BUDGET	RESPONSIBLE PERSON
78	Good Governance and Community Participation	to ensure effective financial reporting compliant with applicable legislation	Develop and submit the Section 46 Report and Oversight Report to Council in terms of the Local Government: Municipal Systems Act, No. 32 of 2000	Number of Section 46 Report and Oversight Report submitted to Council by June	2	Develop the report with departments and submit the Section 46 Report and Oversight Report to council	R	Mr I Mosala
79	Good Governance and Community Participation	to ensure good governance and participation of communities	Strategic Annual Stakeholder Consultations	Number of Wards and Stakeholder engagements held annually	20	Annual Stakeholder/Community Consultations meeting to be held	R	Mr I Mosala
80	Good Governance and Community Participation	To ensure effective financial reporting compliant with applicable legislation	Submit the Mid -Year S72 report to the Mayor	Number of Mid-year reports submitted to the Mayor by 25 January	1	Mid-year Reports submitted by deadline	R	Mr I Mosala
81	Good Governance and Community Participation	To ensure effective organisational and management of human resources	Performance Management Assessment held	Number of Performance assessment held by 30 June	2	Plan and organize Performance assessment to be held with Section 56/57 Managers	R	Mr I Mosala
82	Good Governance and Community Participation	To ensure good governance and participation of communities	Submit the IDP/ Budget Process Plan Schedule to Council by 31 August	Number of IDP/Budget Process Plan Schedule submitted to Council for approval by 31 August	1	Develop and submit the IDP/Budget to council by deadline	R	Mr I Mosala
83	Good Governance and Community Participation	To ensure good governance and participation of communities	Develop and Submit the Draft and Final IDP to Council for approval by 31 March and 31 May respectively	Number of approved Draft and Final IDP by council by March and June	2	Develop and submit the Draft IDP/Budget to council by deadline	R	Mr I Mosala
84	Governance and Community Participation Good	To ensure good governance and participation of communities	Submit to the Mayor a draft SDBIP for the budget by no later than 14 days after the approval of the annual budget in terms of the Local Government: Municipal Finance Management Act, No. 56 of 2003	Number of Top Layer SDBIP approved within 28 days after the Main Budget has been approved	1	Develop the Draft SDBIP with Departments and submit to Mayor before deadline	R	Mr I Mosala
85	Governance and Community Participation Good	To ensure effective organisational and management of human resources	Implementation of the Performance Management Framework by timeous development and signing of Section 56 and 57 performance agreements in terms of the Local Government: Municipal Systems Act, No 32 of 2000	Number of signed performance agreements of Section 57 managers within 14 days of approval of the SDBIP	5	Development of Performance agreements with Section 56/57 as per legislation	R	Mr I Mosala

86	Governance and Community Participation Good	To ensure effective financial reporting compliant with applicable legislation	Develop and Submit Quarterly Section 52(d) Report to Council for approval	Number of Quarterly Reports submitted to Council for Approval at the end of each Quarter by June	4	Develop Section 52d report with departments for submission to Council	R	Mr I Mosala
87	Governance and Community Participation Good	To ensure good governance and participation of communities	To review & ensure the implementation of PMS	Performance management framework reviewed by June	1	Reviewing of PMS framework	R	Mr I Mosala
88	Good Governance and Community Participation	<ul style="list-style-type: none"> <li>To ensure effective mitigation of risks to the municipality</li> </ul>	Functional Risk Management Committee	Four(4) functional Risk Management Committee Meetings	4	Develop Risk Implementation Plan Advertise for Independent Risk Management Chairperson  Review Risk Management Strategy, Policy and Fraud Prevention Policy  Process the documents to management for consolidation of inputs and recommendation for approval by Council Facilitate Risk Management Committee meetings  Facilitate Risk Assessment  Facilitate the development of risk tolerance and appetite model  Quarterly reports on risk mitigations  Develop and monitor compliance checklist	R30 300.00	Me M Dlamini
89	Good Governance and Community Participation	<ul style="list-style-type: none"> <li>To ensure effective mitigation of risks to the municipality</li> </ul>	Day to day risk based decisions	Two (2) workshops/ awareness sessions	2	- Coordinate trainings/awareness sessions on risk management	R10 440.00	Me. M Dlamini



# **KPA : GOOD GOVERNANCE AND COMMUNITY PARTICIPATION: OFFICE OF THE EXECUTIVE MAYOR**

IDP REF NO	KPA	OUTCOME	OUTPUT	OUTPUT INDICATOR	ANNUAL TARGET	ACTIVITIES	BUDGET	
90	Good Governance and Community Participation.	To ensure good governance and participation of communities	Social cohesion, celebrating with workers and community members Commemorating in unity with workers	Number of national and local Days of commemoration celebrated by June 2024	1	Human Rights Day -March	R430 000,00	Chief of Staff
	Good Governance and Community Participation	To ensure good governance and participation of communities	Social cohesion and celebrating with youth Commemorating in unity with the community members	Number of national and local Days of commemoration celebrated by June 2024	1	Workers Day / May Day Moral Regeneration - May	R 430 000,00	
				Number of national and local Days of commemoration celebrated by June 2024	1	Youth Month - June	R 430 000,00	
				Number of national and local Days of commemoration celebrated by June 2024	1	Mandela Month and Tumahole Month - July	R 430 000,00	
				Number of national and local Days of commemoration celebrated by June 2024				
92	Good Governance and Community Participation	To ensure good governance and participation of communities	Number of national and local Days of commemoration celebrated by June 2024	September Matric Motivational Engagement December/January	1		R 230 000,00	Chief of Staff
			Number of national and local Days of commemoration celebrated by June 2024	Welcoming of the New Born Babies on Christmas and on New Year	1		R 200 000,00	

## KPA : GOOD GOVERNANCE AND COMMUNITY PARTICIPATION:OFFICE OF THE SPEAKER

IDP REF NO	KPA	OUTCOME	OUTPUT	OUTPUT INDICATOR	ANNUAL TARGET	ACTIVITIES	BUDGET	RESPONSIBLE PERSON
93	Good Governance and Community Participation	To improve good governance and participation of communities	Coordinated Municipal Council meetings	Municipal council meetings report	(4) Council meetings held by June 2024	Coordination of municipal council meetings	R150 000.00	Mr M Thithi
94	Good Governance and Community Participation	To improve good governance and participation of communities	Coordinated Pauper Burials	Community pauper burials implementation report	Number of pauper burials coordinated by June 2024	Coordination of Pauper Burial services	R420 000.00	Mr M Thithi
95	Protection of the Poor	Promoting dignity to all communities.	Pauper Burial	Partner with Department of Social Development	100 households 100 households (Department of Social Welfare)	1. Ward councilor to approve in line with policy 5 households per year that qualify.	R 450 0000	1. Ward Councilors. (Implementation) 2. Finance (Avail funds) 3. Speaker's Office (Monitor)
96	Good Governance and Community Participation	To improve good governance and participation of communities	Coordinated ID Campaigns in municipal towns	ID Campaigns implementation report	(25) ID Campaigns implemented in Parys, Vredefort, Koppies, Edeville & Heilbron held by June 2024	Coordination of ID Campaigns in Parys, Vredefort, Koppies, Edeville & Heilbron	R465 000.00	Mr M Thithi
97	Good Governance and Community Participation	To improve good governance and participation of communities	Coordinated Municipal Fratenals	Ministerial Fratenals implementation report	(2) Ministers Fratenals hosted by June 2024	Hosting of Ministerial Fratenals	R300 000.00	Mr M Thithi
98	Good Governance and Community Participation	To improve good governance and participation of communities	Coordinated Ward Committee Award Ceremony	Ward committee award ceremony implementation report	Coordination of Ward committee award ceremony hosted by June 2024	Hosting the Ward Committee award ceremony	R100 000.00	Mr M Thithi
99	Good Governance and Community Participation	To improve good governance and participation of communities	All stakeholders i.e. Civics, NGOs, CBOs engaged	Stakeholder engagement implementation report	(4) Stakeholder engagements held by June 2024	Facilitate Stakeholder engagements/ meetings	R400 000.00	Mr M Thithi
100	Good Governance and Community Participation	To improve good governance and participation of communities	Implemented capacity building and support programme for ward committees	Training implantation report	Ward committees trained by June 2024	Facilitation of Ward Committee Capacity building programmes	R350 000.00	Mr M Thithi
101	Good Governance and Community Participation	To improve good governance and participation of communities	Implemented public education programmes	Public education implementation report	(5) Public education programmes held by June 2024	Hosting of public education programmes	R300 000.00	Mr M Thithi
102	Good Governance and Community Participation	To improve good governance and participation of communities	Implemented community satisfaction survey	Community satisfaction survey report	Community satisfaction survey conducted by June 2024	Development of the survey instrument Pilot the instrument Data collection Data analysis	R600 000.00	Mr M Thithi
103	Good Governance and Community Participation	To improve good governance and participation of communities	Implemented Women Commission engagements	Women Commission implementation report	(2) Women Commission engagement held by June 2024	Hosting the municipal Women Commission	R300 000.00	Mr M Thithi
104	Good Governance and Community Participation	To improve good governance and	Coordinated community meetings	Quarterly implementation report	Number of community meetings	Procurement of loud hailing bakkie	R900 000.00	Mr M Thithi

		participation of communities			held by 30 June 2024	Schedule and facilitate quarterly meetings in all Wards		
105	Good Governance and Community Participation	To improve good governance and participation of communities	Coordinated Ward Committee meetings	Monthly implementation report	Number of Ward Committee meetings held by June 2024	Schedule and facilitate monthly Ward Committee meetings in all Wards	N/A	Mr M Thithi
106	Good Governance and Community Participation	To improve good governance and participation of communities	Citizen's Charter developed and Launched by 30 June 2023	Adopted and approved Municipal Citizen's Charter	Develop a municipal Citizen's Charter by June 2024	Development of municipal Citizen's Charter	R200 000.00	Mr M Thithi
107	Good Governance and Community Participation	To improve good governance and participation of communities	Coordinated launch and sign-off of Ward-Based Plans	Signed Ward-Based Plans	Number of ward based plans signed-off by 30 June 2024	Launch and sign-off all Ward Based Plans	R200 000.00	Mr M Thithi
108	Good Governance and Community Participation	To improve good governance and participation of communities	Facilitated deployment of CDW's in Ward Committee works	CDW deployment implementation report	Number of CDWs deployed in Ward Committee works by June 2024	Facilitate the deployment of CDWs in Ward Committee works	N/A	Mr M Thithi

### 3.9 ALIGNMENT WITH OTHER SPHERES PRIORITIES

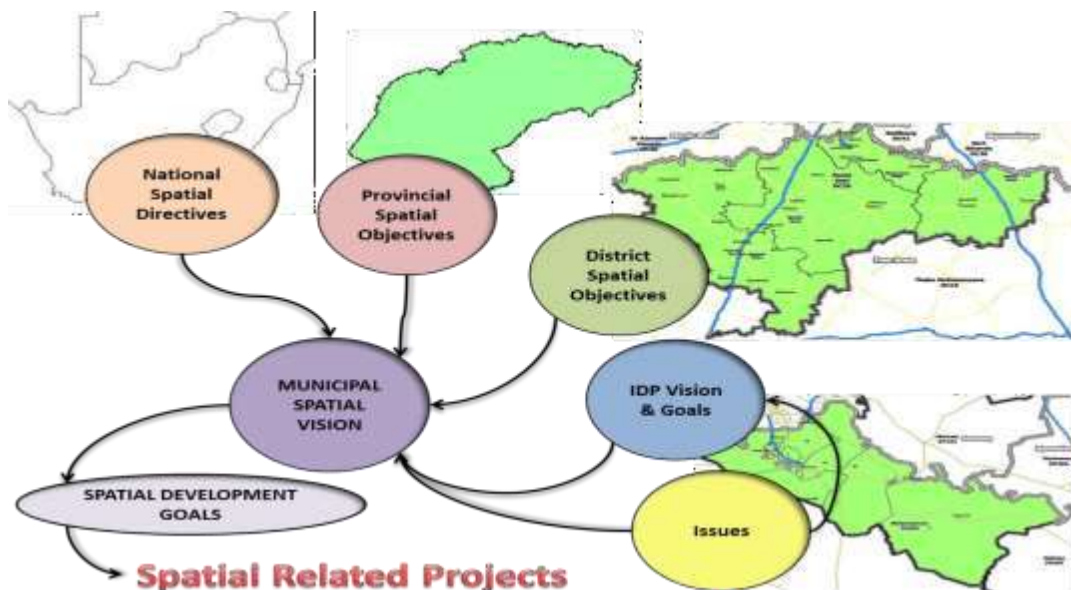
#### 3.9.1 Introduction

Integrated Development Planning (IDP) is a process in terms of which municipalities prepare a strategic development plan which extends over a five-year period. The Integrated Development Plan (IDP) is a product of the IDP process. The IDP is the principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making processes in a municipality.

Through Integrated development planning, which necessitates the involvement of all relevant Stakeholders, a municipality can:

- Identify its key development priorities;
- Formulate a clear vision, mission and values;
- Formulate appropriate strategies;
- Develop the appropriate organizational structure and systems to realize the vision and mission; and
- Align resources with the development priorities.

The formulation of IDPs, however, does not happen in isolation. Municipalities, as part of the local government sphere, have to plan in a manner that takes into account the overarching planning frameworks and plans of other spheres of government within the cooperative governance frameworks. This is to ensure that as part of a unitary state, municipalities' plans are aligned to the national objectives and planning and implementation machinery of the state a whole.



In this regard, Ngwathe Local Municipality ensures that its IDP is aligned to national and provincial spheres government. The municipality attempts to ensure vertical and horizontal alignments in planning.

The vertical alignment shows the relationship and alignment between the proposals and policies of the National Development Plan (NDP), Mid Term Strategic Framework of the NDP (MTSF), Free State Provincial SDF (PSDF), Free State Provincial Growth and Development Strategy (FSPGDS) and Municipal IDP.

### **3.9.2 Free State Economic Growth and Development Plan**

The primary objective of the Free State Economic Growth and Development Strategy (PGDS) is to foster economic growth that creates jobs, reduce poverty and inequality in the Province. The growth strategy is anchored on a number of parameters including sector development, Inclusive and shared growth, spatial distribution, regional integration, sustainable human development and environmental sustainability. The PGDS also aims to address these socio-economic variables (i.e. unemployment, poverty, inequality) that have a high correlation with employment growth. In this instance, a number of job drivers have been identified in order to create more decent employment opportunities and to secure a strong and sustainable growth in the next decade for the province.

The job drivers referred to above include: (a) Infrastructure for Employment and Development; (b) Job creation in Economic Sectors: Agriculture and Forestry, Mining and Energy, Manufacturing and Beneficiation, Tourism and Cultural Industries; (c) Seizing the Potential for New Economies: Green Industries, Information Communication Technology; (d) Investing in Social Capital and the Public Service and Spatial Development: Rural Development, Regional and International Cooperation.

### **3.9.3 Term Expenditure Framework**

The MTSF is essentially a statement of intent by government that identifies the development challenges facing South Africa and outlining the medium-term strategy for improvement in the conditions of life of South Africans and for enhanced contribution to the cause of building a better world. The MTSF gives effect to the electoral mandate. In supporting the implementation of the MTSF priorities, the municipality has formulated its development objectives and priorities in line with the MTSF objectives. Issues around job creation, health, education, crime and rural development are also covered as part of the priorities.

### **3.9.4 National Development Plan 2030**

The National Development 2030 provides a national vision for the entire country which requires all government institutions to take into consideration during the planning and subsequent implementation of development programs. As a result, the municipality aligned the 2021-2026 IDP planning process with the strategic imperatives set out in the National Development Plan.

### **3.9.5 National Growth Path**

This National Policy framework deals specifically with issues such as creating decent work, reducing inequality and defeating poverty through “a restructuring of the South African economy to improve its performance in terms of labor absorption as well as the composition and rate of growth”. Of practical consequence to local government, are the specific job drivers that have been identified:

1. Substantial public investment in infrastructure both to create employment directly, in construction, operation and maintenance as well as the production of inputs, and indirectly by improving efficiency across the economy.
2. Targeting more labor absorbing activities across the main economic sectors – the agricultural and mining value chains, manufacturing and services.

### **3.9.6 Outcome 9**

As part of government performance monitoring and evaluation system, the Medium Term Strategic Framework and government Programme of Action and 12 National outcomes give effect to the policy direction adopted by cabinet. Each outcome has a limited number of measurable outputs with targets.

The 12 outcomes have delivery agreement which in most cases involve all spheres of government and a range of partners outside government. Outcome 9 commits municipalities to deliver services in a responsive, accountable, effective and efficient manner to enhance the livelihoods of communities in a sustainable manner.

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 free;
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

### **3.9.7 National Spatial Development Perspective (NSDP)**

The National Spatial Development Perspective (NSDP) (Presidency, 2006) is the primary spatial lens through which policymakers view socio-economic development in the country as a whole. It presents wide variety of socio-economic trends emerging in South Africa, and then draws inferences about how that emerging space economy should affect public investment (expenditure) in the immediate future.

### **3.9.8 National Spatial Development Plan and Principles**

Those interpretations and conclusions are, however, guided by a number of normative principles that ultimately steer national infrastructure investment and development decisions. NSDP principles are that:

Future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to/linked to the main growth centres in the country. Infrastructure investment should primarily support localities that will become major growth nodes in South Africa.

The strategic priorities of government for the mandate period

- Ensuring more inclusive economic growth, decent work and sustainable livelihoods
- Economic and social infrastructure
- Rural development, food security and land reform
- Access to quality education
- Improved health care
- Fighting crime and corruption

### **3.9.9 Basic to Basics Program**

Back to Basics program was developed and introduced by COGTA. This is a program geared to change government paradigm to focus on serving the people. The Back to Basics program like the previous Turn Around Strategy, is aimed in ensuring that local government remain focused on of the ideals set in the Constitution, The White Paper on Local Government therefore requiring that we have understanding of the intent of the White Paper on Local Government and how we aim breaking down apartheid systems, processes, mechanisms and more importantly communities.

As much as this approach evolved from COGTA national, the environment and conditions which exist with Ngwathe municipal area and the institution, an approach to rehabilitate the operations and activities of the municipality is a must and appropriate.

Some municipalities perform them well, but others don't. For example, an acceptable level of performance means that municipalities must:

1. Put people and their concerns first and ensure constant contact with communities through effective public participation platforms. This is the essence of our 'back to basics' approach.
2. 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 services with urgency.

3. Be well governed and demonstrate good governance and administration - cut wastage, spend public funds prudently, hire competent staff, ensure transparency and accountability.
4. Ensure sound financial management and accounting, and prudently manage resources so as to sustainably deliver services and bring development to communities.
5. Build and maintain sound institutional and administrative capabilities, administered and managed by dedicated and skilled personnel at all levels. Changing strategic orientation is not easy and it requires bold

### 3.9.10 District Development Model

The DDM is a practical Intergovernmental Relations (IGR) mechanism for all three spheres of government to work jointly and to plan and act in unison. The model comprises a process by which joint and collaborative planning is undertaken at local, district and metropolitan spheres together by all three spheres of government resulting in a single strategically focussed Joined-Up plan (One Plan) for each of the 44 districts and 8 metropolitan geographic spaces in the country. The resultant One Plan for each space will be approved and adopted by all three spheres of government on the basis of consultative processes within government and with communities and stakeholders.

The Model is aimed at enhancing cooperative governance so that there is greater cohesion and positive development impact. The model introduces ways of planning locally while responding to key national, regional and global priorities. By binding all three spheres of government to commonly agreed set of objectives and deliverables in time and space (impact area), the Model therefore provides a solution to the alignment problem by going beyond the current approach which relies solely on the “discretionary” alignment of planning between and amongst the three spheres of government through joint planning, implementation as well as monitoring and evaluation.

The DDM also represents a fundamental shift from alignment to joint planning. That is, instead of different departments and spheres of government planning separately and always hope to ‘align’ plans of each other at some stage, the DDM forces all departments and spheres operating in particular the district and metropolitan spaces to come together and undertake joint planning to jointly and collaboratively respond to the development and service delivery challenges in those spaces. In addition, the Model is a bottom-up process geared to achieve outcomes based joint planning. This enables customised and localised solutions which are most appropriate and are differentiated to the circumstances of each district and metropolitan area.

The model seeks to harmonise the various local, district and metro plans thus providing the potential of interlinked and mutually reinforcing corridors of economic and social development, so that South Africa may in the medium and short term operate from a single and spatially referenced long term plan, which will direct investments and export oriented economic development across sectors. In the words of the President this would reverse the “*pattern of operating in silos*” which has so far led “*to [the] lack of coherence in planning and implementation and has made monitoring and oversight of government’s programme difficult*”. So, in essence the Model is geared to ensure:

- A common vision for development of the country which is collectively generated and broken down into and according to needs and opportunities of each district and metropolitan geographical area (IGR impact zones);



- The identification of commonly agreed spatial and development priorities within these impact areas;
- A vision and priorities which are supported by well researched, credible and technically sound long-term, implementation and operational plans, backed by appropriate capital investments, adequate project preparation, and impactful financing as well as implementation;
- Prioritised spatial and integrated development outcome logics which transcend narrow, sectoral and personal interests or biases;
- Multi-year long-term and predictable objectives, targets and resource commitments to agreed programmes and projects extending beyond electoral cycles;
- A society wide accountability framework and responsibilities for tracking and reporting on implementation and actions within government and to stakeholders and the broader public.

### 3.9.11 IDP Alignment with national, provincial and district priorities

NATIONAL PRIORITIES	NDP PRIORITIES	PROVINCIAL PRIORITIES	DISTRICT PRIORITIES	IDP PRIORITIES
Economic transformation and job creation	Job Creation	Economic growth and Job Creation	LED	Economic development
Spatial integration, human settlements and local government	Expand infrastructure	Strategic infrastructure	Basic infrastructure development	Improve municipal basic services <ul style="list-style-type: none"> <li>• Roads infrastructure development &amp; storm water</li> <li>• Electrical supply &amp; energy management</li> <li>• Sanitation</li> <li>• Community development Integrated human settlement</li> <li>• Rural development</li> </ul>
Social cohesion and safe communities	Fight corruption -	Fraud and corruption	Fraud & corruption	Good governance and public participation
A capable, ethical and developmental state	Social cohesion and Democracy	Social cohesion and Democracy	Financial management & viability	Good governance & public participation. Financial management & viability

### 3.10 CHALLENGES FACING THE MUNICIPALITY

Like many municipalities across the country, Ngwathe Local Municipality is faced with many challenges. Many of the challenges have been compounded by steep economic decline in the country leading to high rates of unemployment and poverty which directly impact the municipality's ability to collect revenue and in turn be able to respond to the huge developmental and service delivery challenges. Needless to say, Covid 19 has had an added impact on the economic, unemployment, poverty and service delivery challenges. Below is a summary of challenges facing the municipality:

#### 3.10.1 Service Delivery Challenges

Key Focus Areas	Challenges
Water	<ul style="list-style-type: none"> <li>• Intermittent disruption of water supply in Parys because the water plant does not produce enough water</li> <li>• Reliance on water tankers(Jojos)</li> <li>• Poor quality of water(ie brown water)</li> <li>• Aging infrastructure</li> <li>• Water losses and burst pipes</li> <li>• Lack of Long Term Master Plans</li> <li>• Lack of water policies and bylaws/enforcement</li> <li>• Water services backlogs :estimated that R1,2 billion is required</li> </ul>
Sanitation.	<ul style="list-style-type: none"> <li>• Aging infrastructure leading to pipe bursts and sewer spillages</li> <li>• Rising bucket systems in various areas</li> <li>• Lack of skilled personnel esp Process Controllers</li> </ul>
Electricity	<ul style="list-style-type: none"> <li>• Aging infrastructure esp overhead lines</li> <li>• Electricity outages due to debt owing to Eskom, loadshedding etc</li> <li>• Theft of underground cables and copper lines</li> <li>• Vandalisation of infrastructure assets</li> <li>• Maintenance of infrastructure</li> <li>• Shortage of tools of trade including mobile phones, laptops and vehicles</li> <li>• Shortage of skilled personnel</li> </ul>
Roads and Storm Water	<ul style="list-style-type: none"> <li>• No capacity (Team members)</li> <li>• No budget</li> <li>• No master plan</li> </ul>
Built Environment	<ul style="list-style-type: none"> <li>• Lack of capacity</li> <li>• Lack of plan</li> </ul>
Customer Care	<ul style="list-style-type: none"> <li>• Response rate to queries</li> </ul>
Project Management Unit	<ul style="list-style-type: none"> <li>• Delay in procurement of consultants and contractors</li> <li>• Under resourced PMU</li> <li>• Poor co-ordination amongst municipal departments.</li> <li>• Challenges with payment of service providers</li> </ul>

	<ul style="list-style-type: none"> <li>• Un-availability/non-existent GIS office</li> <li>• Contract management</li> <li>• No capacity (Team members)</li> <li>• Registration of assets</li> </ul>
Extended Public Works Programme	<ul style="list-style-type: none"> <li>• Lack of capacity</li> <li>• No proper management strategy</li> </ul>

### 3.10.2 Summary of Issues

- Aging infrastructure
- Limited resources
- Water and sanitation challenges
- Poor road infrastructure
- Meter not installed, inaccessible or leaking
- Planning for infrastructure
- Contingencies in case of service interruptions
- Infrastructure asset management
- Need to build internal technical capacity
- Need to build own laboratory to test water instead of paying service providers for samples
- Need to protect infrastructure and assets from vandalism
- Need to use existing GIS in the municipality

### 3.10.3 Community Services Challenges

Key Focus Areas	Challenges/Strategic Issues
Social Services	<ul style="list-style-type: none"> <li>• No dedicated refuse removal trucks</li> <li>• Shortage of staff</li> <li>• New areas requiring extension of services</li> <li>• Some graveyards almost full – need for land</li> <li>• No equipment and staff to maintain graveyards</li> <li>• Illegal dumping remains a challenge</li> <li>• No equipment and staff for illegal dumping</li> <li>• Bulk infrastructure takes long to be provided</li> </ul>
Town Planning and Housing.	<ul style="list-style-type: none"> <li>• Shortage of staff</li> </ul>
Public Safety and Disaster Management	<ul style="list-style-type: none"> <li>• Shortage of emergency vehicles and staff</li> </ul>
Local Economic Development	<ul style="list-style-type: none"> <li>• LED Strategy outdated</li> <li>• Lack of cooperation from mining houses with SLPs</li> </ul>
Sports, Arts, Culture and Recreation	<ul style="list-style-type: none"> <li>• Lack of resources</li> </ul>

### 3.10.4 Summary of Issues

- Population growth and urbanization
- Shortage of staff
- Shortage of equipment
- Limited resources or budget
- Land Use scheme not compliant with SPLUMA
- Discipline and absenteeism
- Security of municipal assets
- Lack of Disaster Management Centre and firefighting equipment
- LED Strategy not updated
- Lack of cooperation from mining companies
- How do you ensure that illegal landfill sites do not recur
- How do we provide for the middle income people(missing middle)
- How do we diversify the economy and avoid over reliance on tourism
- What is been done to revitalize township economy
- What are doing with old broken fleet
- Lack of urgency in implementation
- Why are we not building new parks
- Lack of Disaster Management Centre
- Lack of coordination between departments
- How are we going to integrate the towns spatially
- Do we know what land do we have for development
- Green economy including waste recycling
- Lack of alignment between housing and infrastructure delivery processes

### 3.10.5 Finance Challenges

Key Focus Areas	Challenges
Budget, planning, reporting and compliance	<ul style="list-style-type: none"> <li>• Budget not fully funded</li> <li>• Budget not fully MFMA/MSCOA compliant</li> </ul>
Billing and accounts Management	<ul style="list-style-type: none"> <li>• Not all meters on AMR yet</li> <li>• Data cleansing still to be completed</li> <li>• Shortage of staff</li> <li>• Smart water meters needed</li> </ul>
Revenue, credit control and debt collection Management	<ul style="list-style-type: none"> <li>• Turnaround Plan</li> <li>• Water and electricity losses</li> </ul>
Expenditure Management	<ul style="list-style-type: none"> <li>• Can still not pay all creditors within 30 days</li> </ul>
Supply Chain Management	<ul style="list-style-type: none"> <li>• Lack of procurement plans by user departments and general non-compliance with SCM regulations</li> </ul>

### 3.10.6 Summary of Issues

- Some meters cannot be accessed
- Tariffs not cost reflective
- No financial turnaround plan
- Water and electricity distribution losses

- High levels of indebtedness eg Eskom R1,4bn
- Limited revenue and cash flow crisis
- Unable to pay creditors in time
- SCM compliance and slow processes
- Asset management systems and controls
- Turnaround time with requisitions
- Communities must be consulted before smart meters for water are installed
- How does the department maintain balance between budget available and expenditure
- How are we going to expand the income/revenue base including raising revenue from unutilized assets of the municipality like the airfield etc
- Lack of implementation and enforcement of credit control policies leading to low revenue collection (40%)
- Cell phone policies not implemented

### 3.10.7 Institutional and Organisational Challenges

Key Focus Areas	Challenges
Institutional/Organisational	<ul style="list-style-type: none"> <li>• Organisational structure may need to be reviewed to resolve some issues and bring it in line with new IDP</li> <li>• Many vacancies not filled due to financial constraints and unresolved issues with labour Unions</li> <li>• Process difficult to manage as expectations for promotions seem to have been created</li> </ul>
Training and capacity building	<ul style="list-style-type: none"> <li>• Still need to close the skills gap in certain critical service delivery areas.</li> </ul>
Labour Relations	<ul style="list-style-type: none"> <li>• LLF not functioning fully due to disputes including placement process</li> </ul>
Employee Wellness	<ul style="list-style-type: none"> <li>• More may need to be done</li> </ul>
Management	<ul style="list-style-type: none"> <li>• General reluctance to discipline staff</li> <li>• Management of overtime remains a challenge</li> </ul>

### 3.10.8 Summary of Issues


- Lack of Human Resource Planning/Management Strategy
- Organisational Structure review, adaptation and implementation
- High vacancy in the municipality
- Appropriate placement of staff
- Discipline and Consequence Management
- Modernisation or automation of HR systems
- Innovation and creativity to source capacity
- Low staff morale
- Silo mentality




- Poor management of overtime
- Non functional LLF
- Lack of implementation of employee wellness programme
- Lack of PMS for line managers
- Placement of unqualified staff in certain positions
- Lack of personnel in critical positions
- Lack of tools of trade including laptops etc
- Lack of implementation of management decisions



### 3.11 Ngwathe Community Needs

#### 3.11.1 Introduction




Following extensive consultations with communities (per ward), numerous challenges were raised and captured from the wards. Below is a summary of community needs from the consultation processes;

	CURRENT NEEDS
 <p><b>WARD 1</b></p> <p>CLLR AJ DE JAGER</p>	<ol style="list-style-type: none"> <li>1. Fire Station upgrade and fire Trucks</li> <li>2. Roads</li> <li>3. Electricity upgraded - shut down by Winds</li> <li>4. Technical School is needed /Primary on the list</li> <li>5. Court – Safety Close them and fence around them</li> <li>6. Sewer Pump station too close to the community need to be moved out/ too much smell from there</li> <li>7. Formalize informal settlement and conversion of Business sites / services to be installed in those areas</li> <li>8. Formalize Unit 16 and extend services</li> <li>9. Agriculture – benefits be explored/ cooperatives/ Youth unemployment</li> <li>10. Sites- Church-Formal and informal? To be formalized - Services and proper allocations- Silas house numbers/ waterline extended/ electricity installed /rezoned prioritized</li> <li>11. Landfill sites/- fenced – properly managed</li> <li>12. Sewer line too small, extended</li> <li>13. Water Shortage be addressed</li> <li>14. Community Hall in S Section</li> <li>15. Drug Abuse Ward 1a big problem</li> <li>16. Cable Theft be addressed -Eskom/Electricity cables be marked so that they are identifiable at police station</li> </ol> <p><b>Top Priorities:</b></p> <ul style="list-style-type: none"> <li>• Technical School</li> <li>• Water – Leaks- Pipes</li> <li>• Electricity</li> <li>• Sewer</li> <li>• Water Meters</li> </ul> <p>Sewer Pump station to close to the community need to be moved</p>


<p><b>WARD 2</b></p> <p>CLLR MJ SERATI</p> 	<p><b>CURRENT NEEDS</b></p> <p>Upgrading of electrical network</p> <p>Extension 12 Housing Development, roads, storm-water drainage, pedestrian bridge</p> <p>Job creation and Local Economic Development / Growth</p> <p>Eunifees Dam (Public Private Partnership)</p> <p>Public safety and policing (crime is increasing)</p>
<p><b>WARD 3</b></p>  <p>CLLR MD MOFOKENG</p>	<p><b>CURRENT NEEDS</b></p> <p>New Roads and maintenance of old</p> <p>RDP houses</p> <p>New School- Phahameng section</p> <p>New Clinic-Phahameng section</p> <p>Increasing of indigency threshold for electricity to 60</p> <p>Upgrading of sewer network</p> <p>Illegal dumping to removed</p> <p>Maintenance plan for all infrastructure</p>
<p><b>WARD 4</b></p>  <p>CLLR S NTEO</p>	<p><b>CURRENT NEEDS</b></p> <p>Gravelling and paving of Roads</p> <p>Insufficient water to high areas</p> <p>Poor quality electricity</p> <p>Commonage</p> <p>Mobile Police Station</p> <p>60-40 electricity</p> <p>Unemployment</p> <p>New sited ext 10 and building of RDP Houses</p> <p>FET College</p> <p>Recreational facilities needed</p> <p>SASSA point needed</p>
	<p><b>CURRENT NEEDS</b></p>



<p><b>WARD 5</b></p>  <p>CLLR MD RAPULENG</p>	Eradication of Bucket in ext 5
	Eradication of 59 VIP toilets in Ext 6
	Clean portable water in all houses
	Clinic
	Police station
	Primary/ secondary school
	Recreational park
	Tittle deed
	Graveling roads
	Illegal dumping
<p><b>WARD 6</b></p>  <p>CLLR BT MOKOENA</p>	<b>CURRENT NEEDS</b>
	Sites- Prioritized - want a plan
	Water - before Meters
	Electricity supply
	School- Library – Staff Shortage (Vivian Mangwane)
	Nepotism in Ngwathe Municipality
	Sites - Unoccupied not cleaned- be redistributed for ECD
	24hr Public Clinic
	Upgrading of Tumahole Police Station
	Home affairs offices are far
	Drugs- Rehabilitation Centre
	Roads- Sustainable- Paving
	Contractors outside- Youth employment
	<b>CURRENT NEEDS</b>
	Provision of clean drinkable water, maintain JOJO tanks
	Allocation of residential sites
	Bridge near pump station (Zuma & Winnie)
	Bridge behind Barnard School
	Title deeds – speed up
	Paving of roads(gravelling)






<p><b>WARD 7</b></p>  <p>CLLR MJ MOROENYANE</p>	Recreational facilities
	Dumping site be fenced
	Commonage ( stray animals all over)
	Job creation/ unemployment
	Clinic (poor services and long ques)
	Library
	Open spaces turn to parks
	Operating hours (Lista Skosana library)
	50kwhs (electricity ) for the indigents
	Distribution of dust bins (Zuma section)
	<b>New Priorities:</b>
	1. Establishment of new Taxi Route from Mbeki to the Grave Yard
	2. Fencing of the pit hole
	3. Cleaning of Water JOJO on regularly basis
<p><b>WARD 8</b></p>  <p>CLLR KJ KHUMALO</p>	<b>CURRENT NEEDS</b>
	Sustainable and Reliable supply of clean drinking water
	Sustainable and Reliable supply of electricity
	Paving of Phahameng street
	Removal of asbestos Roof Vredeshoop
	Rehabilitation streets in Vredefort and Vredeshoop
	Upgrading of Mokwallo Municipal Offices
<p><b>WARD 9</b></p> 	<b>CURRENT NEEDS</b>
	Water (shortage & quality)
	Electricity
	Increase free electricity subsidy
	Youth empowerment
	Replacement of water meters
	Roads
	Paving of roads



CLLR IM MAGASHULE	Removal of dumping
	Sites allocation
	Supply chain process to change to help youth employment
<b>WARD 10</b>    CLLR MM RANTSAILA	<b>CURRENT NEEDS</b>
	Clean drinkable water
	Emerging small business be given some work
	Road signs to avoid accident
	Sites
	1 additional high mass light
	Fencing Tumahole hostel
	Storm water
	Title deeds
	Job creation
	Solar geezers
	Paving of streets
	Street humps
	Incomplete RDP houses
	Storm water drainage (Jackpot)
	Installation of split meters
	Cleaning of dumping site
	By laws enforcers
<b>WARD 11</b>    CLLR MTJ MOSEPEDI	<b>CURRENT NEEDS</b>
	Supply of clean water.
	Install bore hole Mothibedi and Mafube Str
	Allocation of sites
	Issuing of title Deeds
	Sewer Blockages
	Paving of roads
	Turning dumping site onto parks
	Building youth centre

	Maintenance of electrical poles
	Fencing of graveyard with concrete palisades.
	Issuing of new dustbins
<p><b>WARD 7,10,12 ,14</b></p>  <p>CLLR M LA COCK</p>	<b>CURRENT NEEDS</b>
	Clean drinkable water
	No dumping sign next to Rooidam
	Fixing of street lights and electricity
	Irrigation reinstatement and fixing channels
	Replacing broken slab over the main channel
	Road maintenance and bring back traffic department, by laws enforcement
	Creation of parks with facilities
	Renovation and reopening of Mimosa garden
	Retraining of municipal personnel
	Good communication and reporting centre with reference
	Reopening of Tumahole Office and security at home affairs
	Provision of housing
	Maintenance of road to the landfill site and establish a recycling centre
	Plan to dilapidated houses in town and empty sites
	Security at all key points departments
	"Finish and klaar", closing the holes after repairs. Program Kaofela to be introduced.
	Installation of Generator at Water works
	Repairs storm water drainage
	Multipurpose centre
	Master plan to attract tourist in Parys.
	<b>CURRENT NEEDS</b>
	Residential sites,
	Clean & drinkable water,
	Paving of roads,

<p><b>WARD 13</b></p>  <p>CLLR MJ TYUMBU</p>	Job creation,
	Building of a Community Centre,
	Building of a Police Station,
	Upgrading & biffing up security in the stadium,
	Electricity vendor,
	Fencing of graveyard and
	Building of Secondary School.
<p><b>WARD 14</b></p>  <p>CLLR TP SOTHOANE</p>	<b>CURRENT NEEDS</b>
	Develop Mandela Park
	Municipality must avail land for Market Hubb
	Fence Old Graveyards
	Gravelling of Roads
	Sites- Prioritized - want a plan
	Water- before Meters
	School Library
	Sites - Unoccupied not cleaned- be redistributed
	Drugs- Rehabilitation Centre
	Roads- Sustainable- Paving
	Contractors outside - Youth employment
	(Masilo) Home Affairs – (Kroonstad)
	Police Station – only one and is too far
	Partitioning Electricity Supply by Sections for instance, When there's a power outage at Old Location it should not affect Mandela Sections or any other Sections
	Building of RDP Houses
	Avail Wi-Fi for youth
	Supply of drinkable water
	Formation of Project Steering Committee's for all future Projects.
	<p><b>Key Priorities:</b></p> <p>1. Avail WiFi for youth</p>

	<p>2. Supply of drinkable water</p> <p>3. Building of RDP</p> <p>4. Partitioning of Electricity Supply</p>
<p><b>WARD 15</b></p> <p>CLLR ME SEFAKO</p> 	<p><b>CURRENT NEEDS</b></p> <p>Water from taps not JoJo's</p> <p>Roads must be Paved – rains damage roads</p> <p>Clinic – only two due populations growth more is needed</p> <p>Police station needed</p> <p>Electricity</p> <p>The two municipal Offices closed must be opened- services must be closer to the people</p> <p>Home affairs services are needed – home affairs office</p> <p>Ambulance and fire truck</p> <p>Upgrade 160 sewer pipe to 300 pipe</p> <p><b>Top Priorities:</b></p> <ol style="list-style-type: none"> <li>1. Mobile Clinic</li> <li>2. Bucket System in new areas</li> <li>3. Fire Trucks</li> <li>4. Dome Heritage not benefiting Community</li> </ol>
<p><b>WARD 16</b></p>  <p>CLLR L SOTSHIVA</p>	<p><b>CURRENT NEEDS</b></p> <p>Emergency Services (Fire Fighting Unit)</p> <p>Allocation of Sites</p> <p>Title Deeds</p> <p>Reduction of Unemployment by availing Land for following Projects:</p> <ul style="list-style-type: none"> <li>• Heritage site for Work Opportunities</li> <li>• Industrial Land for Milk</li> <li>• Poultry Farming</li> <li>• Farming</li> </ul> <p>Swimming Pool</p> <p>Paving access roads and Storm water channel</p> <p>Sports Field (Completion)</p> <p>Naming of Ward and street in Ward 16</p>

	Upgrading of Water purification Plant and Reservoir
	Multi-Purpose Centre
	Community Library
	Old age home
	Re allocation of Sites( 6 households that are affected by Floods and sewerage spillage
	Clinic
	Home Affairs service point
	Social Development Service point
	Community Hall
 <p><b>WARD 17</b> CLLR D MASOOANE</p>	<b>CURRENT NEEDS</b>
	Sports Field (Completion)
	Naming of Ward and street in Ward 16
	Upgrading of Water purification Plant and Reservoir
	Multi-Purpose Centre
	Community Library
	Old age home
	Re allocation of Sites( 6 households that are affected by Floods and sewerage spillage
	Clinic
	Home Affairs service point
	Social Development Service point
	Community Hall
	<b>CURRENT NEEDS</b>
	Portable Water
	Tarring/ Paving of Haefele str
	Pedestrian Bridge between Mandela Section and Old Loc.

<p><b>WARD 18</b></p>  <p>CLLR M TOYI</p>	Indoor Sports Centre
	Sites/ Residential, Churches and business
	Electrification Ext 5
	Building of Municipal Offices
	Skills Development Centre
	Unemployment
	Toilet structures
	RDP Houses
	Water catchment tank
	Fencing of cemeteries
	Community Hall
	24 Hour Health Services and staff increase
	Parks
	Sports facility
	Extension of Library working hours
	Provision of wheeled dustbins
	Provision of water taps
<p><b>WARD 19</b></p>  <p>CLLR ES NTHOESANE</p>	<b>CURRENT NEEDS</b>
	Portable clean water and Shortage
	Bad roads-gravelling and paving
	Refuse Removal- no consistency on removals
	Fire truck
	Electricity – constant outages
	Sewer spillages
	Youth development lack of economic opportunities
	Allocation of sites- long delays
	Illegal dumping
	Apollo high mast lights- not working
	Two unpaved roads –Skothiphola
	Electricity repayment is disadvantaging residents

	Need recharging pads for electricity
	Need recreational park
	Bridge behind Barnard Molokoane to be referred to relevant ward
	Uncovered electricity panels on street poles
	Unfinished RDP houses
	Fencing of grave Yard
	Police Station

The table below summarizes the needs registered across all wards as communicated and captured during a number of ward public meetings held during the IDP review consultation process.

### 3.11.2 Service Delivery Priorities

**The top 5 priorities registered across all wards in Ngwathe municipality**

Priority Order	Frequency across the wards
1. Provide clean drinkable Water	17 times out of 19 wards
2. Gravelling and paving of roads	16 times out of 19 wards
3. Electricity	14 times out of 19 wards
4. Sites	11 times of 19 wards
5. RDP Houses	7 times out of 19 wards



**STAKEHOLDER MEETING: Held 26 April 2023 - FORUM BUILDING MUNICIPAL OFFICES (PARYS)**

Town	Ward	Inputs
PARYS	7	<ul style="list-style-type: none"> <li>• Winnie Bridge</li> <li>• Landfill sites</li> <li>• Need for toilets</li> <li>• Need for having meetings on weekends</li> <li>• Cleaning of all areas (dumping sites) especially Foreigners shops</li> </ul>
	9	<ul style="list-style-type: none"> <li>• Billing and reading of water meters to be read correctly</li> </ul>
HEILBRON	5	<ul style="list-style-type: none"> <li>• Need for implementation of title deed</li> <li>• Bucket eradication</li> <li>• Graveling of roads (Project management – scope and monitoring)</li> <li>• Illegal connection of electricity is rife in Phiritona and informal settlement</li> <li>• EPWP – No management plan (no equipment for working)</li> </ul> <p><b>Business Forum:</b></p> <ul style="list-style-type: none"> <li>• Billing system need to be checked – have competent staff</li> <li>• Municipality's own fleet</li> <li>• Contract management (monitoring and evaluation)</li> <li>• Need for joint discussion on how to create jobs e.g food security</li> <li>• Land audit and land redistribution</li> <li>• Municipality should stop renting of Yellow fleet, should by their own fleet</li> <li>• Municipality must give free water</li> <li>• Criteria used to communicated must be improved by the Municipality</li> <li>• Community need to monitor projects spending</li> </ul>
	4	<ul style="list-style-type: none"> <li>• Is there value for money for renting machinery?</li> <li>• Increase of ward committee stipend</li> <li>• Build refuse collection centre – dumping sites</li> <li>• Change the IDP direction</li> <li>• Distribute the LED function to all Units</li> <li>• Training of Young people for skill such as plumbing</li> <li>• Meter boxes to be SABS approved</li> <li>• Is the Sports centre complete? No maintenance of sport facilities (Vandalism)</li> <li>• Need report of the contractor (investigated)</li> <li>• Skills audit in the Municipality</li> </ul>
KOPPIES	17	<ul style="list-style-type: none"> <li>• Sport field is dilapidated</li> <li>• Challenge of Water ( Only 1 reservoir) Growing community</li> <li>• Graveling of roads need attention</li> <li>• SMME's to take advantage</li> <li>• Proposal from Youth for road maintenance</li> <li>• Turnaround time on electricity outage and tripping</li> </ul>
VREDEFORT	14	<ul style="list-style-type: none"> <li>• Paving has been in the budget</li> <li>• Have an explanation on sanitary buckets</li> <li>• Graveling of sports grounds</li> <li>• EPWP appointments? What happened?</li> <li>• Cigi cell collection is high</li> <li>• Stealing of electricity is high</li> <li>• Previous CFO – Purchasing of vehicles until to date?</li> </ul> <p><b>Business Organisation:</b></p> <ul style="list-style-type: none"> <li>• Procedure for application for business sites?</li> </ul>

		<ul style="list-style-type: none"> <li>• Taxing of foreigners</li> </ul>
	15	<ul style="list-style-type: none"> <li>• Release land for small agricultural purpose – Feeding scheme</li> <li>• Municipality assist with Cooperatives</li> <li>•</li> </ul>

## **CHAPTER 4:**

### **AUDITOR GENERAL REPORT**

#### **4.1 INTRODUCTION**

This chapter outlines the comments from Auditor General

**4.2** The Auditor General Report - the Municipality received qualified opinion for 2021/22. The AG has raised certain issues that must be addressed by the Municipality

#### **Qualified opinion**

1. I have audited the financial statements of the Ngwathe Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Ngwathe Local Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended, in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

#### **Basis for qualified opinion**

##### **Investment property**

3. I was unable to obtain sufficient appropriate audit evidence for investment property as the assumptions, judgements and inputs used by the valuator could not be supported by adequate supporting evidence. In addition, restatements made to the current year and corresponding figures could also not be supported by adequate supporting evidence. These limitations also had an impact on fair value adjustments and impairment loss/reversal of impairments. I was unable to confirm investment property by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to investment property stated as R238 299 893 (2021: R287 212 689) in note 3 to the financial statements.

##### **Property, plant and equipment**

4. The municipality did not classify property, plant and equipment in accordance with GRAP 17, Property, plant and equipment as the municipality had incorrectly unbundled a project before it was ready for use. This resulted in an overstatement of water network by R19 808 153 and buildings by R2 430 040 and understatement of work-in-progress in note 4 to the financial statements by R22 238 193. In addition, the municipality incorrectly classified some assets as WIP additions, this resulted in an overstatement of WIP additions by R4 399 686 and understatement of additions by the same figure. Buildings were also overstated by R12 953 270 (2021: R63 270 808) due to misclassification within PPE note.

5. The municipality did not account for property, plant and equipment in accordance with GRAP 17, Property plant and equipment as differences were identified between the values recorded in the assets register and the payment vouchers and supporting invoices. In addition, the municipality did not correctly account for assets that were no longer under its control. Additionally, the municipality also incorrectly accounted for some land assets at deemed cost,

without considering its historical costs. The cumulative effect of these errors resulted in an overstatement of property, plant and equipment by R29 786 344 (2021 : R3 733 705). There was also an impact on the impairment loss/reversal of impairment, depreciation, amortisation and impairments, deficit for the period and accumulated deficit.

6. I was also unable to obtain sufficient appropriate audit evidence for the comparative figure of property, plant and equipment as the municipality was unable to provide adequate supporting evidence for the prior year restatements processed. I was unable to confirm the comparative figures for property, plant and equipment by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to property, plant and equipment comparative figure stated at R1 350 410 325 in the financial statements.

### **Receivables from exchange transactions**

7. The municipality did not account for receivables from exchange transactions in accordance with GRAP 104, Financial instruments, mainly due to some consumers being incorrectly written off even though the write-off of their debts were not approved by Council. Consequently, receivables from exchange transactions stated in note 9 to the financial statements were understated by R27 714 344. In addition, there was an impact on the debt impairment, deficit for the period and accumulated deficit.

### **General expenditure**

8. I was unable to obtain sufficient appropriate audit evidence for the consumables included as part of general expenditure in note 34 to the financial statements. The municipality expensed water meters without providing adequate supporting evidence to confirm that the water meters were installed. I was unable to confirm the consumables by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to consumables, stated at R1 7 048 842 in note 34 to the financial statements.

### **Bulk purchases — water losses**

9. I was unable to obtain sufficient appropriate audit evidence for the water losses disclosed as part of the bulk purchases in note 32 to the financial statements, due to the status of the accounting records. I was unable to confirm water losses by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to water losses, stated at 48% (2021: 48%) in note 32 to the financial statements.

### **Commitments**

10. The municipality did not account for commitments in accordance with GRAP 17, Property Plant and Equipment, as differences were identified between the amounts recorded in the commitment register and the auditor's recalculations. I was unable to determine the full extent of the misstatement to commitments, stated in note 39 to the financial statements, as it was impracticable to do so.

### **Total current assets**

11. I was unable to obtain sufficient appropriate audit evidence regarding current assets, which had a material cumulative effect on total current assets

- o Inventories for which evidence could not be obtained stated at R10 254 974 in note 7 to the financial statements.

### **Context for the opinion**

12. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

13. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

14. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Material uncertainty relating to going concern**

15. I draw attention to the matter below. My opinion is not modified in respect of this matter.

16. Note 45 to the financial statements indicates that the municipality incurred a net loss of R21 1 869 126 during the year ended 30 June 2022 and, as of that date, the municipality's current liabilities exceeded its current assets by R1 636 956 008. In addition, the municipality owed Eskom R1 501 864 136 (2021: R1 341 767 553) and the Department of Water and Sanitation of R1 50 792 523 (2021: R1 38 162 028) as at 30 June 2022, which were long overdue. These events or conditions, along with other matters as set forth in note 45, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

## **Emphasis of matters**

17. I draw attention to the matters below. My opinion is not modified in respect of these matters.

## **Restatement of corresponding figures**

18. As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2022.

### **Material losses**

19. As disclosed in note 32 to the financial statements, the municipality incurred electricity losses of 56% (2021: 33%), mainly due to line losses, tampering and theft.

## **Irregular expenditure**

20. As disclosed in note 48 to the financial statements, the municipality incurred irregular expenditure of R31 678 770 (2021: R2 763 045), due to non-compliance with supply chain management (SCM) requirements.

## **Unauthorised expenditure**

21. As disclosed in note 46 to the financial statements, the municipality incurred unauthorised expenditure of R251 442 252 (2021: R99 115 148) due to overspending its budget.

## **Fruitless and wasteful expenditure**

22. As disclosed in note 47 to the financial statements, fruitless and wasteful expenditure of R62 590 335 (2021: R31 968 218) was incurred mainly due to interest charged on late payments to suppliers.

## **Other matter**

23. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## **Unaudited disclosure notes**

24. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

## Responsibilities of the accounting officer for the financial statements

25. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

26. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

## Auditor-general's responsibilities for the audit of the financial statements

27. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

28. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## Report on the audit of the annual performance report

### Introduction and scope

29. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected key performance area (KPA) presented in the annual performance report. I was engaged to perform procedures to identify findings but not to gather evidence to express assurance.

30. I was engaged to evaluate the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected KPA presented in the municipality's annual performance report for the year ended 30 June 2022:

KPA	Pages in the annual performance report
KPA 2 — infrastructure development and basic services	

31. The material finding on the usefulness and reliability of the performance information of the selected KPA is as follows:

31. I was unable to audit the usefulness and reliability of the selected KPA 2: infrastructure

development and basic services as the annual performance report was presented without accurate and complete underlying performance records. This placed a limitation on the scope of my work, as I was unable to obtain sufficient and appropriate audit evidence and to audit the reported performance information by alternative means.

## **Other matter**

33. I draw attention to the matter below.

### **Achievement of planned targets**

34. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 31 of this report.

## **Report on the audit of compliance with legislation**

### **Introduction and scope**

35. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

36. The material findings on compliance with specific matters in key legislation are as follows:

### **Strategic planning and performance management**

37. The local community was not afforded the opportunity to comment on the final draft of the integrated development plan before adoption, as required by section 42 of the Municipal Systems Act 32 of 2000 (MSA) and municipal planning and performance management regulation 15(3).

38. The integrated development plan did not reflect the key performance indicators and targets, and a financial plan, as required by sections 26(i) and (h) of the MSA and municipal planning and performance management regulation and 2(3)(a).

39. Amendments to the integrated development plan were made without making the proposed amendments available for public comment, as required by section 34(b) of the MSA and municipal planning and performance management regulation 3(4)(b) and/or 15(1 )(a)(ii).

40. The performance management system and related controls were inadequate as significant control deficiencies were identified in the performance planning, monitoring, measurement, review and reporting processes required by municipal planning and performance management regulation 7(1).

### **Annual financial statements**

41. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

## **Expenditure management**

42. Money owed by the municipality was not always paid within 30 days or an agreed period, as required by section 65(2)(e) of the MFMA.

43. Reasonable steps were not taken to prevent irregular expenditure amounting to R31 678 770, as disclosed in note 48 to the financial statements, as required by section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by four bids that were not advertised for the required number of days. Irregular expenditure of R9 982 365 was incurred on the following key projects:

- Construction of pedestrian and roads bridges in Heilbron/Phiritona
- New Koppies substation (2\*MVA) o Refurbishment of existing wastewater treatment works in VredefortMokwallo

44. Reasonable steps were not taken to prevent fruitless and wasteful expenditure of R62 590

335, as disclosed in note 47 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest charged on late payments to suppliers.

45. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R251 442 252, as disclosed in note 46 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending of the approved budget.

## **Consequence management**

46. Unauthorised expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(a) of the ME-MA.
47. Irregular expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.
48. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.

## **Revenue management**

49. An adequate management, accounting and information system that accounts for revenue and debtors was not in place, as required by section 64(2)(e) of the MFMA.
50. An effective system of internal control for revenue was not in place, as required by section of the ME-MA.

## **Asset management**

51. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

## **Procurement and contract management**

52. Some goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(1)(a) and (c).



53. Some goods and services with a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a).

54. Some invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM regulation 22(1) and 22(2). This non-compliance was identified in the procurement processes for the following key projects:

- Construction of pedestrian and roads bridges in Heilbron/Phiritona.
- Refurbishment of existing wastewater treatment works in Vredefort/Mokwallo.

55. Sufficient appropriate audit evidence could not be obtained that contracts were awarded through a competitive bidding process that was adjudicated by the bid adjudication committee, as required by SCM regulations 29(1)(a) and (b) and 2017 preferential procurement regulations (PPR). This non-compliance was identified in the procurement processes for the following key project:

- Construction of sewer line in Heilbron/Phiritona industrial connection project.

56. Sufficient appropriate audit evidence could not be obtained that contracts were only awarded to providers whose tax matters had been declared by the South African Revenue Service to be in order, as required by SCM regulation 43. This non-compliance was identified in the procurement processes for the following key projects:

- ' Construction of pedestrian and roads bridges in Heilbron/Phiritona.
- Construction of sewer line in Heilbron/Phiritona industrial connection.
- Refurbishment of existing wastewater treatment works in Vredefort/Mokwallo.

57. Sufficient appropriate audit evidence could not be obtained that some commodities designated for local content and production were procured from suppliers who submitted a declaration on local production and content, as required by the 2017 preferential procurement regulation 8(5). A similar non-compliance was also reported in the prior year.

58. Sufficient appropriate audit evidence could not be obtained that commodities designated for local content and production were procured from suppliers who met the prescribed minimum threshold for local production and content, as required by the 2017 preferential procurement regulation 8(5). A similar non-compliance was also reported in the prior year.

59. The performance of contractors or providers was not monitored monthly, as required by section 116(2)(b) of the MFMA. This non-compliance was identified in the procurement process for the following key projects:

- Construction of pedestrian and roads bridges in Heilbron/Phiritona. • Construction of sewer line in Heilbron/Phiritona industrial connection.
- Refurbishment of existing wastewater treatment works in Vredefort/Mokwallo.

60. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management, as required by section 116(2)(c)(ii) of the MFMA.

## Utilisation of conditional grants

61. The integrated national electrification programme, municipal infrastructure, regional bulk infrastructure and water services infrastructure grants were not spent for its intended purposes in accordance with the applicable grant framework, as required by section 16(1) of the Dora.

62. Performance in respect of programmes funded by the integrated national electrification programme, municipal infrastructure, regional bulk infrastructure, and water services

infrastructure grants were not evaluated within two months after the end of the financial year, as required by section 12(5) of Dora.

## Other information

63. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those KPAs presented in the annual performance report that have been specifically reported in this auditor's report.
64. My opinion on the financial statements and findings on the reported performance information and compliance with legislation does not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
65. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected KPA presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
66. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## Internal control deficiencies

67. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
68. Ineffective monitoring and supervision over financial and performance reporting resulted in material misstatements in the financial statements and annual performance report. The internal controls within the municipality did not improve, as repeat findings were reported in the current year.
69. There was slow response by management in implementing the action plans to address prior year material financial and compliance findings.
70. Management did not prioritise the review and monitoring of compliance with legislation, which resulted in repeat findings. This was due to a lack of consequence management, as officials were not held accountable for non-compliance.
71. Management did not implement and develop processes and systems with regard to the collection, recording, monitoring and reporting of performance information of the municipality.

## Material irregularities

72. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit. The material irregularities identified are as follows:

### Material irregularities in progress

72. I identified material irregularities during the audit and notified the accounting officer of these, as required by material irregularity regulation 3(2). By the date of this auditor's report, I have not received the responses of the accounting officer. These material irregularities will be included in the next year's auditor's report.

### Status of previously reported material irregularities

#### Eskom not paid within 30 days

74. The accounting officer did not take all reasonable steps to ensure that amounts due to Eskom for the bulk purchase of electricity were paid within 30 days of receiving the relevant invoice or statement, as required by section 65(2)(e) of the MFMA. The late payment resulted in interest of R21 592 212 being incurred for the period 1 April 2019 to 31 March 2020. The interest

incurred is likely to result in a material financial loss for the municipality due to the liability to pay the interest to Eskom.

75. The accounting officer was notified of the material irregularity on 25 February 2021. The following actions have been taken or is in progress to resolve the material irregularity:

- The municipality is continuously engaging with Eskom in order to reach a mutual agreement on a payment agreement, however the municipality and Eskom are currently engaged in legal proceedings.
- The municipality has undertaken to replace broken and bridged meters as part of their revenue protection and enhancement project. A contractor was appointed during November 2018 and the project is ongoing.
- The municipal council adopted a financial recovery and turnaround plan on 6 October 2022.
- The accounting officer submitted a report on fruitless and wasteful expenditure incurred to the municipal public accounts committee (MPAC) for investigation, dated 30 November 2020, where it was concluded that no person or party was held responsible for the loss. Council agreed to write-off the fruitless and wasteful expenditure on 10 December 2020.

76. I will follow up on the implementation of the planned actions during my next audit.

*Auditor-General*

Bloemfontein



*Auditing to build public confidence*

26 January 2023

## **CHAPTER 5:**

### **FINANCIAL PLAN 2023/24**

This chapter is intended to give effect to section 26 paragraph (h) of the Municipal Systems Act (2000) which provides that: “an integrated development plan must reflect a financial plan, which must include a budget projection for at least the next three years”. The chapter therefore outlines the municipality’s financial plan for the next three financial years compiled in line with the Municipal Finance Management Act (Act 56 of 2003).

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#### **1. Purpose**

The purpose of this document is to provide a response/remedy to the municipality's unfunded budget position. This financial plan considers the 2023/24 Budget year and the 2 Outer Years of the Medium-Term Revenue and Expenditure Framework (MTREF).

## **2. Legal Framework**

Chapter 4 of the Municipal Finance Management Act No.56 of 2003 ("MFMA") deals with the drafting and adopting of municipal budgets by municipalities. Section 18(1) of the MFMA states that an "annual budget may only be funded from –

a) realistically anticipated revenues to be collected;  
b) cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and  
c) borrowed funds, but only for the capital budget referred to in section 17(2)." Section 18(2) adds that "revenue projections in the budget must be realistic, taking into account-

a) projected revenue for the current year based on collection levels to date; and  
b) actual revenue collected in previous financial years."

The Municipal Budget and Reporting Regulations ("MBRR") sets out standards for sound and sustainable management of the budgeting and reporting practices in municipalities. It states in paragraph 10(1)(b) that "the funding of an annual budget must be consistent with the trends, current and past, of actual funding collected or received." It further states in paragraph 10(4) that "the cash flow budget required in terms of Schedule A must reflect all funds realistically forecast to be collected, including arrears."

## **3. Background**

The municipality's budget for the 2022/23 MTREF is currently unfunded. There are various factors that have resulted in the current cash flow position of the municipality as outlined in this plan and the remedial action that the municipality will be implementing to address these issues in order to achieve progressively funded budget.

The municipality uses the Integrated Development Plan (IDP) as the principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making processes in a municipality. The IDP is a more directed and focused planning instrument for attaining realistic objectives, achievable targets broken down and reflected in the SDBIP and performance plans for managers.

This long term plan aims to determine the appropriate mix of financial parameters and assumptions within which the Municipality should operate to facilitate affordable and sustainable budgets for at least 10 years into the future. The Funding Financial Plan is reviewed annually to determine the most affordable level at which the Municipality can operate optimally taking the following into account but not limited to:

- Fiscal overview;
- Economic climate;

- Demographic trends;
- National- and Provincial influences;
- IDP and other legislative imperatives; and
- Internal governance, community consultation and service delivery trends

#### 4. Funding Plan Pillars

In order to give effect and structure to the Budget Funding Plan referenced above, the budget funding plan must be based on pillars.



The following Budget funding plan pillars are being looked at in detail:

1. Positive cash flows with a focus on revenue from trading services;
2. Implementation of cost containment measures and a reduction of expenditure;
3. Realistic debtors' collection rates with incremental improvements year on year;
4. Creditors payment rates that ensure that all fixed obligations, including obligations for bulk purchases, are met.

## 5. Ensure that conditional grants funding is cash backed

Below are plans that the municipality commits to implement to ensure that it has a funded budget over a period:

### 4.1 Positive Cash Flow Balances

#### (a) Cash/Cost Coverage Ratio

The cash/cost coverage ratio indicates the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investments without collecting any additional revenue during that month {MFMA Circular No. 71}.

The municipality's cash coverage calculated as at 30 June 2022 resulted in the following outcome:

Cash coverage = **-0.1 month** (R5 204 574 (cash equivalent) – R71 799 442 (unspent conditional grant) / R1 045 668 545 (total annual operating expense). As compared to 2020/21 cash coverage was 0.1 month, which is an indication of deterioration.

Based on the above cash coverage of minus 0.1 month, the municipality will come up with corrective steps that will assist in improving the cash coverage to be within the required norms. Based on those steps it indicates that the municipality will only be able to maintain a cash coverage of 1 month on the 2<sup>nd</sup> year and will be able to cover for the 3 months on the 6<sup>th</sup> year.

As indicated above the cash coverage ratio is not in line with the norms of the circular which require municipality to maintain a cash coverage of between 1 to 3 months. Below are the detailed planned activities that the municipality will implement as corrective steps:

Key Activity	Remedial action to be implemented	Impact on Funding Status	Timeframe
i) Improvement of the municipality's cash coverage ratio	<p>i. Review and implement the revenue policies (credit control and debt collection, indigent, revenue enhancement strategy),</p> <p>ii. Ensure cost Containment Measure (unnecessary expense) is reduced</p> <p>iii. Improve the revenue collection rate,</p>	<p>Projected improvement in the cash coverage;</p> <p><b>Year 1</b> – Projected Cash Coverage = <b>Half month,</b></p> <p><b>Year 2</b> – Projected Cash Coverage = <b>1 month,</b></p> <p><b>Year 3</b> – Projected Cash Coverage = <b>1 and half month,</b></p> <p><b>Year 4</b> – Projected Cash Coverage = <b>2 months</b></p> <p><b>Year 5</b> – Projected Cash Coverage = <b>2 and half months</b></p>	<p>2023/24 – 2028/29</p> <p><i>To be monitored monthly with reference to the target.</i></p>



		<b>Year 6 – Projected</b>	
		Cash Coverage =	
	iv. Explore	<b>3 months</b>	
	source of income		
	v. Reduce and curb		
	the distribution		
	losses on both		
	Electricity and		
	Water Services		

## b) Current Ratio

The current ratio is used to assess the municipality's ability to pay back its short-term liabilities (Debt & Payables) with its short-term Assets (Cash, Inventory, Receivable) {MFMA Circular No. 71}.

The municipality's working capital position for the past 5 years can be summarised as follows:

Based on the above assessment, it shows that the municipality's working capital ratio has shown an unfavourable outcome over the period of five years. Which means for the past five years the municipality has never met the minimum ration as per the norm of 1:5.

In general, this is not consistent with the requirements of MFMA Circular No. 71, which require that the municipality maintain a ratio norm range between 1:5 to 2:1.

NB: The major contributing factor on unfavourable working capital (%) is the liability owed to Eskom of about R2 billion as at 30 June 2022.

***The activities outlined in the Debtors Collection Rate directly contributes to the improvement in our liquidity and cash reserves, and as a result priority will be given and resources invested in the implementation of those measures in turning around the liquidity position of the municipality***

## 4.2 Implementation of Cost Containment Measures

### (a) Reduction of Non-Core Expenditure

DESCRIPTION	YEAR				
R 000'	2017/18	2018/19	2019/20	2020/21	2021/22
CURRENT ASSETS	267, 177	334, 540	407, 089	452, 471	454, 017
CURRENT LIABILITIES	1, 701,120	1, 772, 828	1, 753, 123	1, 926, 199	2, 090, 973
CURRENT RATIO	-1, 433,943	- 1, 438, 288	- 1, 346, 035	- 1, 473, 728	- 1, 636, 956
NET WORKING CAPITAL (%)	0,16	0,19	0,23	0,23	0,22

The municipality has identified the following expenditure items for reduction during the MTREF period, so as to improve the municipality's cash position and the impact on the overall annual budget:

Key Activity	Remedial action to be implemented	Impact on Funding Status	Timeframe
i) Hiring of service delivery fleet (White and Yellow Fleet)  2021/22 Annual expenditure <b>R55,7 million</b>	i) Review the departmental plans and develop shared model to phase out rental,  ii) Negotiate fixed rates with suppliers for long term rental,	Reduction on the total annual expenditure as follows;  <b>Year 1 –</b> Projected reduction rate = <b>5%</b> (R2,7 million savings)	2023/24  <i>To be monitored monthly with reference to the target.</i>

**Notes:**

- The municipality is currently renting fleet on credit and it will be impractically possible to reduce this expenditure within a short period of time. Drastic measures have to be put in place in order to reduce this expenditure.
- Total expenditure on rental of fleet for the financial year 2021/2022 amount to **R55 742 531.76** versus the budgeted amount of **R19 960 908.00**. This is an overspending with an amount of **R35 781 623.76** as the end of June 2022.
- The 2022/2023 current rental expenditure of fleet up to April 2023 amount to **R46 314 534.42** versus the budgeted amount of **R20 759 344.00**, which is an overspending of **R25 555 190.42**.
- It is against this background that the municipality need reduce this expenditure by looking at other avenue in relation to fleet management.

Key Activity	Remedial action to be implemented	Impact on Funding Status	Timeframe
	iii) Submit application for yellow fleet funding to MIG Office and other Financing Institution (DBSA) iv) Develop a plan to procure at least 2 service delivery vehicles on receipts of Equitable Share, thus make 6 Vehicles	<b>Year 2 –</b> Projected reduction rate= <b>15%</b> (6 million savings)  <b>Year 3 –</b> Projected reduction rate= <b>25%</b> (R10 million savings)  <b>TOTAL</b> <b>REDUCTION IN</b>	2024/25 - 2025/26

	Annually	<b>HIRING COST OVER 3 YEARS R18,7 million</b>	
ii) Contracted Service, outsourced services / work done by service providers due to lack of adequate internal Capacity  Annual expenditure <b>R52,5 Million</b>	i) Review the Organisational structure to identify shortage of skilled labour,  ii) Perform skills audit and identify the skill gaps per each Departmental,  iii) Training of personnel to ensure that the required skills is retained,  iv) Ensure that the contract of the consultants include a skill transfer clause  And adhere to, v) Full time employee to reduce security outsourced costs	Reduction on the total annual expenditure as follows;  <b>Year 1 –</b> Projected reduction rate = <b>5%</b> (R2.6 million savings)  <b>Year 2 –</b> Projected reduction rate= <b>10%</b> (R4.9 million savings)  <b>Year 3 –</b> Projected reduction rate= <b>15%</b> (R6.7 million savings)  <b>Total Deduction in Contracted Services Over a period of 3 Years Savings R14.2 Million</b>	<b>2023/24 – 2025/26</b>  <i>To be monitored monthly with reference to the target.</i>

Key Activity	Remedial action to be implemented	Impact on Funding Status	Timeframe
iii) Operational cost  Annual expense  <b>R61 Million</b>	i) Review and monitor the Telephone usage, install Telephone system that produce itemize billing per user code / pin.  ii) Review and monitor the printing machine contract, install strict controls on all printers i.e. limit printing per user code,  iii) Review and monitor fuel cost, installation of eFuel on all vehicle and tracking device with electronic log book for monitoring.  iv) Limit the travelling and subsistence cost in line with the Cost	Reduction on the total annual expenditure as follows;  <b>Year 1 –</b> Projected reduction rate= <b>5%</b> (R3 million savings)  <b>Year 2 –</b> Projected reduction rate= <b>5%</b> (3 million savings)  <b>Year 3 –</b> Projected reduction rate= <b>10%</b> (R5,5 million savings)  <b>TOTAL REDUCTION IN OPERATIONAL COSTS OVER 3 YEARS (R11,5 million savings)</b>	2023/24  <i>To be monitored monthly with reference to the target.</i>

	v)	containment measure policy. Eliminate expenditure on catering and refreshments		
iv) Employee related  cost - Overtime  Annual expense  <b>R262 Million</b>	i)        ii) Develop a shift System  iii) Ensure that the overtime is only paid for Qualifying	Review the core  function of the department contributing to  high overtime, develop a routine work schedule,	Reduction on the  total annual expenditure as follows;  <b>Year 1 –</b> Projected reduction rate =  <b>10%</b> (R2.6 million savings)  <b>Year 2 –</b> Projected	2023/24 – 2025/26  <i>To be  monitored monthly with reference to the target.</i>
		employees as per collective agreement,	reduction rate =  <b>15%</b> (R3.9 million savings)  <b>Year 3 –</b> Projected reduction rate =  <b>20%</b> (R5.2 million savings)  <b>TOTAL REDUCTION IN</b>	

		<b>OPERATIONAL COSTS OVER 3 YEARS (R12 million savings)</b>	
<b>TOTAL OVERALL COST REDUCTION OVER THE 3 YEAR PERIOD</b>		<b>Year 1 = R 10,9 million</b>  <b>Year 2 = R19,1 million</b>  <b>Year 3 = R28,2 million</b>	

### 4.3 Debtors Collection Rate

Month	Billing	Collection	% Collection	Prepaid Electricity
Jul-19	37 882 442	16 909 597	45%	10 869 412
Aug-19	37 287 698	14 868 214	40%	10 146 738
Sep-19	36 803 853	13 937 803	38%	9 746 006
Oct-19	36 035 121	13 738 145	38%	10 245 888
Nov-19	39 245 920	12 157 720	31%	10 205 871
Dec-19	36 318 772	15 230 503	42%	10 574 907
Jan-20	34 961 058	12 846 486	37%	9 976 934
Feb-20	39 166 868	16 251 225	41%	9 141 353
Mar-20	44 413 964	8 454 176	19%	10 035 644
Apr-20	36 106 710	14 878 560	41%	9 306 241
May-20	35 142 563	16 704 070	48%	9 743 847
Jun-20	39 217 889	14 997 545	38%	11 190 952
	<b>452 582 857</b>	<b>170 974 045</b>	<b>38%</b>	<b>121 183 794</b>

Financial Year 2020/2021				
Month	Billing	Collection	% Collection	Prepaid Electricity
Jul-20	43,451,224	2,990,199	7%	11,584,379
Aug-20	43,097,778	24,203,945	56%	11,759,124
Sep-20	40,898,016	22,062,789	54%	10,871,811
Oct-20	41,838,987	15,342,936	37%	11,803,277
Nov-20	36,057,440	28,362,107	79%	11,730,688



Dec-20	39,795,907	22,968,252	58%	12,948,772
Jan-21	36,507,406	24,375,760	67%	11,810,095
Feb-21	38,634,485	25,972,322	67%	11,095,761
Mar-21	38,315,726	24,253,512	63%	12,228,919
Apr-21	37,118,701	23,100,795	62%	11,565,796
May-21	37,465,343	17,925,071	48%	11,694,233
Jun-21	37,804,046	27,497,785	73%	13,149,880
	<b>470,985,058</b>	<b>259,055,474</b>	<b>55%</b>	<b>142,242,735</b>

The following table outlines the municipality's collection rate for the past 3 years summarised per monthly:

FINANCIAL YEAR 2021/2022				
Month	Billing	Collection	% Collection	Prepaid Electricity
Jul-21	43 222 830,02	16 140 545,94	37%	12 268 741,37
Aug-21	39 648 714,45	18 126 370,69	46%	11 855 065,61
Sep-21	45 646 800,21	18 593 787,08	41%	10 880 257,65
Oct-21	39 579 443,57	19 547 349,91	49%	11 070 752,16
Nov-21	40 459 039,08	14 189 589,42	35%	10 711 269,73
Dec-21	41 407 757,62	16 982 526,46	41%	11 908 893,90
Jan-22	39 839 971,03	56 826 299,84	143%	11 188 352,39
Feb-22	39 083 011,75	16 947 217,75	43%	10 343 645,96
Mar-22	39 448 636,62	31 980 832,74	81%	11 363 438,11
Apr-22	41 091 862,96	21 990 348,11	54%	10 964 074,48
May-22	41 824 414,39	16 266 150,40	39%	11 405 100,22
Jun-22	39 556 851,42	15 887 519,34	40%	13 029 203,02
	<b>490 809 333,12</b>	<b>263 478 537,68</b>	<b>54%</b>	<b>136 988 794,60</b>

The collection rate over the past 3 years as indicated above, has been fluctuating between annual average collection of **38%** to **55%** which is far below the norm of 85% to 90%. The financial records above is a clear indication of credit control and debt collection failure to the extent that non-payment of municipal service became the norm within Ngwathe Local Municipality.

The lack of service delivery also contributes toward the revenue decline. The main objectives for this strategy is to instil a culture of payment for services rendered to consumers, as the result the Municipality is currently unable to pay suppliers, and also unable to run its daily operations as expected.

This collection rate is subject to improvement during the 2021/22 MTREF and beyond due to the measures that the municipality has articulated in this funding plan, which if effectively implemented the targets set herein can be practically reached.

The following table outlines the measures to be taken to improve the municipality's collection rate:

Key Activity	Remedial action to be implemented	Impact on Funding Status	Timeframe
<p>i. Appointment of Debt Collectors,</p> <p>The appointment of debt collectors to be effected as follows;</p> <p>- Advert to go out during August 2023 and close during August 2023,</p> <p>- The appointment is to be effected before the end of September 2023.</p>	<p>i) Debt older than 90 days to be handed over for debt collection processes,</p> <p>ii) Issue demand letter to interrupt prescription of debt period, thus reducing debt impairment</p>	<p>The projected impact on the overall debt collection based arrear debt older than 90 days, will be as follows:</p> <p><b>Year 1 –</b> Projected Collection rate = <b>5%</b> (On debt older than 90 days),</p> <p><b>Year 2 –</b> Projected Collection rate = <b>10%</b> (On debt older than 90 days),</p> <p><b>Year 3 –</b> Projected Collection rate = <b>15%</b> (On debt older than 90</p>	<p>February 2024</p> <p><i>To be monitored monthly with reference to the target.</i></p>

		days)	
ii) The replacement of <b>water and electricity</b> meters, revenue enhancement and collection particularly on prepaid meters,	i) Continue with electricity meter audit, normalise and replacement (2023/24 = 5 000 electrical meters, 2024//25 = 10,000 electrical meters, and 2025/26 = 15,000 electrical meters)  ii) Issue fines on bridged electrical meters,  iii) Replaced broken water meters (9,000 units)	The projected impact on the overall collection based on current year collection rate on water and electricity, will be as follows:  <b>Year 1 –</b> Projected collection rate of about 5%	2023/24-2025/26  <i>To be monitored monthly with reference to the target.</i>
Key Activity	Remedial action to be implemented	Impact on Funding Status	Timeframe
	iv) Install bulk check meters on all incoming points	projected increase  <b>Year 2 –</b> Projected collection rate of about 10% projected increase  <b>Year 3 –</b>	

		Projected Collection rate of about 20% projected increase	
<p>iii) The Automated Meter Reading (AMR) for the Businesses (Maximum Demand Meters) directly contributes to the reduction of electricity distribution losses.</p>	<p>i) Continue with the project to install Automated Meter Reading (AMR) for bulk user's, currently about 253 bulk user on AMR.</p> <p>ii) Monitor AMR on daily bases and investigate / attend to any anomaly</p>	<p>The projected impact on the overall collection based on current year collection rate on bulk user's electricity, will be as follows:</p> <p><b>Year 1 –</b> Projected collection rate of about 5% projected increase</p> <p><b>Year 2 –</b> Projected collection rate of about 10% projected increase</p> <p><b>Year 3 –</b></p>	<p>2023/24 –  2025/26</p> <p><i>To be monitored monthly with reference to the target.</i></p>

		Projected Collection rate of about 25% projected increase	
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Key Activity	Remedial action to be implemented	Impact on Funding Status	Timeframe
iii) The review of the Debt Collection Mechanism and Revenue Enhancement Strategy to have a bigger impact on the collection rate. A further review of this strategy (deducting a 70% towards arrears for all Businesses) to be looked into during the 2023/24 financial year for implementation during the 2025/26	i) Review the debt collection policy and strategy with recovery of debt using 50% on purchase of prepaid Electricity to be looked into during 2023/24 for implementation during 2025/26,  ii) Investigate possibility of repossession (legal procedure) of property for empty erf owing more than the market value of the erf	The projected impact on the overall debt collection based arrear debt older than 90 days, will be as follows:  <b>Year 1 –</b> Projected Collection rate = <b>5%</b> (On debt older than 90 days),	2023/24 –  2025/26  <i>To be monitored monthly with reference to the target.</i>

FY.		<p><b>Year 2 –</b> Projected Collection rate = <b>10%</b> (On debt older than 90 days),</p> <p><b>Year 3 –</b> Projected Collection rate = <b>20%</b> (On debt older than 90 days)</p>	
<p>iv) The introduction of SMART water meters.</p> <p>This will increase collection of the long outstanding debt of R870 million and result in cost reduction with regards to the meter reading costs, also reduction of water distribution losses which is particularly high.</p>	<p>i) Apply for funding for procurement of SMART Water Meter from MIG and Other Funders (DBSA)</p> <p>ii) Replace broken water meter with SMART Water Meters</p> <p>iii) Indigent customer to be prioritise during the installation phase</p>	<p>The projected impact on the overall collection based on current year collection rate on water user's, will be as follows:</p> <p><b>Year 1 –</b> Projected collection rate of about 5%</p>	<p>2023/24 –  2025/26</p> <p><i>To be monitored monthly with reference to the target.</i></p>

		<p>projected increase</p> <p><b>Year 2 –</b></p> <p>Projected collection rate of</p>	
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Key Activity	Remedial action to be implemented	Impact on Funding Status	Timeframe
		<p>about 10% projected increase</p> <p><b>Year 3 –</b></p> <p>Projected Collection rate of about 15% projected increase</p>	
v) Data cleansing:	<p>i) Continue with the data cleansing project, about 22,901 household and business has been completed, the remaining 25,000 will be completed in two financial year 2023/24 and 2024/25,</p> <p>ii) Ensure that meter management</p>	<p>The data cleansing process will contribute to the completeness of billing which will directly improve the revenue and the collection.</p>	<p>2023/24 – 2024/25</p> <p><i>To be monitored monthly with reference to the target.</i></p>



	completeness (linking of water and electricity meters to the respective properties) and linking to the respective erfs.	<i>The collection impact of the data cleansing process cannot be quantified at this point in time</i>	
	iii) Valuation Roll Balancing/Reconciliation in line with the requirements of MFMA Circulars 93 & 98. We will further engage Treasury for advice in terms of improving this process	<i>and will be assessed monthly during the plan monitoring and reporting.</i>	

#### **i. APPOINTMENT OF DEBT COLLECTORS**

The appointment of debt collectors is necessitated by the continuous growth of the municipality's debtors' book, which directly increases the risk of recovery of the outstanding debt.

The municipality will develop the debt collection specifications and the anticipated appointment of these debt collectors will be during the second quarter of the 2023/24 financial year. Priority will be given to the areas with high number of outstanding debts. The tender will be advertised during the month of August 2023 with a 30-day advert period it will close in September 2023. The municipality will affect the appointment before the end of October 2023.

The blocking and disconnection of conventional electricity meters particularly for businesses will be intensified as this was mainly affected by the issue of the lack of adequate resources.

#### **ii. THE REPLACEMENT OF WATER AND ELECTRICITY METERS**

The process of replacing meters been undertaken and measures have been put in place to prioritise this so as to ensure that the revenue lost through non-revenue water and electricity and through theft is kept to a minimum percentage as required by the MFMA Circular No. 71.

This process is monitored monthly through the meter replacement reports which will also assist in ensuring that all replaced meters are timeously updated on the system to ensure that correct billing takes place.

### Replacement of Electricity Meters:

The municipality will improve in terms of prompt response and savings pertaining to meter tampering/electricity theft and meter replacement.

Action to be Implemented	Impact on Funding Status	Timeframe
<p>Replacement of Electricity meters;</p> <ul style="list-style-type: none"> <li>- A total of about 12,500 electrical meters (tempered / bridged, broken, faulty etc) are to be replaced by the municipality.</li> </ul>	<p>The projected installation will result in increased revenue and collection which will also increase the municipality's ability to generate adequate cash flows to honour the Eskom account</p> <p><b>Year 1</b> – Targeted meter replacement for the financial year targeted at = <b>7 500</b> (To be internally funded and where possible external funding will be sourced)</p> <p><b>Year 2</b> – on-going inspection and meter consumption monitoring to curb electricity theft and tampering,</p> <p><b>Year 3</b> – on-going inspection and meter consumption monitoring to curb electricity theft and tampering,</p>	<p>Initial target for the replacement of the total faulty meters is</p> <p>31 January</p> <p>2025</p> <p><i>To be monitored monthly with reference to the target.</i></p>

## Replacement of Water Meters:

The municipality will be appointing panel of service providers to supply and replace water meters. The appointment will be completed before the end of October 2023. This will aid the municipality in terms of prompt response and savings in terms of water revenue in areas where there were previously no meters.

Action to be Implemented	Impact on Funding Status	Timeframe
<p>Replacement of water meters;</p> <p>- A total of 9 000 faulty meters are to be replaced by the municipality</p>	<p>The projected installation will result in increased revenue and collection which will also increase the municipality's ability to generate adequate cash flows from water revenue.</p> <p><b>Year 1</b> – Targeted meter replacement for the financial year = 3 000 (to be Funded by MIG),</p> <p><b>Year 2</b> – Targeted meter replacement for the financial year = 3 000. On-going inspection and meter consumption monitoring to ensure accurate billing,</p> <p><b>Year 3</b> – Targeted meter replacement for the financial year = 3 000. On-going inspection and meter consumption monitoring to ensure accurate billing,</p>	<p>Initial target for the replacement of the total faulty meters is</p> <p>30 June 2025</p> <p><i>To be monitored</i></p> <p><i>monthly with reference to the target.</i></p>

### iii. AUTOMATED METER READING (AMR) FOR BUSINESSES

The automated meter reading process for businesses will assist a great deal, as this will do away with meter reading estimation in instances of faulty electricity meters. The system will allow for timeous and accurate meter reading and status alert, this process will also scale down on electricity theft by businesses.

Below is the action plan in terms of AMR implementation:

Action to be Implemented	Impact on Funding Status	Timeframe
<p>Installation of AMR meters;</p> <p>- The municipality has a total of 50 Maximum Demand electricity meters which require replacement.</p>	<p>The projected installation will result in increased revenue and collection which will also increase the municipality's ability to generate adequate cash flows from water revenue.</p> <p><b>Year 1</b> – Targeted meter replacement for the financial year = <b>50</b> (To be funded by internal and or the external funder)</p> <p><b>Year 2</b> – on-going inspection and meter consumption monitoring to ensure accurate billing,</p> <p><b>Year 3</b> – on-going inspection and meter consumption monitoring ensure accurate billing</p>	<p>Initial target for the replacement of the total faulty meters is</p> <p>28 February 2025</p> <p><i>To be monitored monthly with reference to the target</i></p>

iv. **DEBT COLLECTION STRATEGY**

The municipality’s Debt Collection and Credit Control policy makes provision for the municipality to recover the outstanding debtors’ book through its prepaid vending system (water and electricity). The current debt collection ratio through the system is 60% (Sales) vs 40% (Collections) on every purchase. This was necessitated by the increase in the outstanding debt as most consumers has resorted to just purchasing electricity and not attending to the monthly arrangement commitments.

The municipality will in future also look into a differentiated approach to collection of the business outstanding debt to be implemented on the arrears by withholding 70% of the total purchase towards the outstanding debt in 2025/26.

These policy decisions are to be included in the review process of the Debt Collection and Credit Control Policy for the 2023/24 financial year, and its favourable impact on cash collection has not been factored into these projections as it is not quantifiable at this point. These targets are to be reviewed monthly and revised yearly to achieve the objectives of the adopted debt collection policy.

v. **THE SMART WATER METERS**

The SMART Water meter project will assist with revenue collection and protection. This project will assist with the distribution losses and the curbing of water losses experienced by the municipality. The areas to be prioritised are the Rand Water supplied areas (Phiritona and Heilbron) which collectively has an outstanding debt contributing to non-payment of Rand Water. Water restrictive devices will also be prioritised on high consuming businesses.

The SMART Water Meters will also assist the municipality with leak detection and free basic water (FBW) allocation to indigent households. This will also ensure that indigent household’s consumption is in line with the allocated FBW. This project is planned to start during the 2023/24 financial year.

Below is the action plan on smart water meters:

Action to be Implemented	Impact on Funding Status	Timeframe
i) The appointment of a SMART meter service provider. ii) The appointment of the service provider will be effected as follows through the National Treasury Transversal Contract; - The participation approval is anticipated to be completed by end of November 2023,	The projected impact on the overall collection has been outlined in the above table under the Debt Collection rate.	2023/24 –  2024/25  <i>To be monitored  monthly with  reference to the</i>

<ul style="list-style-type: none"> <li>- The quotation sourcing process will start immediately after the approval and its anticipated that it will be completed by the end of January 2024,</li> <li>- The appointment is to be effected before the end of February 2024.</li> </ul>		target.
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#### vi. **DATA CLEANSING**

The following measures are being undertaken monthly to achieve this process:

- The cleansing of data underway to ensure that all prepaid electricity meters are linked to a service account and erf, which will ensure that all accounts in arrears gets deducted from the respective electricity purchases.
- The review of accounts to ensure that the billing and related revenue is in line with the type of consumer or services offered by the municipality.
- The municipality is performing a Valuation Roll Reconciliation/balancing monthly, to ensure that all properties within its jurisdiction are captured and billed timeously. The municipality also performs a deeds reconciliation through the review of the monthly properties registered at the Deeds office. This process has also assisted in ensuring the accuracy of our Property Rates Revenue.

The data cleansing process is a continuous process and will continue to be undertaken monthly. System exception reports will also be designed to aid with the process of efficiently executing this exercise.

The municipality will also be sourcing the expertise of the Budget and Revenue Advisor from Treasury to assist the municipality in ensuring that this tariff setting tool as outlined in MFMA Circular No. 98 and 123 is effectively implemented.

#### **(a) Cost Reflective Tariffs**

The following information provides clarity in terms of the total outstanding debtors and creditors as at 30 June 2021.

- Total outstanding debtors R 967 207 603
- Total outstanding creditors R 1 758,816,348

The total outstanding debtors comprises **54%** of the total creditors, even when the municipality achieves its targeted collection rate of 100% on outstanding debt, it will not be able to settle all its liabilities fully and therefore, cash reserves cannot be realizing.

Unless, if, there's an external support to deal with the Eskom debt of R1,7 billion, these support can come in the form of special grant, debt write-off, withholding of portion of equitable share over period of time towards the arrear debt.

It is against this background that we are of the view that the municipality's tariff is not cost reflective as required by MFMA Circular No. 98. The municipality is currently busy with the tariff setting tool to benchmark its costing structure for the 2024/25 financial year. This process will enable us to ensure that the necessary corrections are affected on the draft tariffs setting process for the next respective financial year.

## **(b) NON-REVENUE WATER AND ELECTRICITY**

### **Non-Revenue Water:**

The municipality has put several strategies in place to deal with these losses to ensure that this revenue is realised and as a result our collection will also be improved in the process.

#### **Measures put in place to address this over a period of 3 years:**

- A panel of service providers will be established to rapidly deal with the replacement of water meters,
- The municipality has appointed a meter reading company to ensure that all meters are read monthly,
- One of the main contributors to the water losses is the current asbestos pipes within our water infrastructure network which keeps bursting and resulting in excessive water losses, this is also receiving attention,
- The municipality is also looking into introducing a SMART Water Metering system which will directly deal with the reticulation losses and assist with revenue collection through vending.

### **Non-Revenue Electricity:**

The municipality has developed strategies to deal with these losses to ensure that this revenue is realised and as a result our collection will also be improved in the process.

#### Measures put in place to address this over a period of 3 years:

- A panel of service providers will be established to rapidly deal with the replacement of electricity meters, which assist in the discovery of electricity tampering/theft,
- The municipality has made improvements to its vending system to enable the municipality to timeously identify and replace faulty meters and those which are not purchasing electricity, however there is still a gap in terms of meter audit capacity.
- The municipality will be introducing the Automated Meter Reading (AMR) System for businesses. This system will ensure that maximum demand electricity meters are timeously monitored and replaced when faulty to avoid billing done on estimates as these are high consumers,
- One of the main contributors to the water losses is the current asbestos pipes within our water infrastructure network which keeps bursting and resulting in excessive water losses, this is also receiving attention.
- The effect of these actions will be monitored monthly over the 3-year period to gauge its impact on the municipal revenue and collection.

The focus of this funding plan is to ensure municipal liquidity through translation of debtors and non-revenue water and electricity to actual cash flow. The working capital plays a pivotal role in the continued operation of the municipality and thus directly affects service delivery.

#### **4.4 Creditors Payment Rate**

The municipality's creditors payment rate is directly affected by the outstanding debtors, because of which adequate cash flows are not available to meet the municipality's obligations.

The payment rate is negatively affected by the Eskom outstanding debt which significantly increases the outstanding payment rate for the creditors.

##### **(a) Trade payables**

The municipality has the following major creditors which is the main reason for the unfunded budget:

##### **i) ESKOM**

The Eskom outstanding balance as at **30 APRIL 2023** amounted to **R1,758,816,348.71**. The municipality will be monitoring monthly the performance / payments and movements in the Eskom account to ensure that it is in line with the draft payment agreement:



Description	Amount
Opening balance	R 1,736,010,981.84
Instalment per month	N/A
Current account	R 23,941,945.03
Payment for the month	(1 000 000)
Closing balance	R 1,758,816,348.17

The instalment on the Eskom account is not paid in line with the last draft repayment agreement. The instalments varied as per the repayment, while the current account is still not paid in full on monthly basis from September 2020 to date. Except during winter season, where Eskom implement seasonal tariff.

**NB: The Eskom account is the main cause for the municipality's unfunded budget over the MTREF.**

ii) **TRADE CREDITORS**

The trade creditors outstanding balance as at 30 June 2022 amounted to R174,522,859.

The municipality's trade creditors are mainly more than 1 080 days outstanding, and as and when the cash flow position improves we do prioritise payments to them given that most of them are SMMEs.

Action to be Implemented	Impact on Funding Status	Timeframe
Reduction in creditors payment period; - The current payment period is more 120 days, of which the municipality plans to bring it down to	The 30 days payment period is highly dependent on the cash flows, which is one of the basis why this plan is been developed.  <b>Year 1 – Targeted approach:</b>	The target is anticipated to be achieved by 30 June 2024  <i>To be monitored on a monthly</i>

between > 120 days [REDACTED] < 180 days as follows.	Quarter – 1 Priority to be given to trade creditors outstanding for >1080 days, [REDACTED] Quarter – 2 Priority to be given to trade creditors outstanding for > 120 days and < 1080 days, [REDACTED] Quarter – 3 Priority to be given to trade creditors outstanding for > 120 days & < 60 days, [REDACTED]	<i>basis towards          the target.</i>
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#### 4.5 RING FENCING OF CONDITIONAL GRANTS

The municipality does ensure that the funds related to conditional grants are ring-fenced on a separate bank account and that its cash backed. The municipality reports monthly on its grants and unspent grant funds. This is clearly outlined in our section 71 reports, and the unspent grant funds as at 30 June 2022 amounted to **R71 799 442**.

#### 5. CONCLUSION

This plan must read and implemented in conjunction with the Revenue Enhancement Strategy as approved by Council on 10 October 2022, once this plan is approved by Council will be implemented and monitored by the municipality monthly and quarterly reporting to Council on the impact of the measures outlined herein on the municipality revenue. A copy of the quarterly report will be submitted to Provincial Treasury for monitoring purposes.

## **CHAPTER 6**

### **PERFORMANCE MANAGEMENT FRAMEWORK**

#### **6.1. Introduction**

Section 19 (1) of the Municipal Structures Act states that a municipal council must strive within its capacity to achieve the objectives set out in Section 152 of the Constitution. Section 19 (2) of the same Act stipulates that a municipal council must annually review its overall performance in achieving the objectives referred to in subsection 19(1). The Performance Management System (PMS) is one of the mechanisms through which Ngwathe Local Municipality aims to improve organizational and individual performance to enhance service delivery. The performance management framework for Ngwathe comprises of two components, namely:

- Organisational Performance Management and
- Individual Performance Management for Section 57 employees

The Organizational PMS is a tool used to measure the performance of the municipality with regard to development priorities and objectives outlined in the IDP. Once the municipality starts to implement its IDP, it is important to monitor that:

- the delivery is happening as planned in the SDBIP;
- the municipality is using its resources most efficiently;
- it is producing the quality of delivery envisaged;

The PMS Framework is geared towards ensure that the following areas are addressed through monitoring:

- Early warning reports are produced;
- Quarterly analysis reports are produced;
- Municipal Evaluations plan is developed;
- Evaluations are conducted;
- Projects verification is conducted.

#### **6.2. Legislative framework for performance management**

Legislation that governs performance management in local government includes Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), Local Government: Municipal Planning and Performance Management Regulations, 2001, Local Government: Municipal Finance Management Act 53 of 2003 and Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006, National Evaluation Policy 2011.

#### 6.2.1. Municipal Systems Act, 2000 (Act 32 of 2000)

Chapter 6 of the MSA requires all municipalities to promote a culture of performance through the following:

- Developing a performance management system;
- Setting targets, monitor and review performance based on indicators linked to the IDP;
- Publish an annual report on performance management for the Councillors, staff, the public and other spheres of government;
- Incorporate and report on a set of general indicators prescribed nationally by the Minister responsible for Local Government;
- Conduct an internal audit on performance before tabling the report;
- Have the annual performance report audited by the Auditor-General;
- Involve the community in setting indicators and targets and reviewing municipal performance.

#### 6.2.2. Municipal Planning and Performance Management Regulations, 2001 (MPPMR)

The MPPMR, published by the then Department of Provincial and Local Government (DPLG), which requires a municipality to ensure that its PMS complies with the requirements of the MSA, demonstrate the operation and management of the PMS; clarify financial year roles and responsibilities, as well as ensure alignment with employee performance management and the IDP processes.

#### 6.2.3. Municipal Finance Management Act, 2003 (Act 56 of 2003)

The MFMA requires a municipality to develop a Service Delivery and Budget Implementation Plan (SDBIP) 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. The MFMA further requires the Mayor to ensure that the performance agreements of Section 57 employees comply with the requirements of the MSA to promote sound financial management and are linked to measurable performance objectives, approved with the budget and included in the Service Delivery and Budget Implementation Plan (SDBIP).

#### 6.2.4 Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006

The then DPLG now Cooperative Governance and Traditional Affairs, in August 2006,

promulgated Regulations for Section 57 Managers on how the performance of municipal managers, should prepare and review, improve and reward performance. The regulations provide for the conclusion of performance agreements and personal development plans.

#### 6.2.5 Implementation and Reporting on the Organisational Performance Management System

The PMS is a tool that reflects the level of the implementation of IDP and the role played by individual staff members in the process. It involves the translation of the IDP and sector plans, into the Service Delivery and Budget Implementation Plan (SDBIP). The SDBIP further translate the IDP into the municipal or corporate score cards with quarterly targets. The Municipal Manager is the custodian of the SDBIP Score Cards and agrees with the Executive Mayor, as representative of the Employer, on the delivery aspects of the scorecard.

#### 6.2.6 National Evaluation Policy Framework: November 2011

The Policy Framework seeks to:

- Foreground the importance of Evaluation;
- Provide for an institutionalised system across government linking to planning and budget;
- Provide common language and conceptual base for evaluation in government;
- Indicate clear roles and responsibilities related to evaluations;
- Improve the quality of evaluations;
- Ensure the utilisation of evaluation findings to improve performance.

The purpose underlying is:

- Improving policy programme **performance**, providing feedback to managers;
- Improving **accountability** for where public spending is going and the difference it is making;
- Improving **decision-making**, e.g. on what is working or not working;
- Increasing **knowledge** about what works and what does not with regards to a public policy, plan, programme, or project.

### 6.3. ROLE PLAYERS IN THE MANAGEMENT OF PERFORMANCE MANAGEMENT

The roles players that manage the performance management system of the municipality include the following:

#### 6.3.1 Internal Audit

The Internal Audit Unit plays an internal performance auditing role, which includes monitoring the functioning of the PMS and compliance to legislative requirements. Its role is also to assist the municipality in validating the evidence provided by the Directors

in support of their performance achievements.

#### 6.3.2. Performance Audit Committee

The committee monitors the quality and integrity of the Performance Management System, to ensure equity and consistency in the application of evaluation norms and standards. The committee further provides impartial recommendations on performance ratings to the Mayoral Committee, following the completion of objective appraisals.

#### 6.2.3. Evaluation Panel

The Evaluation Panel evaluates the performance of Section 57 employees, including the Municipal Manager's performance, through approval of their final performance ratings.

#### 6.3.3. Executive Mayor and Members of the Mayoral Committee

The Executive Mayor and the Members of the Mayoral Committee manage the development of the municipal PMS and oversee the performance of the Municipal Manager and the Directors.

#### 6.3.4. Council and Section 79 Committees

Section 79 Committees play an oversight role and consider reports from Council on the functioning of different portfolios and the impact on the overall objectives and performance of the municipality.

#### 6.3.5 Community

The community plays a role in the PMS through the annual IDP consultation processes, which are managed by Public Participation Unit located the Office of the Speaker, working in close collaboration with the IDP Unit.

### 6.4. REPORTS

The legislative framework requires that the municipality should develop reports at particular intervals that must be submitted to various institutions for validation and monitoring. The table below outlines a summary of the reports that have been developed in the municipality.

## Reports to be developed by the Municipality

Report Type	Description
<b>Monthly reports</b>	Section 71 of the MFMA requires that reports be prepared. A financial report is prepared based on municipal programmes and projects.
<b>Quarterly IDP and SDBIP reporting</b>	<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, Directors and other levels of staff, whose performance can then be monitored through Section 71 monthly reports, and evaluated through the annual report process. The SDBIP information on revenue will be monitored and reported monthly by the Municipal Manager in terms of Section 71(1) (a) and (e). For example, if there is lower than anticipated revenue and an overall cash shortage in a particular month the municipality may have to revise its spending downwards to ensure that it does not borrow more than anticipated. More importantly, such information requires the municipality to take urgent remedial steps to ensure it improves on its revenue collection capacity if the municipality wants to maintain its levels of service delivery and expenditure.</p> <p>Section 1 of the MFMA states that the SDBIPs 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>

<b>Mid-year budget and COGTA report</b>	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 and COGTA. 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.
<b>Annual Performance report (Section 46)</b>	<p>Section 46 of the MSA states that a municipality must prepare for each financial year, a performance report that reflects the following:</p> <ul style="list-style-type: none"> <li>• The performance of the municipality and of each external service provided during that financial year;</li> <li>• A comparison of the performances referred to in the above paragraph with targets set for and performances in the previous financial year; and</li> <li>• Measures to be taken to improve on the performance.</li> </ul> <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.</p> <p>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>



<b>Annual report</b>	<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"> <li>• the annual financial statements of the municipality or municipal entity as</li> <li>• submitted to the Auditor-General for audit (and, if applicable, consolidated annual financial statements);</li> <li>• the Auditor-General's audit report on the financial statements;</li> <li>• an assessment by the Accounting Officer of any arrears on municipal taxes</li> <li>• and service charges;</li> <li>• particulars of any corrective action taken or to be taken in response to issues raised in the audit reports;</li> <li>• any explanations that may be necessary to clarify financial year issues in connection with the financial statements;</li> <li>• any information as determined by the municipality, or, in the case of a municipal entity, the entity or its parent municipality;</li> <li>• 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;</li> <li>• 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;</li> <li>• 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;</li> </ul>
	<ul style="list-style-type: none"> <li>• the annual performance report prepared by a municipality;</li> <li>• Any other information as may be prescribed.</li> </ul>
<b>Report Type</b>	<b>Description</b>

<b>Oversight report</b>	<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"> <li>a) has approved the annual report with or without reservations;</li> <li>b) has rejected the annual report; or</li> <li>c) has referred the annual report back for revision of those components that can be revised.</li> </ul> <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"> <li>a) the annual report (or any components thereof) of each municipality and each municipal entity in the province; and</li> <li>b) 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.</li> </ul>
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## 6.5. CONCLUSION

The performance management system links both the organisational and individual performance management to ensure that there is seamless integration with the performance of the municipality and performance of section 57 Managers.

## 7. CHAPTER 7: MUNICIPAL PROJECTS

### 7.1. INTRODUCTION

This chapter will outline the funded capital and operating projects for the 2023-2024 IDP and 2020/2021– 2022/2023 Budget and Medium-Term Revenue and Expenditure Framework (MTREF) and projects from sector departments, government entities and mining companies.

### 7.2. FUNDED CAPITAL PROJECTS

IDP NO	IDP PRIORITY	PROJECT DESCRIPTION	LOCATION	WARD	BUDGET 2022/23	KEY PERFORMANCE INDICATOR	ANNUAL TARGET 2023/24	BUDGET 2023/24	FUNDING SOURCE
		Refurbishment of sewer pipeline in Heilbron	Heilbron		R3 200 000.00	New sewer outfall pipeline	R4 500 000.00	R4 500 000.00	WSIG
		Refurbishment of bulk pipeline resrvior 4,3.2.1	Parys	6,7,9,10, 11,13,19	R6 300 000.00	Refurbished rising mains to reservoirs 3&4	R1 500 000.00	R1 500 000.00	WSIG
		Construction of Water Pressure tower and 3km pipeline in Heilbron	Heilbron	5	R4 707 298.87	New water tower and new 3km pipeline	R9 000 000.00	R9 000 000.00	WSIG
		Kwakwatsi Township Secondary Bulk water Pipeline	Koppies	17	R 1 472 184.07	New elevated water storage tank, secondary bulk supply lines	R35 000 000.00	R50 000 000.00	RBIG
		Koppies Bulk Water Supply pipeline to Edenville	Edenville	16	R36 127 129.07	42Km pipeline from Koppies to Edenville and booster pumps and pump stations			RBIG
		Phiritona/ Sandersville construction of low level bridge in ward 1	Heilbron	1	R6 579 942.20	Low level vehicle bridge			MIG
		Mokwallo construction of 2km paved access road and storm water in ward 15	Vredefort	15	R5 600 000.00	2 km paved road	R15 000 000.00	R15 000 000.00	MIG
		Parys refurbishment of old Parys water treatment works	Parys		R9 050 588.34	Upgraded filters			MIG

		Vredefort Upgrading of WWTW	Vredefort		R3 570 588.35	Refurbished WWTW			MIG
		Phiritona Construction of pedestrian bridge in ward 1	Heilbron	1	R3 049 091.42	Pedestrian river crossing bridge			MIG
		Tumahole Construction of 1km paved access road and storm water drainage in ward 13	Parys	13	R5 829 866.17		R3 500 000,00		MIG
		Parys replacement of 15km water asbestos pipe	Parys	12	R7 000 000.00		R12 841 333,32		MIG
		Tumahole Refurbishment of Mosepedi and Parys town hall for sport purpose	Parys	10	R2 208 476.21		R2 236 725,00		MIG
		Phiritona Provision of water borne sanitation for 1173 erven	Heilbron	1,2,3,4,5			R5 330 418.60		MIG
		Replacement of Heilbron AC Water reticulation pipelines	Heilbron	1,2,3,4,5			R10 195 208,83		MIG
		Provision of Specialised vehicles in Koppies	Koppies				R2 495 500.00		MIG
									MIG

### 7.3. FUNDED OPERATING PROJECTS

IDP NO	IDP PRIORITY	PROJECT DESCRIPTION	LOCATION	WARD	BUDGET 2022/23	KEY PERFORMANCE INDICATOR	ANNUAL TARGET 2023/24	BUDGET 2023/24	FUNDING SOURCE
	Vredefort Water supply scheme upgrade	Upgrading of the abstraction point system, upsizing of the raw water pipeline, upsizing of the water treatment plant and the upgrading of the bulk water supply system including the storage reservoirs	Vredefort	8,15		Upgraded abstraction point, upsized raw water pipeline, increase capacity of the WTW, upgraded bulk water supply system		R56 000 000.00	MIG/DWS
	Construction of Koppies substation	Construction of the main intake substation	Koppies	16,17	R11 000 000.00	Municipal intake substation	R30 000 000	R30 000 000.00	INEP
	Construction of the gravity main from reservoir 3 to Parys	Construction of the gravity mains to supply potable water to Parys and surroundings	Parys	12		Gravity pipeline supply line		R30 000 000.00	MIG
	Ngwathe Electrification of households	Construction of electrification households to clear the backlogs	Ngwathe	6,7,8,11				R15 000 000.00	INEP

IDP NO	MUNICIPAL PRIORITY	PROJECT DESCRIPTION	BUDGET 2021/22	ESTIMATE 2022/23	ESTIMATE 2023/24	FUNDING SOURCE
	Vredefort Water supply scheme upgrade	Upgrading of the abstraction point system, upsizing of the raw water pipeline, upsizing of the water treatment plant and the upgrading of the bulk water supply system including the storage reservoirs			R56 000 000.00	MIG/DWS
	Construction of Koppies substation	Construction of the main intake substation			R30 000 000.00	INEP

#### 7.4. PROJECTS FROM SECTOR DEPARTMENTS

The following tables provide details of identified projects that will be implemented in Ngwathe Local Municipality for 2023/24 financial year as committed by various sector departments.

##### PROJECTS LIST AND FUNDING

PROJECT Name	Local Municipality	Actual Budget (indicative allocation per municipality not per project)
Construction of water pressure tower in <b>Heilbron</b> Refurbishment of Sewer pipeline in <b>Heilbron</b>	Ngwathe LM	14 021 000

##### DEPARTMENT OF WATER AND SANITATION: RBIG FUNDING

Project name	Area		Coordinates/ property description	Timeframes		Actual budget	
	Location	Ward		Start date	End date	Project Stage	2023/2024
RBIG							
Ngwathe Bulk Water Supply Phase 2	Fezile Dabi DM	Koppies Edenville	N/A	Dec 2014	2024/25	Construction	20 896 000
Ngwathe Bulk Sewer (Parys)				2013/14	2025/26	Planning	100 000 000

DEPARTMENT OF ENERGY

Province	District Municipality	Local Municipal Code	Local Municipal Name	Project Name (every project should have area name)	Project Type (Infrastructure/ Households/Pre-Engineering)	Project description: [Switching Station (SWS), Substation new (SSN), Feeder Line (FL), Refurbishment (RFB), Farm Dweller (FDH), Infills (INF), Pre-Engineering (Pre-Eng)]	Funds Applied For
Free State	Fezile Dabi	FS202	Ngwathe	Koppies 2X10 MVA, 88/6.6 kV Substation	Infrastructure	SSN	R 81 635 399,00
Free State	Fezile Dabi	FS202	Ngwathe	Heilbron, Phiritona	Households	New Connections	R 40 887 000,00
Free State	Fezile Dabi	FS202	Ngwathe	Vredefort, Mokwallo	Households	New Connections	R 14 071 500,00
Free State	Fezile Dabi	FS202	Ngwathe	Edenville, Ngwathe	Households	New Connections	R 8 761 500,00
Free State	Fezile Dabi	FS202	Ngwathe	Parys, Tumahole	Households	New Connections	R 41 435 700,00



## REFERENCES:

- Constitution of Republic of South Africa 1996
- Fezile Dabi District Municipality
- Mbombela Local Municipality
- Municipal Finance Management Act 53 of 2003
- Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006,
- Municipal Planning and Performance Management Regulations, 2001,
- Municipal Systems Act, 2000 (Act 32 of 2000),
- National Development Plan 2030
- National Evaluation Policy 2011
- Polokwane Local Municipality
- Statistics South Africa 1996,2011