



FIRST DRAFT: ANNUAL IDP REVIEW



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FOREWORD BY EXECUTIVE MAYOR

1. Introduction

Integrated Development Planning is a process that has become central to local government in driving processes to ensure delivery to residents of a municipality. Integrated Development Planning has been developed as a consolidated municipal-wide planning process that provides a framework for the planning of future development in a municipality.

It ensures horizontal and vertical coordination and integration across the three spheres of government: national, provincial and local. In addition, Integrated Development Planning drives community participation in local planning processes.

The Integrated Development Planning process is therefore critical to the success of every South African municipality's endeavors to bring about responsive, developmental local government and poverty alleviation. The President, in his 2006 State of the Nation Address, emphasized the importance of every South African municipality is to have a realistic IDP to meet the country's development objectives, as well as the high aspirations of the South African people.

The focus of this five-year IDP is within a context of a seamless, integrated strategic planning process. The municipality through this IDP will develop a set of long-term goals and five-year objectives that will form the basis of the annual business planning and budgeting carried out by the different departments on an ongoing basis.

The five-year IDP will also be further molded by inputs from communities and civil society, as well as direction from the new political leadership. A five-year IDP supports a single, integrated planning process, with clear demarcation between long-term, medium-term and short-term planning. Parallel to the medium-term planning, the Free State province's Growth and Development Strategy outlines long-term perspectives based on a long-term vision for the Province and a wide-ranging developmental paradigm.

The five year IDP should therefore be understood as an interpretation of strategy and political priorities into a detailed Mayoral plan that is to become the basis for budget choices and actual outcomes for residents. Short-term business plans, in this context, will be seen as implementation tools.

The main objective of the IDP is therefore to ensure alignment between the Free State GDS, the District GDS, Mayoral priorities, and the departmental strategic plans. Executed well, this will ensure that no strategy implementation plan falls outside of the IDP. The IDP content will inform other planning processes and especially strategic planning and the municipality's goals that represent a "results framework" to monitor progress, with individual and organisational performance measured against long-term, five-year and annual municipality outcomes rather than individual achievements.

Over the last few years there have been changes in national and provincial policy that reshape the strategic environment. For example, there is now a commitment to ensuring harmony and alignment between the three spheres of government.

2. Legislative Overview

The Municipal Systems Act (MSA) (2000) compels municipalities to draw up an IDP as a singular, inclusive and strategic development plan that is aligned with the deliberate efforts of the surrounding municipalities and other spheres of government. In terms of the MSA, the Municipality is required to formulate an IDP made up of the following components:

- A vision of the long-term development of the Municipality;
- An assessment of the existing level of development in the Municipality which must include an identification of the need for basic municipal services;
- The Municipality's development priorities and objectives for its elected term;
- The Municipality's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements;
- A spatial development framework which must include the provision of basic guidelines for a land use management system;
- The Municipality's operational strategies;
- A disaster management plan;
- A financial plan, which must include a budget projection for at least the next three years; and Key performance indicators and performance targets.

The Municipal Planning and Performance Management Regulations (2001) set out the following further requirements for an IDP:

- An institutional framework for implementation of the IDP and to address the municipality's internal transformation;
- Investment initiatives should be clarified;

- Development initiatives including infrastructure, physical, social and institutional development and
- All known projects, plans and programmes to be implemented within the municipality by any organ of state.

In addition, the Municipal Finance Management Act (MFMA) (2003) provides for

Closer alignment between the Annual Budget and the compilation of the IDP, this can be understood as a response to the critique that IDP formulation took place in isolation from financial planning and IDPs were rarely implemented in full as a result. Specifically, Section 21(1) of the MFMA requires that the Municipality coordinates the process of preparing the Annual Budget and the revised IDP to ensure that both the budget and IDP are mutually consistent. Key to ensuring the co-ordination of the IDP and Annual Budget is the development of the Service Delivery and Budget Implementation Plan (SDBIP).

The SDBIP is a detailed plan approved by the Executive Mayor of the Municipality for the implementation of service delivery and the Annual Budget. The SDBIP should include monthly revenue and expenditure projections, quarterly service delivery targets and performance indicators. The MSA states that key performance indicators must be part of the IDP.

The SDBIP specifies that the performance contracts of senior managers must form part of the approval of the SDBIP. The 2006/11 IDP for Matjhabeng Municipality must align the SDBIP key performance indicators, the key performance indicators of the senior managers with the key programmes, as well as the five-year Municipality scorecard in the IDP.

Lastly, the Municipal Systems Act says clearly that the IDP must include, “A vision for the long-term development of the municipality”. It must also include, “The development strategies which must be aligned with any national or provincial sectoral plans and planning requirements.”

3. Format of the IDP document

In a circular to all municipalities in December 2005, the National Treasury spelt out its expectations of what should be contained in the Budget to be approved by Council. The circular noted that the ‘Background Documentation’ to the Budget should include an ‘Overview’ of the IDP. This must “make reference to relevant sections in the IDP and at least contain:

1. Vision for the municipality;
2. Strategic focus areas;
3. Long-term goals or outcomes for the community;
4. Reference to alignment with national, provincial and district plans;

5. Consideration of service delivery and funding of housing, health and transport, etc;
6. Summary of the medium-term objectives or outputs;
7. Reference to measurable performance objectives;
8. Description of prioritization systems used for allocating resources to objectives;
9. Amendments to the IDP;
10. Reference to the consultative process undertaken to review the IDP; and Tables showing the link between the IDP and budget”.

The items specified in the Municipal Systems Act, as well as items 1, 2, 3 and 4

Listed in National Treasury’s Circular, clearly imply the need for a strategy that reflects the longer-term vision of the Municipality and is well-aligned with the plans of other spheres of government. This strategy is best dealt with in a separate document, albeit one that frames the IDP and is tightly integrated with it.

4. Drafting of the IDP

In its elections manifesto for the 2006 local government elections, the ANC made a firm promise to voters that it would engage communities and stakeholders in thorough local consultative processes to decide on key strategies to promote economic growth and development. The ANC elections manifesto says:

“To ensure that everyone pulls in the same direction in building better communities, every district and metro will hold a Summit for Growth and Development within one year of the elections. These Summits will bring together social partners – government, business, labour and community organizations – to develop concrete steps towards higher rates of local economic growth and poverty-reduction.”

Therefore as from October 2006, Matjhabeng Municipality held a series of public participation processes through the ward system. These meetings opened to the communities to provide guidance to the Municipality towards Service Delivery.

Early in November a Youth seminar was held where youth were requested to air their concerns, views and expectations to the Municipality in an effort to alleviate their plight.

At the same time an analysis of the past programmes and projects was conducted with the heads of departments to ascertain the achievements realized as well as to identify where the challenges still lie. The other subsequent process was the analysis of the Economic, Social, Spatial, and Environmental Analysis of the area.

These processes were done in direct consultation with Lejweleputswa District Municipality, GDS as well as the Free State Province GDS.

4.1 Community and Stakeholder level analysis (PPP) Background

Public participation has been defined in various ways by different people, and for a variety of reasons. For example participation has been used to build local capacity and self-reliance, but also to justify the extension of the power of the state. It has also been used for data collection and interactive analysis.

For the purposes of this document public participation is defined as an open, Accountable process through which individuals and groups within selected communities can exchange views and influence decision-making. It is further defined as a democratic process of engaging people, deciding, planning, and playing an active part in the development and operation of services that affect their lives

Why the need to promote public participation? Research conducted by GOGTA has shown that public participation is promoted for four main reasons.

- Public participation is encouraged because it is a legal requirement to consult.
- It could be promoted in order to make development plans and services more relevant to local needs and conditions.
- Participation may be encouraged in order to hand over responsibility for services and promote community action.
- Public participation could be encouraged to empower local communities to have control over their own lives and livelihoods.

Basic assumptions underlying public participation as identified by GOGTA include;

- Public participation is designed to promote the values of good governance and human rights;
- Public participation is acknowledges a fundamental right of all people to participate in the governance system;
- Public participation is designed to narrow the social distance between the electorate and elected institutions;

4.2 Matjhabeng Municipality communality involvement

This section therefore provides an account of the Public Participation Process

(PPP), activities undertaken to facilitate public comments on Matjhabeng IDP process. The purpose of this process is to contribute towards a situation in which

municipal activities will address people's priority needs and incorporate people's own initiatives. In addition, the participation process should help make residents aware of the importance of IDPs for the quality of their lives.

The participation process commenced with a general meeting of all councilors and members of the ward committees, communities of interests as well as the general public. Even though the municipality does not have adopted public participation strategy, the public is always consulted on any matter that council is involved in.

4.3 Ward Engagements

Ward committees are established in those municipalities that have opted for a Ward-based participatory system. The role of the ward committee is to enhance Participatory democracy in local government. Ward committees are seen as an Independent advisory bodies that must be impartial, therefore ward committees are forums for deliberative democracy, set up to:

- Promote self management, awareness building and ownership of local development;
- Enable faster access to information from government, as well as collecting information about the situation at community level (Social Audit) as well as closer monitoring and evaluation of service delivery;
- Provide clarification to communities about programmes and enable community involvement and quicker decision making;
- Enhance transparency in administration;
- Harness local resources to support local development;
- Improve planning, which can now be based on local strengths, needs and preferred outcomes;
- Improve the accountability of government.

Ward plans help to ensure that IDPs are more targeted and relevant to addressing the priorities of all groups, including the most vulnerable. The IDP technical working committee provides ward committees with a systematic planning and implementation process to perform their roles and responsibilities. In other words, ward plans provide an overall direction for development for the area, as well as an annual operational plan, the implementation, monitoring and evaluation of which gives ward committees an ongoing role through the year.

1. PURPOSE OF IDP PROCESS PLAN

The Municipal Systems Act as promulgated in 2000 describes the various core processes that are essential to realizing a system of developmental local government. These aspects include participative governance, IDP, performance management and reporting, resource allocation and organisational change. These processes are linked into a single cycle at the local level that will align various sectoral initiatives from national and provincial government departments with municipalities own capacities and processes.

Therefore, the purpose of this document is to outline the operational plan (an integrated 'Process plan') for the development of Integrated Development Plan for Matjhabeng Local Municipality. This process plan is based on the unique character and circumstances of Matjhabeng Local Municipality, taking due cognisance of the process plan requirements as outlined in the Municipal Systems Act (S 34) and guidelines for Integrated Development Planning provided by National Department of Provincial and Local Government (DPLG).

In order to ensure certain minimum quality standards of the Integrated Development Plan (IDP), and a proper coordination between and within spheres of government, the preparation of the Process Plan has been regulated in the Municipal Systems Act (2000). The preparation of a Process Plan, which is in essence the IDP Process set out in writing, requires the adoption by Council. This plan has to include the following:

- A programme specifying the time frames for the different planning steps;
- Appropriate mechanisms, processes and procedures for consultation and participation of local communities, organs of state, civil society, and other role players in the IDP drafting Process;
- An indication of the organisational arrangements for the IDP Process;
- Binding Process and planning requirements, i.e. policy and legislation; and
- Mechanisms and procedures for vertical and horizontal alignment.

2. LEGAL CONTEXT OF IDP PROCESS PLAN

THE INTEGRATED DEVELOPMENT PLAN

Chapter 5 and Section 25 (1) of the Municipal Systems Act (2000) indicates that:

Each Municipal council must, within a prescribed period after the start of its elected term, adopt a single, all inclusive and strategic plan for the development of the municipality which-

- a) *Links integrates and coordinates plans and takes into account proposals for the development of the municipality;*
- b) *Aligns the resources and capacity of the municipality with the implementation of the plan;*

- c) *Complies with the provisions of this Chapter; and*
- d) *Is compatible with national and provincial development Plans and planning requirements binding on the municipality in terms of legislation.*
- e) *In terms of the core components of Integrated Development Plans, Chapter 5 and Section 26) of the Municipal Systems Act (2000) indicates that:*
- f) *An integrated development plan must reflect-*
- g) *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;*
- h) *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;*

- i) *The council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;*

- j) *The council's development strategies which must be aligned with any national and provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;*
- k) *A spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;*
- l) *The council's operational strategies;*
- m) *Applicable disaster management plans;*
- n) *A financial plan, which must include a budget projection for at least the next three years; and*
- o) *The key performance indicators and performance targets determined in terms of section 41.*

3. THE ANNUAL BUDGET

3.1. The Annual Budget and the IDP are inextricably linked to one another, something that has been formalised through the promulgation of the Municipal Finance Management Act (2004). Chapter 4 and Section 21 (1) of the Municipal Finance Management Act (MFMA) indicate that:

The Mayor of a municipality must-

- 1) *At least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for-*
- 2) *The preparation, tabling and approval of the annual budget;*

The annual review of-

- a) *The integrated development plan in terms of section 34 of the Municipal Systems Act; and*
- b) *The budget related policies.*
- c) *The tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and*
- d) *The consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii).*

3.1. ALIGNMENT OF THE IDP, BUDGET AND PERFORMANCE MANAGEMENT PROCESSES

1. Every attempt will be made in this Municipal Plan to align the IDP and Budget preparation process, and the Performance Management System (PMS) review. The linkages of the three processes are summarised in the following diagram:

Figure 1: The IDP, Budget and PMS Linkages

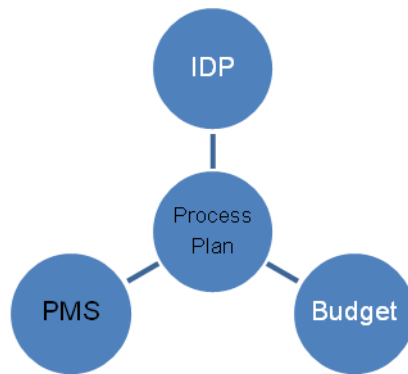
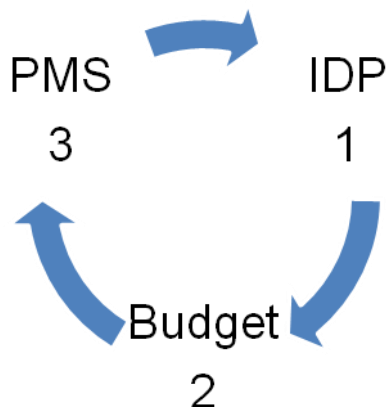


Figure 2 : Relative Process Flow



4. KEY ELEMENTS TO BE ADDRESSED IN THIS PROCESS

The following is a summary of the main activities to be undertaken during this IDP Process:

4.1 ANALYSIS

- Comments received from the various role-players in the assessment of the IDP Review documentation for 2006/8;
- Shortcomings and weaknesses identified through self-assessment.

4.2. REVIEW OF THE STRATEGIC ELEMENTS OF THE IDP IN TERMS OF COUNCIL'S NEW PRIORITIES

- Review of the Vision, Mission and Objectives;
- Review of the Strategic elements of the IDP;
- Finalize the refinement of SDF and Land Use Management;
- Review of the Spatial Development Framework;
- Review Housing Sector Plan(Chapter)
- Review Transport Master Plan
- Adopt Integrated Waste Management Plan
- Review Water Service Development Plan

4.3. INCLUSION OF NEW INFORMATION WHERE NECESSARY

- Addressing areas requiring additional attention in terms of legislative requirements not addressed during the previous years of the IDP Review Process (i.e. MFMA);
- Alignment of the IDP with newly completed Sector Plans;
- Review of the Strategic elements of the IDP;
- The ongoing alignment of the Performance Management System (PMS), in terms of Chapter 6 of the MSA, with the IDP;
- The update of the Financial Plan, the list of projects (both internal and external funded), and the capital investment framework; and

4.4. HORIZONTAL AND VERTICAL ALIGNMENT

4.4.1. FRAMEWORK PLAN

In terms of Chapter 5 and Section 26 of the Municipal Systems Act (2000), Districts are required to prepare and adopt a Framework Plan which indicates how the District and Local Municipalities will align their IDP's. The Framework Plan provides the linkage and binding relationships to be established between the district and local municipalities in the region, and in doing so, proper consultation, coordination and alignment of the review process of the district municipality and various local municipalities can be maintained.

4.4.2. ALIGNMENT WITH SERVICE PROVIDERS

Alignment with Service Providers is essential in order that the DM and LM's priorities can be reflected in their project prioritization process, as well as so that their projects can be reflected in the IDP documentation. It is anticipated that one Service Provider Forums (SPF's) will be held during this round of the IDP Review on (January 2010) **THE PROCESS PLAN**, as well as a series of one-on-one meetings with key departments.

5. IDP DEVELOPMENT APPROACH

The suggested approach for IDP development process according to DPLG Guide Pack II and is as follows:

(i) Preparing for IDP development

- Before the process commences, certain arrangements have to be made to ensure that the process will run smoothly. Such a process needs to be properly organized and prepared. It needs some business plan:
- Assigning role and responsibilities ;
- Organisational arrangements including confirmation of IDP Steering Committee and procedures , mechanisms for community and stake holder participation;
- Design mechanism and procedures for alignment with external stakeholders such as other municipalities and other spheres of government;
- Designing a programme which sets out the envisaged planning activities, , time frames and resource requirements for planning process;
- Once a process plan is being developed, it has to be adopted by the municipal council in terms of the municipal Systems Act, 2000.

(ii) Monitoring (What is happening)

Monitoring in the context of IDP review refers to the gathering and subsequent organising the data into sets of information about the certain sets of action/ events / situations throughout the year.

There are three main bodies of information, which are important as input into a process, viz:

- Implementation management information;
- Information about the achievement of objectives set in the IDP;
- New information gathered in the IDP review.

(iii) Evaluation (What does the information tells us)

The information gathered during the process of monitoring described above is assessed to understand its relevance and its implications to the priority issues, objectives, indicators and targets. The irrelevant and incorrect information should be discarded. The relevant information is analysed and synthesized for its relevance to the IDP.

(iv) Council Adoption of the IDP

The IDP has to be adopted and approved by the Municipal Council.

(v) Prepare and adopt Annual Budget

Municipal Systems Act, 2000 (Chapter) and Municipal Finance Management Act requires the Municipal Council budget to be informed by the IDP. This means the annual municipal budget should reflect the objectives, strategies, projects and programmes contained in the IDP.

(vi) Time frame

The total amount of time required for IDP development process should be nine months and in our case we experience some delays. As the IDP should significantly inform the budget, the timing of

the IDP should be coordinated closely with the structuring of the annual budget process that starts in July each year.

6. DISTRIBUTION OF ROLES AND RESPONSIBILITIES

6.1 INTERNAL ROLE PLAYERS

Distribution of Roles and Responsibility within the Municipality

6.1.1. The Municipal Council

The role of the Matjhabeng Municipal Council will be:

- To adopt a process plan ;
- Be responsible for the overall management and coordination of the planning process;
- Adopt and approve the final IDP and ;
- Ensure that annual business plans, budget and related development activities are based on

Approved IDP.

6.1.2. The Mayoral Committee

- * Manage through the Municipal Manager or alternative the review process
- * Recommend the IDP review process to the Council
- * Recommend the IDP revisions to the Council
- * Allocate resources for reviewing the IDP

6.1.3. THE IDP Steering Committee

(a) Comprising of:

- * Municipal Manager
- * Executive Directors
- * Baseline Managers

(b) Terms of reference:

- Provide terms of reference for all reviewing and planning activities
- Commission IDP planning studies, programs and projects
- Process, summarize and document outputs from subcommittees, teams etc
- Recommend amendments to the contents of the IDP
- Prepare, facilitate and document meetings and workshops

Ensure alignment and participation in the determination and prioritization of plans and programs in the spirit of cooperative governance

6.1.4. IDP Unit

(a) Comprising of:

- LED/IDP Senior Manager
- IDP Manager
- Admin support

(b) Prepare the IDP review process

- Prepare the IDP review process plan
- Identify resources people
- Coordinate and manage the components of the planning process, including:
 - * Stakeholders meetings
 - * Meeting deadlines
 - * Horizontal and vertical alignment
 - * Compliance with national and provincial requirements

6.1.5. WARD COUNCILORS

Ward councillors will play a pivotal role in the preparation of the IDP process, both in terms of the technical and community participation process. They will act as the main interface between the council and communities. Primary responsibilities would include:

- Organising public consultation and participation at ward level;
- Dissemination of the information from council to constituents and visa versa ;
- Identification of issues and projects at a ward level;
- Participating in the approval and ongoing monitoring of approved IDP;
- Identify and encourage unorganised groups to participate in the IDP process.

6.1.6. THE MUNICIPAL MANAGER AND IDP MANAGER AND RESPONSIBILITIES

The Municipal Manager will delegate these functions to the IDP Manager, but remain accountable for the overall IDP process as dictated by Municipal Systems Act 2000.

Amongst other, the following responsibilities have been allocated to the IDP Manager for the IDP Process:

- To ensure that the Process Plan is finalised and adopted by Council;
- To identify additional role-players to sit on the IDP Representative Forum;
- To ensure the continuous participation of role players;
- To monitor the participation of role players;
- To ensure appropriate procedures are followed;
- To ensure documentation is prepared properly;
- To carry out the day-to-day management of the IDP process;
- To respond to comments and enquiries;
- To ensure alignment of the IDP with other IDP's within the District Municipality;
- To co-ordinate the inclusion of Sector Plans into the IDP documentation;
- To co-ordinate the inclusion of the Performance Management System (PMS) into the IDP;
- To submit the reviewed IDP to the relevant authorities.

6.1.7. OFFICIALS

The officials of Matjhabeng Local Municipality will ultimately responsible for the implementation of the IDP Process and such will play a key role the development of the IDP's specific activities that will be undertaken by the officials .

This would include:

- Provision of relevant technical and financial information;
- Development of strategies and project plans;
- Providing inputs regarding the financial and technical feasibility aspects of projects and strategies identified by committees.

6.2. EXTERNAL ROLE PLAYERS

Distribution of responsibilities between municipality and external role players

6.2.1 District Municipality

The District Municipality will have the same role as Matjhabeng but only in the preparation of District IDP framework , but the role of district municipality on a local level is the coordination of IDP processes of local municipalities and this include :

- Ensuring the horizontal alignment of IDP's of the municipalities in the district area;
- Ensuring the horizontal alignment between the district and local planning;
- Facilitation of vertical alignment of IDPs with the sphere of government and the sector departments;
- Preparation of joint strategy workshops with local municipalities, provincial and national role players and other subject specialists;
- Providing a PIMS Centre that is responsible to provide technical support to the local municipalities within the district;
- Establishment of intergovernmental structures.

6.2.2 Professional Service Providers

Professional service providers will be engaged as the need arises e.g in the development of non exiting and up dating of sector plans and as well as aligning and integrating all sector plans to be included in the IDP of the municipality.

6.2.3. IDP Representative Forum

6.2.3.1. Composition of IDP RF

The IDP Representative Forum (IDP RF) will be constituted as part of the preparation phase of the IDP and will continue its functions throughout the annual IDP Review processes. The proposed composition of the IDP RF could be as follows:

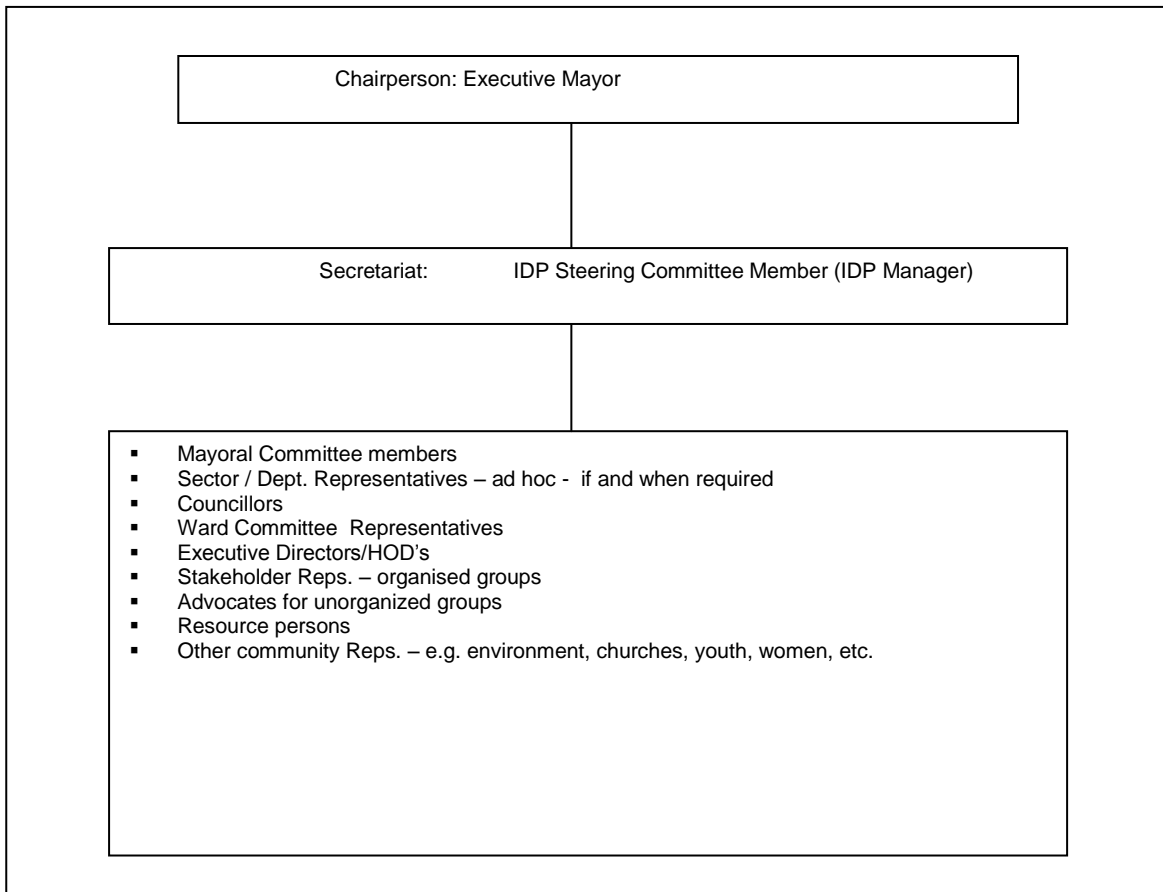
- Executive Mayor
- Mayoral Committee;
- Ward Councillors;
- Ward Committees;
- Senior Municipal Officials;
- Stakeholder representatives of organised groups;
- Advocates of unorganised groups;
- Resource persons;
- Other community representatives;
- National and Provincial Departments regional representatives;
- NGO's; and
- Parastatal organisations.

6.2.3.2. Terms of reference for IDP Representative Forum

The terms of reference for the IDP RF are as follows:

- Represent the interest of the municipality's constituency in the IDP process;
- Provide an organisational mechanism for discussion, negotiation and decision making between the stakeholders inclusive of municipal government;
- Ensure communication between all the stakeholder representatives inclusive of municipal government; and
- Monitor the performance of the planning and implementation process.
- To institutionalise participation in integrated development planning
- Membership to ensure geographical and social representation
- Members to have mandate to represent the interests of their constituents in the integrated development planning process
- Provide an organisational mechanism for discussion, negotiation and decision-making between the stakeholders and municipal government
- Ensure communication between all stakeholders representatives and the Matjhabeng Local Municipality
- Monitor performance of the planning process
- Represent interests and contribute knowledge and ideas in the planning process by:
- Participating in the IDP Rep Forum to:
- Inform interest groups, communities, organisations on relevant planning activities and outcomes
- Analyse issues, determine priorities, negotiate and reach consensus
- Participate in designing project proposals and / or assess them

- Discuss and comment on the draft integrated development plan
- Comment on and discuss alignment of annual business plans and budget with integrated development plan
- Conducting meetings / workshops with groups, communities or organisations to prepare for and follow-up on relevant planning activities



7. ORGANISATIONAL ARRANGEMENTS

7.1. MUNICIPAL MANAGER ASSISTED BY IDP MANAGER

The Municipal Manager assisted by IDP manager will be responsible for overall management of the IDP process and Sound Governance and renders secretariat.

7.2. IDP Representative Forum

IDP Representative Forum represents the interest of the community and serves as a link between the

general community and the municipality.

8. MECHANISMS AND PROCEDURES FOR PARTICIPATION

8.1. FUNCTIONS AND CONTEXT PUBLIC PARTICIPATION

Four major functions can be aligned with the public participation process namely:

- Needs identification;
- Identification of appropriateness of proposed solutions;
- Community ownership and buy-in; and
- Empowerment.

8.2. MECHANISMS FOR PARTICIPATION

The following mechanisms for participation will be utilised:

A. IDP Representative Forum (IDP RF)

This forum will represent all stakeholders and will be as inclusive as possible. Efforts will be made to bring additional organizations into the IDP RF and ensure their continued participation throughout the process.

B. Media

Local newspapers and newsletters will be used to inform the community of the progress of the IDP.

C. The M LM's Website

The MLM's website will also be utilized to communicate and inform the community. Copies of the IDP and Budget will be placed on the website for people and service providers to download.

D. Constituency Meeting/Imbizos

The Matjhabeng Local Municipality will be hosting Unit Based Imbizos' to publicize the draft IDP and Budget from after approval in March and June 2010. The venues for these meetings will be publicized at the IDP RF as well as through the media

IDP PROCESS PLAN FOR 20010/2011 FINANCIAL YEAR

ITEM	IDP REVIEW PROCESS	ACTIVITY	NARRATION	TIMEFRAME	RESPONSIBLE DEPARTMENT
1	Process plan	Adoption of the Process plan by Council	MFMA s 21, 23 MSA s 34 ch 4 as amended	Last week of August 2009	Council
2	Strategic analysis report	Compile an Analysis Report in preparation for determining the strategic priorities and for inclusion in the IDP	Conduct an opinion survey, strategic analysis and review to determine the status of socio-economics, financial, environmental, census data, levels of need and levels of service	3 RD Week of October 2009	IDP steering comm.
3	Prioritization of projects	Briefing on the Analysis and determine strategic objectives and priorities for service delivery and development for the term of office as well as development of 3 year budgets including the review of national and provincial government sector and strategic plans	Joint Mayco and Steering comm. Workshop (Lekgotla)	1 ST week of November 2009	MM /IDP
4	External Stakeholders Engagement	<p>IDP Rep Forum :</p> <ul style="list-style-type: none"> - Ward Councilors ; - Ward Committees; - NGO's; - CBO; - Businesses. <p>to present :</p> <ul style="list-style-type: none"> - Status Quo Report; - Confirm Community Needs; - Input on a development Plan 	Various consultations will be held by the office of the Mayor with various stakeholders during this period	3 RD November 2009	Ex. Mayor's office Speakers office; IDP

5	Finalize Draft IDP	Reviewed Draft IDP for 2009/10		Last week of November 2009	IDP/Budget offices
6	Alignment	Align IDP with Draft Budget Estimates , Provincial and National Priorities		15 th January 2010	IDP/Budget Budget
6	Draft of IDP	Mayoral Committee For noting		17 th February 2010	Ex. Mayor
7	Draft of IDP	Council For noting		24 February 2010	Ex. Mayor
8	Public Consultation IZIMBIZO Feedback Consolidation	Draft Budget and IDP Public Participation/ Izimbizo : - Ward Councilors ; - Ward Committees ; - NGO's ; - CBO ; - Businesses. To present Draft Budget & IDP Draft	Once Draft Budget and IDP for 2010/11 approved written submissions from various stakeholders will be invited within that 14 days Six Unit based Imbizo for Ward Committees	March 2010	Ex. Mayor , Speaker and IDP offices
9	Draft IDP to DPLGH	Submit Draft/Budget /IDP DPLGH		31 March 2010	IDP /Budget
10	Budget and IDP Approval	Submit Final Budget and IDP		31 May 2010	Council
11	Start Prep for 2011/12 IDP Process Plan	Reflect on the MEC letter (IDP Gaps) and conduct analysis on the Corporate Development Priorities		May/June 2010	IDP/Budget/MAYCO
12	Process Plan for 2011/12	Adoption and approval of the Process Plan for 2011/12 by Mayco and Full Council		31 July 2010	Council

1. INTRODUCTION

The situational analysis and statistics presented in this chapter indicate the developmental challenges facing Matjhabeng Local Municipality, such as underdevelopment, poverty, unemployment and service delivery backlogs. The programmes and projects in this IDP are informed by this scenario.

2. DEMOGRAPHICS AND STATISTICAL DATA

A comparative analysis of official statistics by StatsSA Census 2001 and community Survey 2007 demonstrate that our municipality is growing in terms of number of household but register a decline on population. The decline can be attributed to migration while substantial increase in number of household came as result of division of families. This significant increase on the number of households poses service delivery and expansion challenges.

	Census 2001	Community survey 2007
Population	408 170	405 031
Households	120 289	131 622

Source:Statssa

	Male	Female	Total	Percentage
Black	180 913	182 467	363 380	89.7
Coloured	2 623	2729	5 352	1.3
Indian or Asian	766	470	1 236	0.3
White	17 613	17 451	35 064	8.6
Total	201 915	203 117	405 064	100%

Source:Statssa

3. ECONOMY

3.1. Employment Status

It is important to note that since 2001 number of people employed has increased and the number of unemployed residents has marginally decreased. Therefore it is important to note that the material conditions of the people of Matjhabeng have been under going a steady movement for the better.

Economic Status	Census 2001	Community Survey 2007
Employed	95 685	120 959
Unemployed	83 181	65 387
Not Economically Active	100 350	89706

Source:Statssa

3.2. Employment by sector

In general employment levels within Matjhabeng in all economic sectors has demonstrated both growth and decline from one sector to the other and in varying degree. Of significant noting is a decline of mining and quarrying sector and agriculture while other sectors has registered growth.

Industry Type	2001	2007
Agriculture , Hunting , forestry and fishing	5 035	4943
Mining and Quarrying	30 581	30144
Manufacturing	4 133	9556
Electricity , gas and water supply	465	573
Construction	2778	5260
Wholesale and trade, repairs, hotels and restaurants	11795	17813
Transport storage and communication	3262	3581
Financial intermediation, insurance, real estate and business service	4793	7330
Community, social and personal service	14313	17991

Source:Statssa

3.3. Income level

Matjhabeng display a positive upward migration of residents from low income levels to middle to middle income levels. As exhibited in the table below the number of low income earners between no income and R 1600 has significantly decrease between 2001 and 2007. Most importantly the number of residents with no income has reduced by more than 40%. This is indication of the improvement of socio-economic condition of our people.

Income Category	2001	2007
No income	281 833	185 981
R 1- R 400	24 238	61 240
R 401- R 800	32 775	27 750
R 801- R 1 600	27 506	49 116
R 1601-R 3 200	21 553	28 295
R 3 201-R 6 400	11 903	21 015
R 6 401- R 12 800	5 911	11 466
R 12 801- R25 600	1 548	4 530
R 25 601- R 51 200	440	972
R 51 201-R102 400	219	171
R 102 401- R 204 800	173	189
R 204801 or more	73	80

Source:Statssa

3.4. Economic Growth

The economy of Matjhabeng has been characterized by negative growth between the period 1996 to 2001 accounting for annual economic compound of about -3,07% and since then no significant change occurred. This scenario can be attributed to the fact our area was build around mining

industry. The slowing down of this industry had the very devastating outcome. The challenge has always been how the local authority intervenes in mitigating this situation.

3.5. Production Profile

The economy of Matjhabeng can be divided into three main categories i.e. primary, secondary and tertiary sectors. The current statistics shows that the economies of Welkom 53%, Odendalsrus 38% and Virginia 78% are dominated by mining, whilst Henneman is dominated by manufacturing 41%, agriculture 17%, trade 10% and finance 10%. The total area percentages show a combined figure of 58% dominance by the mining sector.

3.5.1 Relative Contribution to the Economy

The relative contribution of each municipality per sector in the Lejweleputswa District, 2004 (See Table 10)

Municipality	Agriculture	Mining	Manufacturing	Electricity	Construction	Trade	Transport	Finance	Community Services
Tokoloko	6.3	0.2	1.4	1.5	1.9	0.9	1.0	1.2	2.1
Tswelopele	39.9	0.0	3.7	4.6	1.4	3.7	3.7	4.2	5.2
Nala	25.7	1.3	6.6	8.1	11.8	8.8	11.4	5.2	9.3
MLM	17.6	79.6	84.8	77.1	75.9	81.7	79.2	84.7	76.1
Masilonyana	10.5	18.9	3.5	8.7	9.0	4.8	4.7	4.7	7.3

.....TABLE 10 –

(Source: Global Insight, 2004)

In relation to MLM the following must be noted:

- About 72% of the district's economic output is generated in MLM.
- The relative contributions from MLM and Masilonyana have decreased since 1996.
- The main reason for the decreases in these two municipalities is the overall decline of the mining industry.

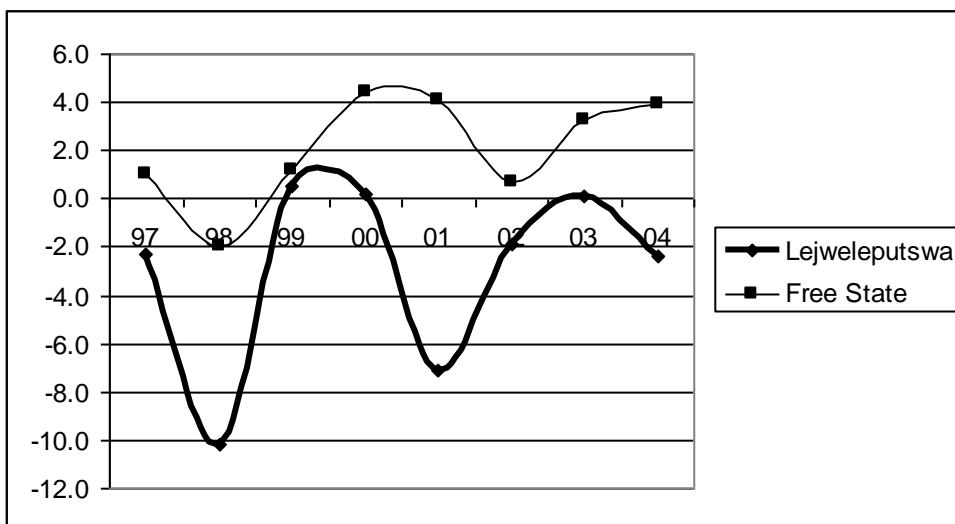
- The relative contributions from the other three municipalities have increased considerably between 1996 and 2004.
- These increases however do are only because of the declining mining economies in MLM and Masilonyana.

Regarding the sectoral contributions, the following must be noted:

- More than 98% of mining takes place in MLM and Masilonyana
- Over 65% of agricultural output in the District comes from Tswelopele and Nala.
- Nearly 85% of all manufacturing output is produced in MLM. .
- MLM is also the main contributing area to the economic output for the other sectors – ranging between 75% and 85% of the economic output.

3.5.2 Economic Growth

Economic growth per annum in Lejweleputswa, 1997 – 2004 – (See Figure 2)



.....FIGURE 2

(Source: Global Insight, 2004)

The following must be noted:

- The economic growth rate in Lejweleputswa is considerably lower than the rate for the Free State between 1996 and 2004.
- There is a strong link between the up and down curves of the Free State and Lejweleputswa.
- The rise in economic growth rates in Lejweleputswa between 1999 and 2000 can be attributed to the weakening of the Rand against the Dollar during that period that had a positive effect on mining output since the mines earn in dollars.

Overview of the decline in the GDP per capita in Lejweleputswa between 1996 and 2004.
(See Table 11)

Municipality	1996		2004	
	GDP	As % of province per capita	GDP	As % of province per capita
Tokologo	5575.80	33.523	5346.60	32.941
MLM	18959.03	113.984	13451.43	82.875
Nala	8054.78	48.427	8234.79	50.735
Tswelopele	9771.25	58.746	9681.66	59.649
Masilonyana	18375.41	110.476	12568.82	77.437
Lejweleputswa	15857.02	95.335	11876.18	73.170
Free State	16 633.00		16 231.00	

.....TABLE 11

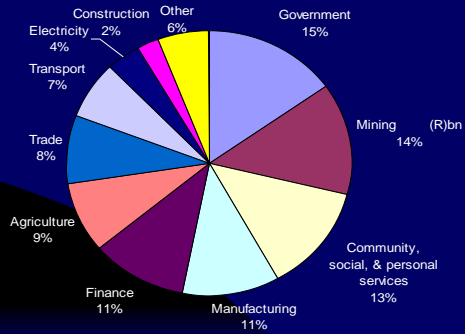
In this regard the following must be noted:

- In 2004, the GDP per capita in Lejweleputswa was considerably lower than in the Free State.
- Overall, the GDP per capita has decreased since 1996 (constant figures).
- Large-scale decreases have taken place in MLM and Masilonyana with small decreases in Tokologo and Tswelopele.
- The per capita GDP decrease in the LDM was severe. In 1996 it was still at 95% of the provincial figure, but by 2004 it has dropped to 73.1%.

The decrease was the severest in the local municipalities of MLM and Masilonyana where it declined from 114% to 83% and from 110% to 77% respectively. The decline of the mining industry was very severe.-(See Figures 3-5)

Gross geographic product of the Free State, 1998

Category	Total (R)bn
Government	6.7
Mining (R)bn	6
Community, social, & personal	5.8
Manufacturing	4.9
Finance	4.8
Agriculture	3.8
Trade	3.6
Transport	3.1
Electricity	1.7
Construction	1.1
Other	2.6
Total	44.1

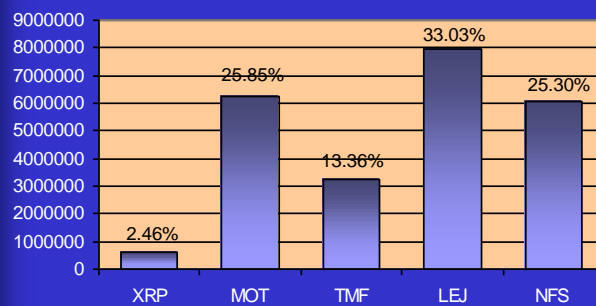


Source: South African Institute of Race Relations, 2001

.....FIGURE 3

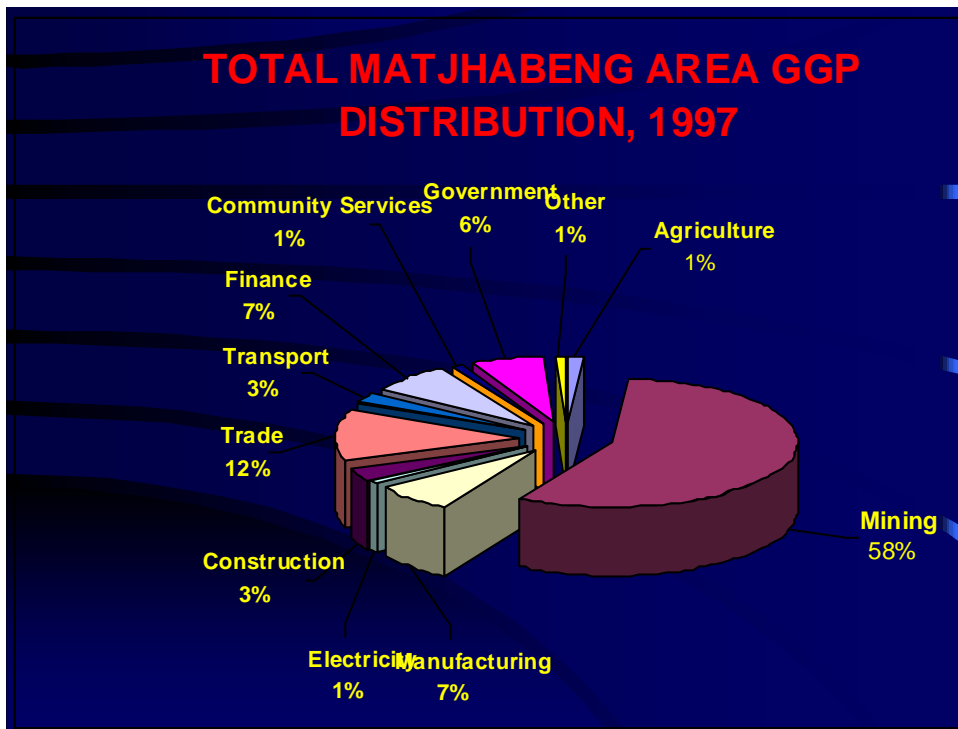
PROVINCIAL PROFILE

ECONOMIC - Gross geographic product contributions



Source: Stats SA, 1998

.....FIGURE 4



.....FIGURE 5

4. INFRASTRUCTURE AND SOCIAL DEVELOPMENT

The post 1994 democratic dispensation ushered in developmental local government tasked with the extension of quality, affordable and sustainable basic services to all. As illustrated in the above section, the demographics of Matjhabeng has undergone significant change over the years. Like in all growing SA municipalities, this brings forth the dual developmental challenge of addressing past apartheid development inequities (backlogs) and expansion of services to new areas. A strategic delicate balance need to be maintained in order that all residents can experience appropriate fair and just service delivery.

4.1. Electricity /Energy source

The bulk electrical network is well established around the Matjhabeng area. Eskom serves all mines and all townships in the municipal area and thus there is sufficient bulk infrastructure available to serve the whole area. Main challenge however remains a aging electrical infrastructure in particular in towns where the municipality is provider. However a change in cost recovery and their subsidization policy has made it very expensive to electrify the rural areas, and these include farms and farming communities who need such basic power support. Government's plan is to electrify all areas by the end of 2014.

4.2. Household Energy/ Fuel Sources

The recent national electricity crises and the resultant effects on South African residents and the economy has highlighted how highly reliant we are on electricity as a source of energy. Government has committed to developing measures to promote energy saving, reduce energy costs to the economy, and reduce the negative impact of energy use on the environment. The

National Energy Efficiency Strategy has set target of national target of 12% for energy saving by 2015.

The tables below illustrate that as a locality we are overly dependant on electricity as a source of energy for lighting, cooking and heating. In fact, the statistics reflect an increase of electricity as energy source in that the use electricity for lighting has increased from 84.98 to 8702; for cooking from 60 % to 80% and heating from 54% to 57%. In part this can be attributed to the fact that with the gradual eradication of electrification backlogs through the household electrification programme, the number of people in our electricity network has increased. On the other hand, this display the lack of usage of alternative source of energy to fulfil our energy needs.

Energy source for cooking

Source	Census 2001	Community Survey 2007	%
Electricity	69 806	101 399	77.1
Gas	2 687	2 046	1.5
Paraffin	51 081	26 911	20.5
Coal	966	214	0.2
Wood	2 733	752	0.6
Solar	322	64	0.05
Animal dung	864	66	0.05
Total	128 7171	131 453	100%

Energy source for Heating

Source	Census 2001	Community Survey 2007	%
Electricity	89 956	115 486	87.7
Gas	247	272	0.2
Paraffin	13 157	5 509	4.2
Candles	24 943	9 966	7.6
Solar	263	0	0
Other	148	389	0.3
Total	128 714	131 622	100%

Energy source for heating

Source	Census 2001	Community Survey 2007	%
Electricity	65 916	83 025	63.1
Gas	1 379	2 193	1.7
Paraffin	41 750	33 629	25.5
Wood	8 535	5 295	4.0
Coal	5 248	3761	2.0
Solar	213	127	0.1
Others	4 989	4 698	3.6
Total	128 718	131 623	100%

4.3. Access to Water

Water infrastructure consists mostly of reservoirs and pipelines of Sedibeng Water. These supply mainly the Goldfields region and the mines with water from the Vaal River near Bothaville and to a lesser extent from the Sand River. Main reservoirs are east of Allanridge, in Welkom, north and south of Virginia. Pump stations are east of Allanridge and at Virginia where purification plant also exists. Other water infrastructure resources were constructed by the Department of Water Affairs and Forestry including dams in Allemanskraal and canals serving the Sand – Vet irrigation scheme.

The table below illustrate that Matjhabeng has over the years incrementally reduced the level of no access to water and at the same time expanded household access to both RDP water standard and higher level of water access (piped tap water inside yard and dwelling).

	Census 2001	Community Survey 2007
Piped water inside the dwelling	43 384	79 276
Piped water inside the yard	58 548	40 406
Piped water from access point outside the yard	12 815	9 190
Borehole	2014	1 642
Spring	8	0
Dam/pool	287	103
River/stream	105	62
Water vendor	5 977	378
Rain water tank	1287	7
Other	11	557
Total	128 715	131 621

StatsSA

4.4. Household Refuse removal

A similar positive trend can also be observed with the provision of refuse removal services to our residents. The number of residents with no basic refuse has significantly reduced and therefore confirming the progressive reduction of refuse removal service backlog. The number of communal refusal is steadily reducing whilst the number household weekly refusal removal by MLM has increased significantly.

	Census 2001	Community Survey 2007
Removed by local authority/private company at least once a week	92 904	117 284
Removed by local authority/private company less often	1 542	176
Communal refuse dump	4 539	1 528
Own refuse dump	14 561	10 313
No rubbish disposal	6 744	2 204
Other	0	117
Total	120 290	131 622

StatsSA

4.5. Sanitation

	Census 2001	Community Survey 2007
Flush toilet (connected to sewerage system)	72 268	103 172
Flush toilet (with septic tank)	898	1 718
Chemical toilet	568	0
Pit latrine with ventilation (VIP)	1 019	244
Pit latrine without ventilation	13 108	8 922
Bucket latrine	20 746	14 600
None	11 680	2 792
Total	120 287	131 622

StatsSA

5. Roads and Transportation

The municipality has well established road and transportation infrastructure. The main challenge for over the years has been maintenance of such infrastructure due to escalating cost due to its age. This has major implication to the budget of the municipality as whole.

The public transport system operating in Matjhabeng is privately owned taxis. The rail network that passes through Hennenman, and Virginia is mainline service linking the Municipality with Gauteng, Kwazulu Natal, Eastern Cape and the Western Cape. However there is no local rail network or bus service operating in Matjhabeng Municipality

6. Cemeteries

There are 14 cemeteries around Matjhabeng with are responsibility of the Municipality. The municipality provides graves and proper keeping of the cemeteries. The recent developments have been that this has to be the responsibility of the district municipality to perform. The high rate of HIV and AIDS in the region is reaching alarming proportions and needs to be considered in the planning for cemeteries. There must be an alignment between HIV/AIDS prevalence in the district and the budget for availing land for cemeteries.

7. PUBLIC SAFETY

The current level of crime is of concern and is not bound to a specific area or person. There is also an increase in the number of housebreaking and violence against women and children, who are the most vulnerable, is unacceptably high, some contributing factors are as follows:

- High unemployment rate and migration from rural to urban areas.
- Lack of resources within the police service (transport, manpower).
- Ineffective functioning of neighbourhood watch organization and community police forums.
- Lack of visible policing.
- Lack of accessibility to police stations

More facilities such as mobile police stations, available transport and accessible communication systems are required to improve crime prevention and emergency response.

Crime

It needs to be mentioned that specific statistics for Matjhabeng is not available and therefore statistics for the Free State Province will be used to track the trend of crime in and around Matjhabeng. The types of crimes imposing on the safety of the people of the district are as follow:

Types of crimes	Statistics on %
All theft not specified	19.8
Common assault	15.5
Assault with intent to inflict grievous bodily Harm	11.2
Burglary at residential premises	11.1
Malicious damage to property	5.5
Crimen injuria	4.7
Theft out from vehicles	4.5
Common robbery	3.0
Stock theft	2.9
Robbery with aggravating circumstances	2.8
Attempted murder	2.8
Rape	2.5
Burglary at business premises	2.5

Drug-related crimes	2.5
Shoplifting	2
Theft of motor vehicle of motor cycle	2
Commercial crime	1.5
Driving under the influence of alcohol or drugs	0.7
Murder	0.5
All Other (at least 10 other crimes such as highjack, house robbery, illegal arms, etc. that 0.3% each	3.08

Our Vision

- By being a benchmark developmental municipality in service delivery excellence.

MISSION OF MATJHABENG

- By being a united, non racial, non sexist, transparent, responsible municipality.
- By providing municipal services in an economic, efficient and effective way.
- By promoting a self-reliant community through the promotion of a culture of entrepreneurship.
- By creating a conducive environment for growth and development.

KEY PERFORMANCE AREAS

1: SERVICE DELIVERY AND INFRASTRUCTURE	2: LOCAL ECONOMIC DEVELOPMENT
<ul style="list-style-type: none"> ➤ Water Services and Sanitation ➤ Electricity and Energy ➤ Solid Waste Management ➤ Environmental health Management ➤ Roads, Rails Stormwater and Buildings ➤ Housing ➤ Urban Efficiency and Spatial Planning ➤ Community Parks, Sports and Recreation 	<ul style="list-style-type: none"> ➤ Economic Growth ➤ Poverty Alleviation ➤ Job Creation
3: Municipal Financial Viability	4: Municipal Transformation and Institutional Development
<ul style="list-style-type: none"> ➤ Financial Management ➤ Internal Audit procedures 	<ul style="list-style-type: none"> ➤ Organisational Development ➤ Employment Equity ➤ Skills Development ➤ Integrated Development Planning ➤ Performance Management System
5: Good Governance	
<ul style="list-style-type: none"> ➤ Public Participation and oversight ➤ Co-operative Governance ➤ Ward System ➤ Corporate Governance 	

The developmental objectives of MLM are underpinned by the policies and strategy of the National and Provincial government. MLM has in IDP and Budget incorporated key elements of the provincial strategy and the same are aligned with the national developmental agenda, based on the social and economic development challenges of the province. The Free State province has identified the following as primary development objectives:

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

Mayoral Lekgotla 2010

During February 2010 Mayoral Lekgotla was convened and came against the backdrop of the following important events:

1. That by February 2010 the Free State Provincial Government would be well into its first year of political governance and that President Zuma's January 8th Speech signalled that 2010 would be the year of local government.
2. National and Provincial Cabinet Lekgotla's were held where the new administrations refined its new coherent developmental agenda in preparation for the President's opening of Parliament 12 February 2010.
3. Follow-up to the Special Mayoral Lekgotla which was held in May 2009 as well as the Cooperative Governance and Traditional Affairs (COGTA) Local Government Turnaround Strategy (LGTAS) November 2009 plan which requires category 3 and 4 municipalities to produce turnaround plans aligned to IDPs.
4. Need for Matjhabeng to review its progress since the 2006 municipal elections.

During the last municipal lekgotla in May 2009 various presentations were made and key resolutions were adopted. This session allowed the various directorates to table the progress of the May 2009 resolutions.

The purpose and strategic goals of this **Feb 2010 Strategic Planning Lekgotla** was:

Strategic Goal 1:

To principally recap on the 2006 elections manifesto and assess the progress that Matjhabeng had made on those priorities.

Strategic Goal 2:

The planning session had to also review how Matjhabeng had implemented the 2009 national election manifesto in terms of the 5 priority areas namely:

- i. Creation of decent work and sustainable living
- ii. Education
- iii. Health
- iv. Rural development, food security and land reform
- v. The fight against crime and corruption

Strategic Goal 3:

Further to the resolutions the sessions also shared with the councillors the progress made in the 2008/2009 financial year, as well as the assessment of the first 6 months of the current financial year.

Strategic Goal 4:

By reporting on progress the Municipality would be able **to identify gaps and re-prioritise the spending on maintenance of infrastructure to improve service delivery**. It would also enable the municipality together with the relevant directorates to develop targets for the 2010/2011 financial year in terms of service delivery and budget implementation.

Strategic Goal 5:

Development of a clear set of measurable outputs for the core and support service delivery departments of Matjhabeng in order for the Mayor and Mayco to develop an effective performance management monitoring and evaluation mechanism to turnaround the municipality.

This important retreat emerged with the following practical programme of action which responds directly to the current challenges that characterised the municipality.

Finance

Priority	Action	Responsible Person	Due Date	Resolved Y/N
1. Revenue collection/ Income optimisation	<p>To move from 61% collection to 75% by:</p> <ul style="list-style-type: none"> Identifying all collections under 50% per ward preparing a communication for councilors to assist with monthly report back at MAYCO on progress per ward. Cleaning billing data by approving the second phase of the revenue enhancement strategy to continue with monthly reports to MAYCO on progress and the % increase in revenue it has yielded. Rejuvenate operation Patala. Close gap between disconnections and reconnections as part of an improved Credit Control Section. Have discussions with Mining Houses to buy water and electricity directly from Municipality. Enforce Employees and Councillors Code of Conduct (Arrears). Identify Government and top 100 debtors and follow them up specifically. Minimising wastage of 	<p>Manager Income, CFO, MM and Mayor</p> <p>CFO, MM</p> <p>Mayor, MM, CFO Income</p> <p>Mayor</p> <p>MM and Speaker</p>	<p>30 June 2010</p> <p>31 March 2010</p> <p>28 February 2010</p> <p>28 February 2010</p> <p>28 February</p>	

Priority	Action	Responsible Person	Due Date	Resolved Y/N
	<p>resources throughout the Municipality, i.e. paper, stationery, etc.</p> <ul style="list-style-type: none"> • Ensure that we comply with the National Credit Act. • Investigate the consolidation of the accounts no more 2 separate accounts. 	<p>Manager Income, CFO, MM</p> <p>ALL</p> <p>CFO and Legal</p> <p>Manager Income and CFO, MM</p>	<p>2010</p> <p>28 February 2010</p> <p>Ongoing</p> <p>With immediate effect</p> <p>28 February 2010</p>	
2. Update and cleaning up of the indigent register to ensure that we have the correct information	<ul style="list-style-type: none"> • Cleaning indigent data by approving the second phase of the revenue enhancement strategy to continue with monthly reports to MAYCO on progress and the % increase in revenue it has yielded. Depending on the outcome further interaction with COGTA Provincial and National for further financial support. 	<p>CFO, MM,</p> <p>MM, Mayor</p>	<p>31 March 2010</p> <p>30 April 2010</p>	
3. Implement a functional Customer Care Division	<ul style="list-style-type: none"> • Setting up of a functional Customer Care Division by approving the second phase of the revenue enhancement strategy to continue with monthly reports to 	CFO, MM	30 April 2010	

Priority	Action	Responsible Person	Due Date	Resolved Y/N
	<p>MAYCO on progress on how many queries are handles and how many were resolved, etc.</p> <ul style="list-style-type: none"> • Resource finance section within all the unit offices 	CFO and her management team	28 February 2010	
4. Debt Collection.	<ul style="list-style-type: none"> • Set up internal Debt Collection Unit to collect debt and specifically debt over 90 days. Also consider doing our in-house debt collection, but also the "ITC". • Set monthly targets for legal in terms of collection or if service provider is appointed ensure that contract is in favour of Matjhabeng and not the service provider. • Monthly report back on revenue collected by legal services to the CFO, which will report back to MAYCO as part of monthly report back. • Ensure that all monies due are paid before clearance certificates are issued and before the transfer takes place. • Specific processes and procedures to find the "Untraceable" debt. 	<p>CFO, ED Corporate Services, Legal Services Manager, MMC</p> <p>CFO, ED Corporate Services, Legal Services Manager</p> <p>Legal Services Manager</p>	<p>28 February 2010</p> <p>28 February 2010</p> <p>Monthly</p>	

Priority	Action	Responsible Person	Due Date	Resolved Y/N
5. Full and Final settlement Policy review	<ul style="list-style-type: none"> Review the full and final settlement policy to ensure that it benefits Matjhabeng Maximum 10% discount. 	Credit Control Manager, Legal Services Manager	28 February 2010	
6. Perform a skills audit in Finance	<ul style="list-style-type: none"> Obtain the results of the skills audit from Mr Matsie and review to see whether the results can be used. If not we, will have to review the situation. It may require enlisting the assistance of Provincial Treasury to assist with a review. 	CFO, Manager Organisational Efficiency CFO, Provincial Treasury	5 February 2010 30 April 2010	
7. Improving Financial reporting including all aspects such as creditors, debtors including all financial policies	<ul style="list-style-type: none"> Monthly reviews of all reports submitted by CFO, which will be forwarded to MAYCO. CFO to sit with Creditors team, Debtors team to train them to do reconciliations. CFO to sit with Creditors team to compile a complete creditors list. Once this is complete to add to CFO payment proposal which has already been completed. Also ensure that long term liabilities are settled. 	CFO CFO CFO	Monthly 28 February 2010 12 February 2010	
8. Implement Audit Query action plan towards Operation Clean Audit	<ul style="list-style-type: none"> Implement Audit Query action plan that had been prepared by CFO and her team. Progress to be reported on a monthly basis to MAYCO to move from disclaimer to qualified audit opinion for 2009/10 	CFO and TEAM	1 February 2010 Monthly	
9. Expenditure Control	<ul style="list-style-type: none"> Reprioritisation of all payments and creditors in line with MFMA, taking note of 	CFO and Senior Manager Expenditure	28 February 2010	

Priority	Action	Responsible Person	Due Date	Resolved Y/N
	the financial situation. At least 50% of all payments should be towards service delivery.			
10. Capacitation of SCM Unit	<ul style="list-style-type: none"> • Appoint relevant managers and staff • Ensure that all policies and procedures support the business. 	CFO, ED Corporate Services, MM, Senior Manager Budget, Acting SCM Manager	28 February 2010	

INFRASTRUCTURE

Priority	Action	Responsible Person	Due Date	Progress
1. Roads & Storm water	<u>Tarred Roads:</u>			
	Roads Maintenance be done- Purchase New Equipment	CFO/ Fleet Management/ Supply Chain	April 2010	Requirements was already submitted
	Clear programme of repairing pot holes	Simon Mosia Nelvia Rust Jan Blom	17 Feb	Program was compiled, busy working off backlog
	Infrastructure must buy tar in bulk. Service provider has been appointed	Exec Dir Infra Simon Mosia Nelvia Rust Jan Blom	19 Febr	Roadfix SA was appointed for cold tar. 8000 bags were ordered. Hot tar and SS60 was not appointed in tar tender. SCM must be requested to extend the appointment.
	Workmanship and quality of materials be monitored	Managers	Continuous	In-house programs are monitored
	There has to be a maintenance plan and material (Duplication of above)	Simon Mosia Nelvia Rust Jan Blom	19 Febr	Program was compiled, busy working according to it
	Traffic signs and Road marks	Traffic		

Priority	Action	Responsible Person	Due Date	Progress
	Strengthen Supervision of staff	MM & Corp Serv (HR)		List of crucial vacancies was submitted
1. Roads & Storm water	<u>Gravel Roads</u>			
	Quarry material be used on the inaccessible roads.	Exec Dir Infra	Apr 2010	Subject to availability of resources
	Maintenance be done	Exec Dir Infra	June 2010	Subject to availability of resources
	Equipment be supplied	CFO & Fleet Manager	July 2010	List was submitted
	Units be equipped for each to have its own grader	CFO & Fleet Manager	July 2010	List was submitted
	Leasing of equipment be considered.	CFO / SCM	Feb 2010	CFO/SCM to investigate procedure and cost effectiveness
	Safety at quarries be improved and prioritized	Exec Dir Infra , CFO, & Public Safety Security	June 2010	Quarries must be fence & Security/access control must be implemented.
	District equipment be asked	Exec Dir Infra	Feb 2010	Letter was drafted to request usage of equipment
1. Roads & Storm water	<u>STORMWATER</u>			
	Province will be seconding engineers to MLM	MM & Exec Dir Infra	March 2010	Facilitate
	Cleaning of storm water canals be done every two weeks	Exec Dir Infra	Continuous	Not possible. More realistic to plan cleaning canal once per year, otherwise on need basis

Priority	Action	Responsible Person	Due Date	Progress
	Civic education be done	Customer Care		
	Appointment of staff be prioritized in the section	MM & (Corp Services)		List of critical staff was submitted
	Virginia Bridge pump replaced and there must be a spare.	Exec Dir Infra	April 2010	Quotation and submission to be done for upgrading of existing pump, if necessary, and additional standby pump
	The appointed volunteers must be tasked to clean the channels	MM, Corporate Service	April 2010	Volunteers were appointed as permanent staff. New volunteers/ temporary employees should be seeking.
	New canals be constructed at all flood affected areas.	Exec Dir Infra	2014	Wait for master plans. Budget/ available funds will dictate performance

Priority	Action	Responsible Person	Due Date	Progress
2. Water & Sanitation	Each Unit must have its own Jet Blaster	CFO / MM	April 2010	5 additional needed and 3 existing to be repaired
	Installation of Water Meters	CFO & PMU		
	Attend to leakages: Quick response unit	MM, Exec Dir Infra	May 2010	Appoint staff, supply vehicles and equipment
	Suction Trucks for septic tanks to be purchased	CFO	Apr 2010	Need exist mostly in Nyakallong
	Back filling plan for open holes	Exec Dir Infra	Apr 2010	Plan was compiled, busy working of backlog. Existing trucks to be repaired.

Priority	Action	Responsible Person	Due Date	Progress
	Health & Hygiene education	Customer Care		
	Sewer connections to households be completed	PMU		
	Complete sanitation Projects	PMU		
	Control of community taps	Customer Care & Exec Dir Infra	? Apr 2010	Education and Push button taps and regular maintenance inspections.
	Maintenance of pump stations	Exec Dir Infra & CFO	June 2010	Need resources to do civil maintenance
	Replacement of worn out pipes	PMU & CFO	2015	Projects / Capital Budget
	Avail materials for maintenance	CFO		Stores and enhanced Supply Chain Man procedures

Priority	Action	Responsible Person	Due Date	Progress
6 Electricity	<u>ELECTRICITY</u>			
	1. Buy cherry picks per unit	CFO, Fleet Manger and SCM	April 2010	Electrical Department has already forwarded vehicle requirements to the responsible departments.
	2. Repairs and new high mast lights	PMU and Electrical Department	June 2010	Streetlights and high mast repaired by service provider (payment of service provider is an eminent challenge). The provision of high mast project were launched in various units
	3. Facilitation of Electrification of Eskom Licensed areas	Housing Department and Electrical	October 2010	5 Year Eskom Electrification plan was already drawn up and must be revisited in
	4. Increase Vending stations in Eskom Areas	Electrical	April 2010	October 2010 Eskom must be engaged to enhance the service rendered to the involved communities
	5. Employment of staff & general workers	HR and MM	April 2010	Electrical Department have already forwarded personnel requirements to the responsible departments
6. Availability of Prepaid Meters	Electrical	March 2010	500 Pre paid electrical was ordered a challenge exists with the payment of service provider	

Priority	Action	Responsible Person	Due Date	Progress
	7. Illegal Connections be attended	Electricity Revenue Protection	Continuous	Program in place effectiveness of the program is dependent to the availability of logistical means

SOCIAL SERVICES

Priority	Action	Responsible Person	Due Date	Progress
1. Waste Management	<ul style="list-style-type: none"> Buying of 12 compactor trucks 22m3 and 8 Grab trucks 	MM, Executive Director, Manager Waste and Supply Chain	31/03/2010	Requirements already submitted
	<ul style="list-style-type: none"> Procurement of waste bins for all households in Thabong 	MM, Executive Director, Manager Waste and Supply Chain	30/06/2010	
	<ul style="list-style-type: none"> Landfill Site Management: - Development of in Integrated Waste Management Plan - Rehabilitation of people living on landfill sites by establishment of site committees 	MM, Executive Director, Manager Waste and Supply Chain Executive Director, Manager Waste	30/06/2010 31/05/2010	
	<ul style="list-style-type: none"> Regular refuse removal by ensuring that waste collection from each household is done on regular basis 	Manager Waste, Cleansing Officer	Continuous	

	<ul style="list-style-type: none"> • Removing of Illegal dumping according to approved schedule • Placement of no illegal dumping notice boards 	<p>MM, Executive Director, Manager Waste and Supply Chain</p> <p>MM, Executive Director, Manager Waste and Supply Chain</p>	<p>Continuous</p> <p>30/06/2010</p>	
	<ul style="list-style-type: none"> • Greening and cleaning of open spaces 	<p>Manager Waste and Manager Parks, Sport and Recreation</p>	<p>Continuous</p>	
	<ul style="list-style-type: none"> • By-Law enforcement by reviewing spot fines with the Chief Magistrate 	<p>Manager Waste, Manager Public Safety, Manager Legal Department</p>	<p>30/04/2010</p>	
	<ul style="list-style-type: none"> • Build new relaying station • Identification of potential relay stations 	<p>Manager Waste and Town Planning</p>	<p>30/06/2010</p>	
<p>2. Parks, Sport and Recreation</p>	<ul style="list-style-type: none"> • Installation of pole bins in CBD • Identify the positions and quantities of bins to be placed • Maintenance of parks <ul style="list-style-type: none"> - Maintenance of develop parks according to a schedule - Maintenance of undeveloped open spaces according to a approved schedule - Renewal of all parks and 	<p>Manager Waste</p> <p>All Senior Parks, Sport and Recreation Officer and their teams</p> <p>All Senior Parks, Sport and Recreation Officer and their</p>	<p>30/03/2010</p> <p>Continuous</p>	

	<p>traffic circle contracts</p> <ul style="list-style-type: none"> - Monitor and managed all traffic circles 	<p>teams</p> <p>Manager Parks and delegated Parks, Sport and Recreation Officers and Legal Services</p> <p>All Senior Parks, Sport and Recreation Officers</p>	<p>Continuous</p> <p>31/03/2010</p> <p>Continuous</p>	
	<ul style="list-style-type: none"> • Equipment - Replacement of dilapidated fleet 	<p>MM, Executive Director, Manager Parks and Supply Chain</p>	<p>30/06/2010</p>	
	<ul style="list-style-type: none"> • Upgrading of Sport facilities: - Nyakallong Stadium - Mmamahabane Stadium - Meloding Stadium - Kutlwanong Stadium - Bronville Community Centre - Thabong Tennis Courts - Bronville Tennis Courts - Odendaalsrus Tennis Courts 	<p>PMU, Supply Chain, Executive Director, Manager Parks</p>		<p>PMU busy with tender processes</p>

	<ul style="list-style-type: none"> Procurement of four Grab trucks for pruning of trees 	MM, Executive Director, Manager Parks and Supply Chain	31/03/2010	Requirements already submitted
	<ul style="list-style-type: none"> Province to maintain their roads that are their responsibility Proper communication between the municipality and department public works to coordinate their areas of responsibilities 	MM, Executive Director and Manager Parks	31/05/2010	
	<ul style="list-style-type: none"> Cutting of trees at intersections Establish dedicated tree maintenance teams in Welkom and Virginia Maintenance of trees according to a approved schedule Training and appointment of machine operators 	<p>Executive Director and Manager Parks</p> <p>Senior Parks, Sport and Recreation Officers</p> <p>MM, Executive Directors/Community Services and Corporate Support Services, Manager Training, Manager Parks</p>	<p>18/02/2010</p> <p>Continuous</p> <p>31/05/2010</p>	
	<ul style="list-style-type: none"> Ablution facilities at Cemeteries - Meloding Cemetery - Phomolong Cemetery 	PMU, Supply Chain, Executive Director and Manager Parks		PMU busy with tender processes

	<ul style="list-style-type: none"> - Bronville Cemetery - Kutlwanong Cemetery - Allanridge Cemetery 			
	<ul style="list-style-type: none"> • Security at all facilities • Appointment of security systems at all facilities 	MM, Executive Director and Manager Parks, Manager Public Safety	30/06/2010	
	<ul style="list-style-type: none"> • Provision of new Cemeteries • Request the planning and development of new cemeteries in Phomolong and Meloding • Digging of test holes • Approval for the appointment of a service provider to perform and Environmental Impact Assessment • Appointment of service provider • Presentation of assessment • Register cemeteries on town planning schemes 	<p>Executive Director and Manager Parks</p> <p>Manager Infrastructure and Town Planning</p> <p>MM, Manager Town Planning, Supply Chain</p> <p>MM, Manager Town Planning</p> <p>Manager Town Planning</p> <p>Manager Town Planning</p> <p>Manager Town Planning</p>	<p>Done</p> <p>20/02/2010</p> <p>28/02/2010</p> <p>20/03/2010</p> <p>30/04/2010</p> <p>30/04/2010</p> <p>30/04/2010</p>	

	<ul style="list-style-type: none">• Prepare layout plans			
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Office of the Municipal Manager:

Priority	Action	Responsible Person	Due Date
Facilitate a three day Strategy Workshop	<p>Facilitate a Strategy Workshop that would translate the Mayoral Lekgotla outcomes into implementable Departmental actions.</p> <p>This workshop should also align the Lekgotla outcomes to the Vision 2030 process and CoGTA requirements</p> <p>This workshop should align the Latitude TAS with the LGTAS ensuring smarter turnaround intervention streams</p>	Office of the MM / EDSS	End of Feb
Communicate the Internal Turnaround Project to the organisation including information and requirements of CoGTA and status of the realignment process	Urgent need for internal Communication to staff and Directorates needed in relation to the turnarounds projects (including CoGTA process) its current status, alignment to CoGTA and next steps following the Lekgotla resolution and outcome on the way forward.	Office of the MM Through the Transformation Champions (appointed Nov2009 – IDP Bosberaad)	End of June
Climate Survey: <ul style="list-style-type: none"> - Development - Implementation of recommendations 	Presentation to the next Steercom and Mayco for noting and approval of recommendation.	Office of the MM through the Transformation Champions appointed Nov 2009.	End of April

<p>Matjhabeng Turnaround and Transformation project – Reporting and Skills Transfer</p>	<p>Facilitate regular Steercom meeting in prep for feedback to MAYCO and Council as per the Mayoral 2010 Lekgotla.</p> <p>Presentations to Steercom and Mayco will be delivered mostly by internal management for purposes of ownership of the Transformation project.</p> <p>Latitude must facilitate a handover and skills transfer process where appropriate.</p>	<p>Office of the MM.</p> <p>Office of the MM and Executive Management</p> <p>Latitude.</p>	
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<p>Proposed Change Management Interventions for 2010</p>	<ul style="list-style-type: none"> • Finance <ul style="list-style-type: none"> a. Introduce change management as a key driver and enabler to support the revenue collection process. b. Assess revenue collection change readiness of the department c. Identify change management team special focus revenue division d. Conduct change management workshop e. Develop change management plan • Technical Services <ul style="list-style-type: none"> a. Introduce change management as a enabler and driver to fast service delivery resolutions of the 2010 Lekgotla. b. Assess change readiness of the department to rollout the Service Delivery Mayoral Lekgotla resolutions. c. Identify change management team d. Identify change management issues e. Conduct change management workshop f. Develop change management plan for the department 	<p>Office of the MM</p>	<p>End of April</p>
<p>CoGTA LGTAS Progress Reporting</p>	<p>Communication of CoGTA LGTAS progress to the District and provincial government so as to ensure alignment with the National, Provincial and District process.</p>	<p>Office of the MM</p>	<p>Feb – Mar 2010</p>

Corporate Services

ISSUE	ACTION	RESPONSIBLE PERSON	DUE DATE
Units	To decentralize the essential services to units, and delegations be done, and the placing of the CLO's.	EDSS EDCSS	By end of June(consideration be given to the budget process)
Turnaround strategy	Support the finalization of the COGTA turnaround plan	EDCSS EDSS	By end of March
Municipal code	The process of the Municipal Code has not been finalized(Policies and By-laws)	EDCSS	By end of June
Organogram	The review and finalization of the micro structure	MM	End of September
Policy	Adoption of the communication policy and the review of the communication strategy.	EDSS EDCSS	By end of June
Training	Training of all Senior Managers and Managers and Assistant Managers on MFMA, BCOE,	EDCSS	By end of June

	disciplinary code and compliance		
Revenue enhancement	Support the maximize potential of Municipal Assets for revenue enhancement.	EDSS	By end of September
Skills development	Skills audit and correct placement of human recourses	EDCSS	By end of May
MFMA	Ensure compliance of MFMA Ttrain/workshop Senior Managers and Managers on compliance issues in line with the MFMA by the end of April 2010	EDCSS	By end of April
By – laws	Review of Council minutes to identify the resolutions taken in respect of By-Laws To fast track the promulgation of the by-laws and be gazetted.	EDCSS	By end of March
Litigation	Identify the number of outstanding and its cause. Develop a plan to reduce litigation by 20%.	EDCSS	By end of May
Skill Levies	Review and identify the enablers and barriers for effective use of levies.	EDCSS	By end of June

	Formulate new plan to ring fence skills levies and ensure that these levies are used for the purposes intended.		
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IDP/ Local Economic Development:

ISSUE	ACTION	RESPONSIBLE PERSON	DUE DATE
IDP Process	<p>To ensure the IDP process be completed within the required timeframe for aligned to the required budgets</p> <p>Ensure that the IDP process is completed by March 2010, so that the municipality can benefit from exploiting its various economic advantages and opportunities i.e. 2010 soccer world cup</p>	EDSS with the IDP Manager	End of March
Spatial Development Framework	Reviewing of Spatial Development Framework and ensuring that the relevant updates are in accordance with	EDSS with the Line Managers	End of April

	the requirements of Matjhabeng		
Incentive Scheme	<p>Reviewing the draft Incentive Policy crafted by Latitude</p> <p>Finalization and implementation of incentive scheme</p> <p>Finalising the Incentive scheme and presentation of the process to the Executive Management and Mayco</p> <p>Presentation of the Incentive Scheme to Council for approval</p>	EDSS with LED Manager	End of April
Growth and Development Summit	Convene a growth and development summit by March 2010, in partnership with other departments in the municipality and key external stakeholders.	Office of the MM / EDSS	End of April
<p>Identification and Implementation of Revenue Generating Projects</p> <ul style="list-style-type: none"> - SMME - Agriculture - Tourism 	<p>Upgrading of the Welkom show grounds to be utilised as a 2010 investment and beyond.</p> <p>Identification of tourist destinations as a means of</p>	Office of the MM / EDSS / LED Manager	<p>End of Feb</p> <p>End of Mar</p>

	<p>generating revenue during the 2010 Soccer World Cup</p> <p>Welkom Fresh Produced Market project to be implemented with urgency.</p> <p>Agri-tourism Farm strategy to be prioritized.</p> <p>Identification and utilization of women and youth on various SMME related interventions</p>		<p>End of Mar</p> <p>End of Mar</p> <p>End of Feb</p>
LED Transformation Plan	Development of the LED Turnaround Strategy for the market to benefit the Municipality and the previous disadvantaged community to be completed and confirmed for implementation.	EDSS / LED Manager	End Mar
LED Strategy	Review the LED Strategy and realign to the current environment in Matjhabeng	EDSS / LED Manager / LED Unit	End April

Institutional Overview and Organizational structure

5.1 Organisational Structure of the Matjhabeng Local Municipality

The Approved complement of staff for Matjhabeng Local Municipality is 3508 However; there are currently 1781 filled posts.

Matjhabeng Municipality has completed its top organisational structuring and has embarked on the process of reviewing the micro organisational structure. The idea is where necessary amend the structure to meet the operational and strategic requirements of Matjhabeng Local Municipality.

5.2 Powers and Functions

The municipality performs the following functions:

Category B functions	Category C functions	Provincial & National Competencies
A	B	C
Air pollution Building regulations Bill boards and display of advertisements Storm water Trading regulations Cleansing Facilities, accommodation and burial of animals Fencing and fences Local sport facilities	Refuse removal, dumps and solid waste Municipal roads Municipal airports Fire fighting Markets Cemeteries Municipal public works Electricity regulation Municipal health Storm water	Libraries Housing

Category B functions	Category C functions	Provincial & National Competencies
A	B	C
Municipal parks and recreation Municipal planning Municipal public transport Municipal roads Public places Street lighting Traffic and parking Licensing of dogs Local amenities	Potable water Sanitation Licensing/control of undertakings that sell food to the public	

All of the above functions are dispersed within the existing structure of the Matjhabeng Municipality.

The functions indicated under column B are functions which are legislatively allocated to a district municipality, but which may be adjusted in terms of the Municipal Systems Act. The functions indicated under column C are functions which are national and provincial competencies.

Departments are structured in such a way that there is a manager responsible for each core function. Additional functions arise from the core functions.

5.3 Employment Equity Plan

Chapter 3 of the Act requires employees to take certain affirmative action measures to achieve employment equity. These are set out in the Employment Equity Plan.

Council has committed the Municipality to achieve the employment equity goals and objectives spelt out in the Employment Equity Plan not only as required by legislation but also to maximize the benefits of diversity, equal opportunity and fair treatment of employees, for the purpose of maximizing the capacity to serve the community of Matjhabeng.

5.4 Skills Development Plan

The Skills Development Act of 1998 requires employees to plan and implement learning programmes that will enable employees to acquire skills and qualifications that will enhance their performance and contribute to organization' s optimum functioning.

5.5 Weaknesses and Threats. Strengths and Opportunities

The Matjhabeng Local Municipality has the following Strengths, Weaknesses, Opportunities and Threats. A SWOT analysis is done in respect of the strategic interventions, with the following results:

STRENGTHS	Actions to make use of Internal Strength
Management capacity	Utilize potential capacity
Newsletter	Maintain website
Website	Enhance skills
Existing staff meetings	Career paths
Funds	Empowerment of staff
Staff development	Implement the policies
In house knowledge	Exploiting the expertise
Existing Policies	Proper Planning & Optimal use of resources
Internal Expertise	Motivate & Engage Staff
Some financial resources	
Commitment	
WEAKNESSES	Actions to overcome Internal Weaknesses
Departments work in isolation	Develop communication procedures and forums
Inaccurate information and no target	Policy development
Distribution of work	Skills audit
Prioritizing funds	Incentives e.g. career path
Inadequate financial resources	Support
Institution is Under-staffed	Implement Revenue Collection Policy
Inadequate organisational structure	Establish a strategic planning unit on funding

Outdated equipment & old vehicles	Appoint Personnel
Old Personnel	Restructure
Lack of Knowledge Management	Replace equipment & Vehicles
Misplacement of skills	Bring down the separation policy
	Put in place knowledge Management System & Capacity Building
	Skills Audit & replacement
OPPORTUNITIES	Actions to utilise External Opportunities
Legislative prescriptions	Compliance
Open transparent administration	Incentive, enhance morale
Functions	Community development
Learnerships	Funding
External Funding opportunities	Explore funding windows & apply
Established Service Providers	Develop a data base of service providers
THREATS	Actions to neutralise the External Threats
More litigations	Information
	Professional recruitment and selection
Training not effective for purpose	Promote compliance
Better opportunities elsewhere	Audit accreditation
HIV and Aids	Implement a policy on HIV/Aids, Gender & Disability
Lack of Provincial & National Support	Engage the provincial & national sphere of government

1. INTRODUCTION

This chapter reflects the three-year financial plan for Matjhabeng Local Municipality as per the requirements of the Municipal Systems Act, 2000 and the Municipal Planning and Performance regulations, 2001.

The financial plan will include the capital and operating expenditure estimates for three years, a financial strategy in order to ensure sound financial management and the financial management policies of Matjhabeng Local Municipality. The aforementioned plan and strategies will contribute and ensure the achievement of financial viability.

2. CAPITAL AND OPERATING BUDGET ESTIMATES

2.1 Budget Assumptions

The key assumptions relating to the budget are as follows:

- CPIX of approximately 8%
- Increase in Sedibeng Water tariffs by 8%
- Increase in Eskom tariffs by approximately $\pm 25\%$
- Salary increase of 8.5%
- The present inflation rate at $\pm 6.10\%$
- Government grants for the 2009/2010 to 2011/2012 as per the Division of Revenue Act.

2.2 Operating Budget Estimates

The 2010/11 Operating budget of R1 011 458 014 has been divided into revenue and expenditure sections. The revenue consist of assessment rates, water, electricity, sanitation, refuse, grants and subsidies, interest and investment income and other revenue services such as rental of halls and hostels. The expenditure section includes items such as personnel costs, general expenses, repairs and maintenance, capital charges, contribution to reserves and contribution to capital.

Table 1 gives an indication of the Operating Budget estimates for the period 1 July 2009 to 30 June 2012.

TABLE 1: OPERATING BUDGET 1 JULY 2009 TO 30 JUNE 2012

	2009/2010 BUDGET	2010/2011 BUDGET	2011/2012 BUDGET
<u>Revenue Per Source (Billed amount)</u>			
Assessment Rates	172,801,286	186,625,389	201,555,420
Water	172,657,160	183,016,590	183,016,590
Electricity	345,824,976	432,281,220	484,154,966
Sanitation	94,451,967	98,230,046	106,088,449
Refuse Removal	53,100,330	55,224,343	59,642,291
Grants & Subsidies	279,867,000	349,775,000	236,978,950
Interest and Investment Income	70,518,946	70,518,946	37,725,467
Other income	32,796,290	32,796,290	76,160,462
Total Income as per billing	1,222,017,955	1,408,467,822	1,385,322,594
Less: Contribution to reserves (Bad Debts)	91,892,390	397,009,808	284,340,497
Total realistically anticipated revenue collected	1,130,125,565	1,011,458,014	1,100,982,097
<u>Expenditure Per Category</u>			
Salaries, wages and allowances	365,112,527	414,752,274	469,673,047
General expenses	173,858,436	104,916,864	108,700,458

	2009/2010 BUDGET	2010/2011 BUDGET	2011/2012 BUDGET
Electricity bulk purchases	209,942,300	183,731,274	231,366,224
Water bulk purchases	170,121,550	217,290,281	198,429,776
Repairs and maintenance	127,308,516	80,767,321	84,805,687
Interest and Capital redemption	28,782,236	7,500,000	7,500,000
Contribution to capital expenditure	55,000,000	2,500,000	506,905
Total Expenditure	1,130,125,565	1,011,458,014	1,100,982,097
(Surplus)/ Deficit	-	-	-

2.3 Capital Budget Estimates

The Capital budget is funded from several sources. All of the capital projects are funded from grants, such as the Municipal Infrastructure Grant and a grant from DWAF, as there is no funding available to do counter funding.

Table 2 gives an indication of the Capital Budget estimates for the period 1 July 2009 to 30 June 2012.

TABLE 2: CAPITAL BUDGET 1 JULY 2009 TO 30 JUNE 2012

	2009/2010 BUDGET	2010/2011 BUDGET	2011/2012 BUDGET
Own Funding			
Capital Replacement Reserve	55,000,000	0	0
Total	55,000,000	0	0
Grant Funding			
Municipal infrastructure grant	117,232,000	137,104,480	164,896,000
DWAF		10,000,000	
Total	117,232,000	147,104,480	164,896,000
Total funding	172,232,000	147,104,480	164,896,000

2.4 Total Budget Estimates for the period 1 July 2009 to 30 June 2012

The total budget for Matjhabeng municipality for the 2010/2011 financial year was R1, 158,562,494 of which the operating budget consist of 87% and the capital budget of 13%.

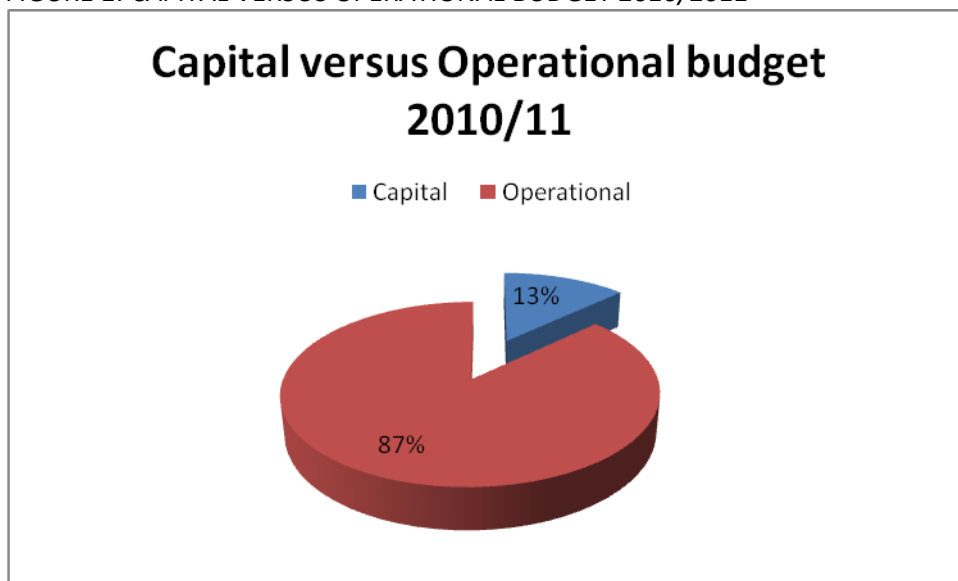
Table 3 gives an indication of the total budget estimates for the period 1 July 2009 to 30 June 2012

TABLE 3: TOTAL MUNICIPAL BUDGET (CAPITAL VERSUS OPERATIONAL)

	2009/2010 BUDGET	2010/2011 BUDGET	2011/2012 BUDGET
Operating Budget	1,222,017,955	1,011,458,014	1,100,982,097
Capital Budget	172,232,000	147,104,480	164,896,000
Total Budget	1,394,249,955	1,158,562,494	1,265,878,097

Figure 1 gives an indication of the Operating budget versus the Capital budget for the 2010/2011 financial year.

FIGURE 1: CAPITAL VERSUS OPERATIONAL BUDGET 2010/2011



2.5 Investments and External Loans

The Matjhabeng Local Municipality had investments totalling R13, 792,771 at the end of the 2008/2009 financial year.

The balance as at 30 June 2009 for external loans was R61, 458, 072 of which R29,838,417 was short term liabilities and R31,619,655 was long term liabilities.

Table 4 gives an indication of the debt management framework for the period 1 July 2009 to 30 June 2012.

TABLE 4: DEBT MANAGEMENT FRAMEWORK PERIOD 1 JULY 2009 TO 30 JUNE 2012

	2008/2009 ACTUAL	2009/2010 BUDGET	2010/2011 BUDGET	2011/2012 BUDGET
Opening balance	79,785,204	61,458,072	32,675,836	3,893,600
Less: Capital repayments for the year	18,327,132	28,782,236	28,782,236	3,893,600
Closing Balance	61,458,072	32,675,836	3,893,600	-

3. FINANCIAL STRATEGY

The revenue collection rate of the municipality varied between 55% - 65% for the past financial years and the municipality was also unable to obtain an unqualified audit report. The poor revenue collection rate has also strained the cash flow position of the municipality. The current ration of the municipality is presently at 0.3:1, which indicates that the current assets of the municipality are insufficient to cover its current liabilities. A current ratio in the excess of 2:1 is considered healthy.

The development and implementation will address all the aforementioned challenges faced by the municipality. It will ensure the achievement and complying with Operation Clean Audit, improved service delivery as well as a healthy cash and liquidity position of the municipality.

The following strategies have been identified and implemented to ensure the municipality achieve the objectives as stated earlier, financial viability and sustainability.

3.1.1 Revenue Strategy

- Financial Recovery Ten (10) Point Action Plan – see attached document
- Audit Query Action Plan – see attached document
- Review and implementation of the Credit Control and Debt Collection policy
- Review and implementation of the indigent policy

3.1.2 Asset Management Strategy

During the 2008/2009 financial year the municipality received a qualification on assets. The total assets as per the Statement of Financial Position for the year ended 30 June 2009 was:

Assets	
<u>Current assets</u>	
Inventories	7,035,933
Other financial assets	13,792,546
Trade and other receivables	2,934,161
Consumer debtors	123,658,976
Cash and cash equivalents	20,697,833
<u>Non-current assets</u>	
Property, plant and equipment	670,918,379
Other financial assets	225
Consumer debtors	6,774,822
Total assets	845,812,875

An asset management strategy was identified to address the aforementioned. The strategy will involve the identification and verification of all assets, capturing of all the assets onto an integrated asset management system, maintenance of the system and the production of an asset register which is GAMAP/ GRAP compliant. The service provider MIIB Business Technologies (Pty) Ltd has been appointed to ensure the implementation of the above before the end of the 2009/2010 financial year.

3.1.3 Financial Management Strategy

The following are more of the significant programmes identified to address the financial management strategy.

- Develop and implement budget as per legislative framework
- Review finance policies
- Review of finance structure
- Training and development of finance staff as well as the rest of the municipality
- Unqualified audit report

4. FINANCIAL POLICIES

Policy 1 – Budget Sustainability

Sustainability is considered a core value in setting organizational policy and establishing business practices in all area of public finance. Accordingly, it is recommended that Matjhabeng Municipality adopts the following actions:

A. Public Policy

- Incorporate a commitment to sustainability into mission and value statements.
- Develop organisational goals that reflect sustainability principles at the departmental levels
- Encourage policy development that supports the environmental sustainability of the Municipality.
- Implement policy encouraging or requiring the use of products certified as sustainable and/ or environmental friendly.
- Evaluate how the municipality tax structure affects its goals for a healthy economy, a healthy environment, and social fairness.
- Form partnerships with other government agencies and with the private and not-for- profit sectors that promote sustainability.

B. Budget and Management

- Develop budget processes that reflect sustainability goals and objectives, measure government performance in realising those goals and objectives, and benchmark such performance against comparable municipalities and/or accepted standards.
- Consider financing and capital planning processes that systematically identify future costs and allocate those costs equitably across generations. The use of life-cycle costing similar analytical tools is advised.

C. Sustainable Business Practices

- Implement purchasing practices that support the procurement of sustainable and recycled goods and services consistent with the municipality financial plans and resources.
- Promote the use of products certified by reputable third-party organizations.
- Develop sustainable principles and guidelines for facility and infrastructure development.
- Adopt policies that promote sustainable business practices in governmental operations, such as fleet management, building maintenance, and parks and green space.
- Implement practices and procedures that reduce waste, carbon dioxide emissions, and reliance on non-renewable resources; promote recycling and reuse; and minimize employee exposure to hazardous materials.
- Educate and inform employees of the importance of sustainable practices and offer suggestions they can employ in the workplace.
- Report on sustainable business practices and goals in annual reports, budget and other core communications
- Include sustainability in job descriptions and performance reviews.

Policy 2 - Financial Planning Policies

The development and adoption of Financial Policies form the framework for the preparation of Operating and Capital Budget that encompasses the board scope of governmental planning and decision-making with regard to the use of resources. The policies included are those considered fundamental to the budget process and the long term financial sustainability of Matjhabeng.

The municipality's adopted financial policies should be used to frame major policy initiatives and be summarized in the budget document. It is further recommended that these policies, along with any others that may be adopted, be reviewed during the budget process.

A. Balanced Budget

That Matjhabeng Municipality adopt the policy of commitment to a balanced operating and capital budget under normal circumstances, and provides for disclosure when a deviation from a balanced budget is planned or when it occurs.

B. Long-Range Planning

That the Matjhabeng Municipality adopt a policy(s) that supports a financial planning process that assesses the long-term financial implications of current and proposed operating and capital budgets.

C. Asset Management

That the Matjhabeng Municipality adopt a policy that assess the condition of all major capital assets and plan for ongoing financial commitments required to maximize the public's benefit and in accordance with GAMAP/GRAP.

D. Linkage of the IDP and Budget

That Matjhabeng Municipality adopt a policy whereby only projects identified in the IDP be included in the budget.

E. Separate Multi-year Capital Budget

That the Matjhabeng Municipality adopt a policy of preparing a 3 year capital budget that includes financing plans to ensure a balance Capital Budget.

F. Total Cost of Capital Projects

That the Matjhabeng Municipality adopt a policy whereby Council must consider the total cost covering all financial years until the project is operational and must consider the impact of future costs and revenues on the operational budget.

Policy 3 – Budget Policy

The adoption of the budget policy forms the framework upon which the revenues and expenditures of the Operating and Capital budgets are constructed. This framework ensures the budgets are compiled using realistic assumptions. They also ensure that the budget estimates are sustainable in future years.

A. Revenue Policies

That Matjhabeng Municipality adopt the policy of budgeting for revenue projections that can realistically be collected and are sustainable. Understanding the revenue stream is essential to prudent planning. At a minimum Matjhabeng should have policies that address:

- Revenue Diversification – that Matjhabeng adopt a policy that encourages a diversity of revenue sources in order to improve the ability to handle fluctuations in individual sources.
- Tariffs – that Matjhabeng adopt a policy that identify the manner in which tariffs are set and the extent to which they cover the cost of the service provided.
- Use of One-time Revenues – that Matjhabeng adopt a policy of discouraging the use of one-time revenues for ongoing expenditures and that all one time revenues are used to fund one-time expenditures.

- Use of unpredictable Revenues – that Matjhabeng adopt a policy where on the collection of major revenue sources it considers unpredictable, a corresponding allowance for non collection be included in the budget.
- Revenue Management – that Matjhabeng municipality adopt a policy that the approved credit control policy will be enforced to ensure high rate of collection of the revenues owing to the Municipality.

B. Expenditure Policies

The expenditures of the municipality define the ongoing public service commitment. Prudent expenditure planning and accountability will ensure fiscal stability. At a minimum Matjhabeng should have policies that address:

- Appropriation of funds for expenditure – that Matjhabeng adopt a policy by which it incurs only those expenditure that are approved in the budget and within the limits of the amounts appropriated for different votes in the approved budget.
- Debt Capacity, Issuance and Management – that Matjhabeng adopt a policy that specifies appropriate uses for debt and identifies the maximum amount of debt and debt services is no greater than 20% of Gross Operating Expenditure.
- Reserve or Stabilization Accounts – that Matjhabeng adopt a policy to maintain prudent level of financial resources to protect against the need to reduce service level or raise taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures.
- Operating/ Capital Expenditure Accountability – that Matjhabeng adopt a policy to compare actual expenditure to budget on a monthly basis and that staff, be required to recommend actions that will bring into balance, if necessary.
- Salary and Allowance costs – that Matjhabeng adopt a policy whereby the cost of salaries and allowances do not exceed 36% of gross operating costs.

C. Accounting Policies

A summary of the principal accounting policies adopted in the preparation of the annual financial statements is as follows:

1. Presentation of annual financial statements – the annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Principles (GRAP) and the Standards of Generally Accepted Municipal Account Practices (GAMAP) prescribed by the Minister of Finance in terms of Notice 991 and 992 of 2005.
2. Significant judgements and sources of estimation uncertainty – In preparing the annual financial statements, management is required to make estimates and assumption that effect the amounts presented in the annual financial statements and related disclosure.
3. Property, plant and equipment – the cost of an item of property, plant and equipment is recognized as an asset when it is probable that future economic benefits associated with the item will flow to the municipality and the cost of the item can be measured reliably.
4. Financial instruments – the municipality classifies financial assets and financial liabilities into the following categories:
 - Hel-to maturity investment
 - Loans and receivables
 - Available for sale financial assets
 - Financial liabilities measured at amortised cost
5. Leases – are classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental ownership.
6. Inventories – inventories are measured at the lower of cost and net realisable value.

7. Impairment of assets – the municipality assesses at each statement of financial position date whether there is any indication that an asset may be impaired. If any such exist, the municipality estimates the recoverable amount of the asset.
8. Employee benefits – the cost of short term employee benefits are recognized in the period in which the service is rendered and are not discounted.
9. Provisions – are recognized when the municipality has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the obligation.
10. Government grants – are recognized when there is reasonable assurance that the municipality will comply with the conditions attaching to them and the grants will be received.
11. Revenue - the accounting policies for revenue include:
 - Revenue from rates
 - Service charges
 - Fines
 - Rentals
 - Approved tariffs of charges
 - Interest on investments
 - Sale of goods
 - Interest on outstanding debtors
 - Donations and contributions
 - Recovery of unauthorized, irregular, fruitless and wasteful expenditure.
12. Turnover – comprises of sales to customers and services rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.
13. Investment Income – is recognized on a time-proportion basis using the effective interest method.
14. Borrowing cost – are recognized as an expense in the period in which they are incurred.
15. Comparative figures – where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.
16. Unauthorized expenditure – means overspending of a vote or a main division within a vote and expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.
17. Fruitless and wasteful expenditure – means expenditure which was made in vain and would have been avoided had reasonable care been exercised.
18. Irregular expenditure – as defined in section 1 of the PMFA is expenditure other than unauthorized expenditure incurred in contravention of or is not in accordance with the requirements of any applicable legislation.
19. Use of estimates – the preparation of annual financial statements in conformity with GRAP requires the use of certain critical accounting estimates.
20. Presentation of currency – the annual financial statements are presented in the South African Rand.
21. Offsetting – Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a standard of GAMAP, GRAP or GAAP.
22. Reserves
 - Capitalisation reserve
 - Government grant reserve
23. Conditional grants and receipts – revenue received from conditional grants, donations and funding are recognized as revenue to the extent that the municipality has complied with any criteria, conditions or obligation embodied in the agreement.

D. RATIO ANALYSIS/ BENCHMARKS

Table 5 details the financial ratios/benchmarks. The information is the actual position for the 2008/2009 financial year.

TABLE 5 – RATIOS/BENCHMARKS

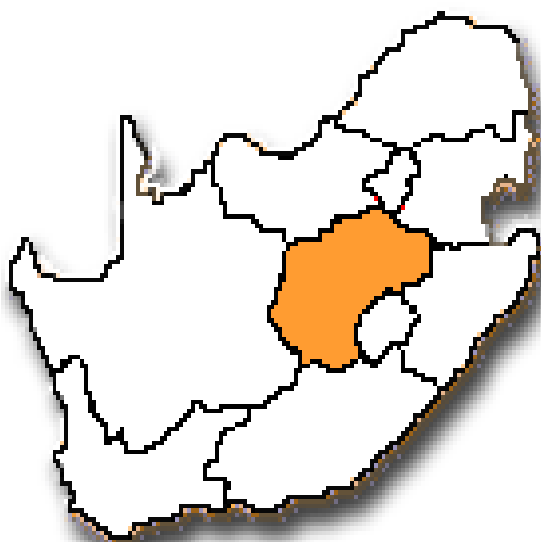
FINANCIAL BENCHMARKS	BASIS OF CALCULATION	2008/ 2009	2007/ 2008
Borrowing Management			
Debt to revenue	Total Debt/ Annual Income	46%	54%
Capital charges to operating expenditure	Interest & principal paid/ Operating expenditure	2.6%	2.3%
Revenue Management			
Annual debtors collection rate	Last 12 months receipts/ last 12 months billing	56%	66%
Outstanding debtors to revenue	Outstanding debtors(net)/ Ann rev(total inc)	46%	100%
Efficiency			
Personnel cost to operating expenditure	Personnel costs/ operating expenditure	28%	26%
Creditors Management			
Creditors days	Outstanding creditors/ credit purchases x 365	90	90

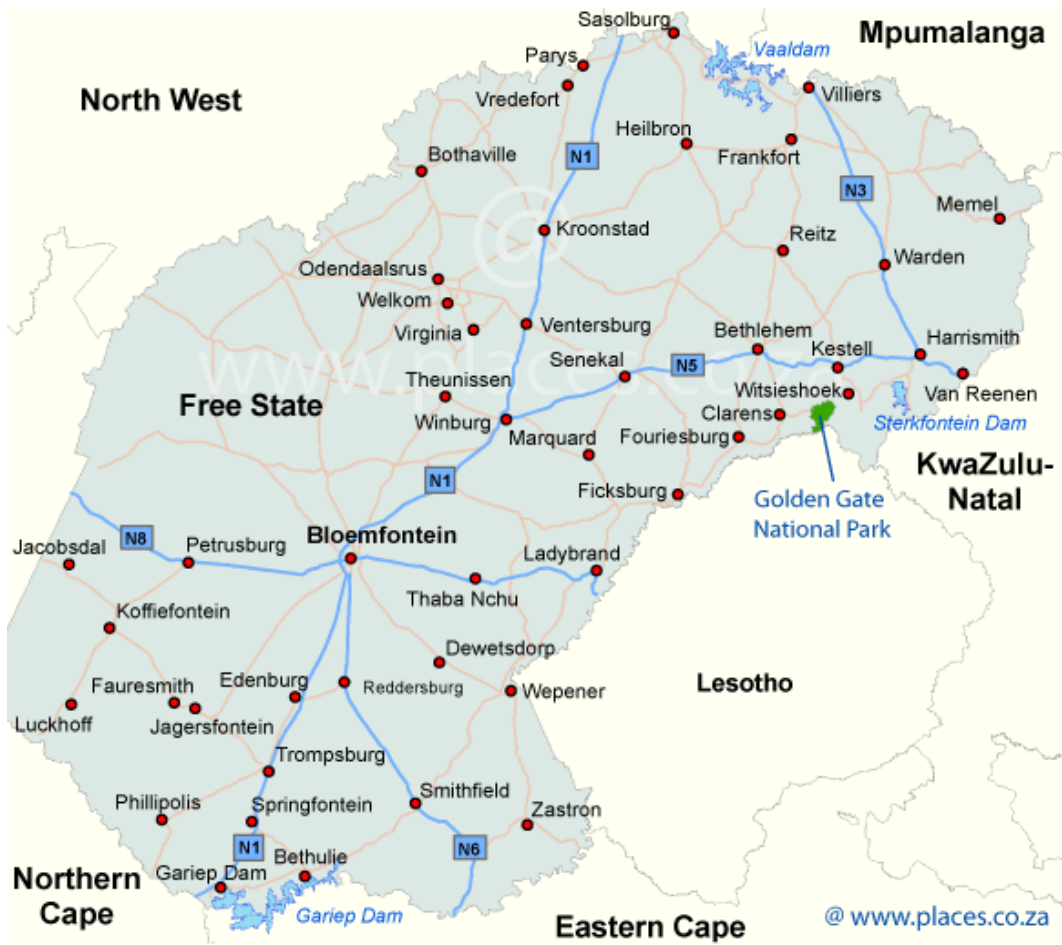
CHAPTER 7. SPATIAL DEVELOPMENT FRAMEWORK ANALYSIS

1. MATJHABENG IN SPATIAL CONTEXT

1.1 THE FREE STATE PROVINCE

The Free State Province is one of nine provinces in South Africa and is centrally located in terms of the geographic distribution of South Africa. The Free State represents 10.6% of the total land area of South Africa (Census 2001). The province covers an area of 129 464 km², and had a population of 2.7 million in 2001.





(Source: Free State Provincial Growth and Development Strategy; 2005 to 2014)



(Source: www.dining-out.co.za/images/FreeState.gif)

The Free State is divided into five [district municipalities](#) (districts). These are again subdivided into three to five local municipalities each, for a total of 20 local municipalities.

The five districts are:

- [Northern Free State](#) in the north
- [Thabo Mofutsanyane](#) in the east
- [Motheo](#) in the south-east
- [Xhariep](#) in the south
- [Lejweleputswa](#) in the north-west

The major towns include:

- [Bloemfontein](#) in [Motheo](#)
- [Bethlehem](#) in [Thabo Mofutsanyane](#)
- [Welkom](#) and [Sasolburg](#) in [Northern Free State](#)
- [Kroonstad](#) in [Lejweleputswa](#)

(Source: Retrieved from "http://en.wikipedia.org/wiki/Free_State")

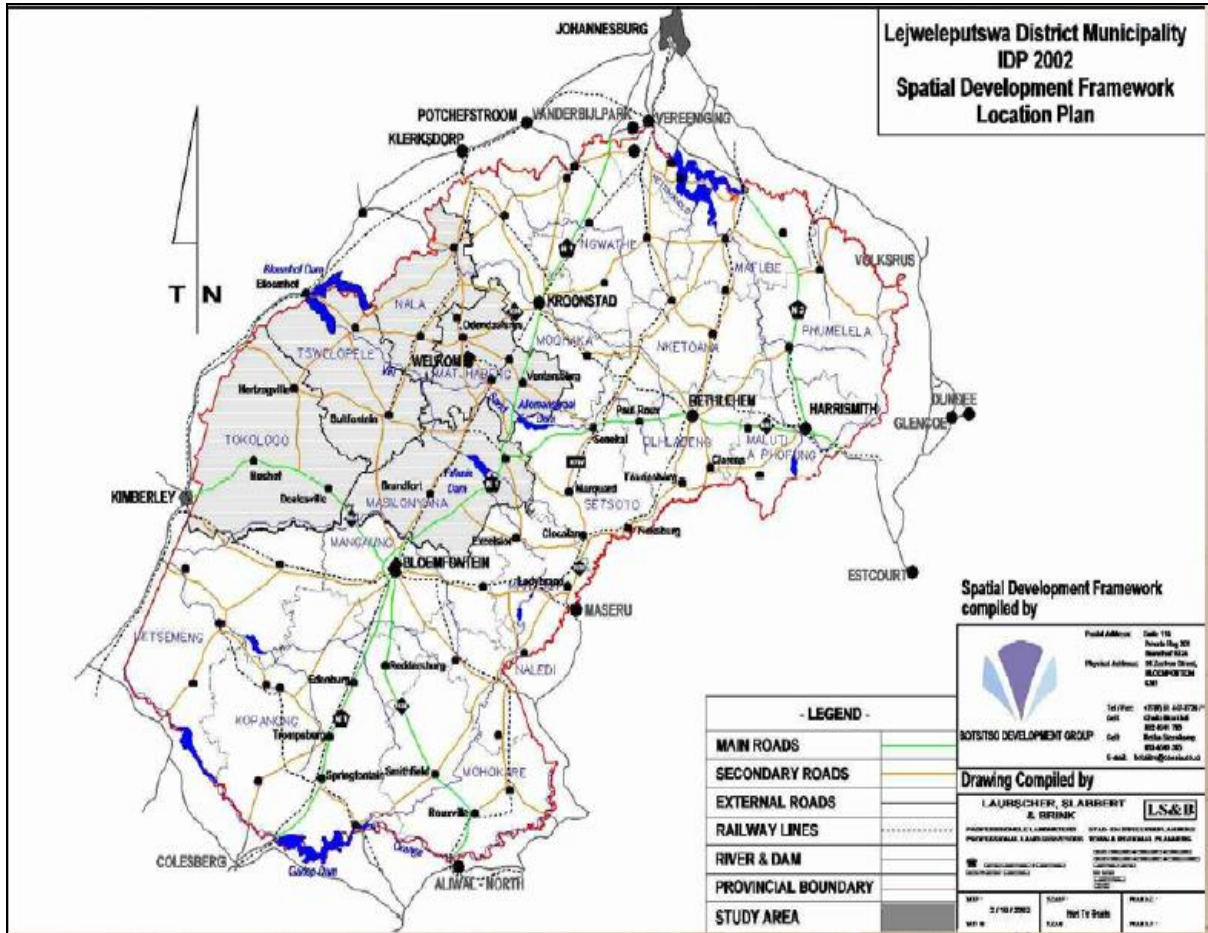
1.2 THE LEJWELEPUTSWA DISTRICT

Lejweleputswa District Municipality area of jurisdiction is situated in the north western part of the Free State and borders North West to the north; Northern Free State and Thabo Mofutsanyane to the north east and east; Motheo and Xhariep to the south; and the Northern Cape to the west (IDP Review, 2004/2005). The Lejweleputswa District, the Goldfields, is situated north of Mangaung Municipality in the Free State Province. It is accessible from Johannesburg, Cape Town, Klerksdorp and Kimberley (Lejweleputswa District Economic Development Strategy).

(Source: Lejweleputswa District Economic Development Strategy, p10)

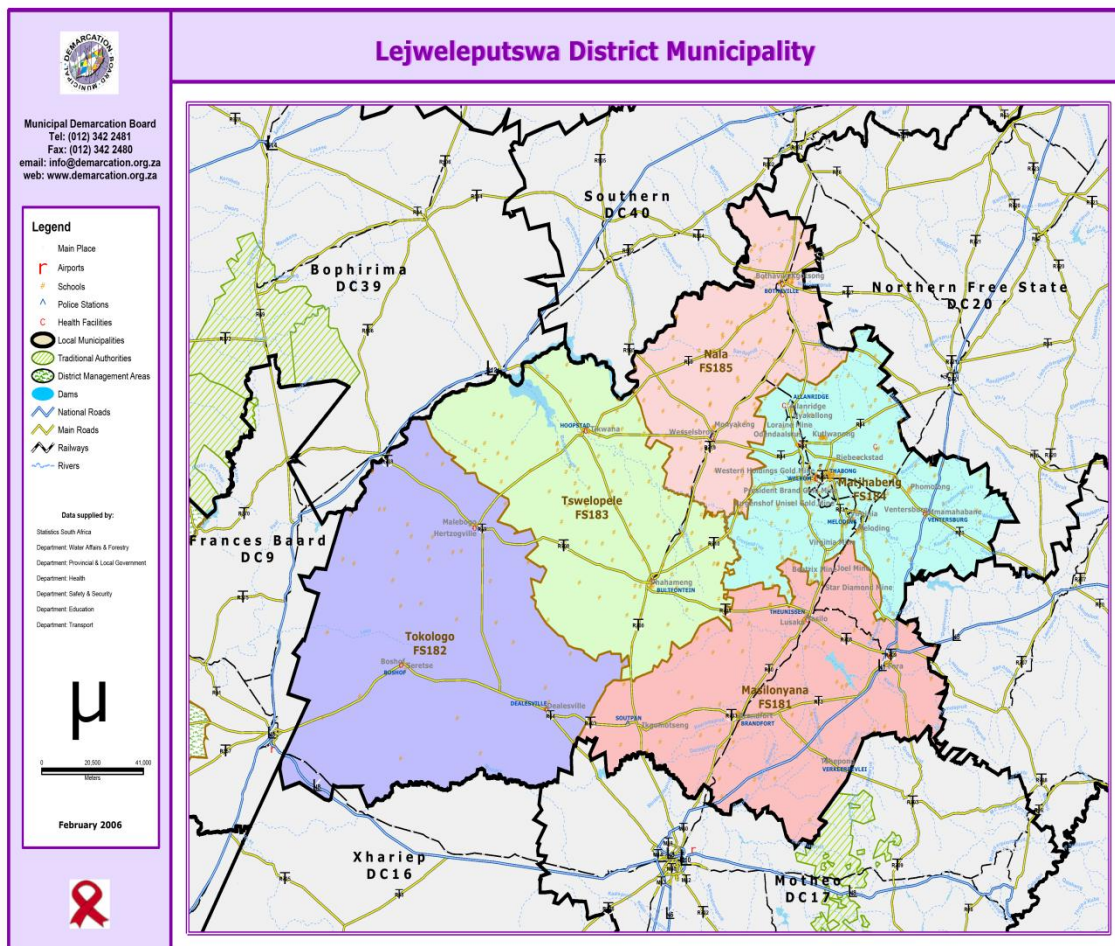
Lejweleputswa is surrounded by:

- [Southern](#) in [North West](#) to the north (DC40)
- [Northern Free State](#) to the north-east (DC20)
- [Thabo Mofutsanyane](#) to the south-east (DC19)
- [Motheo](#) to the south (DC17)
- [Xhariep](#) to the south-west (DC16)
- [Frances Baard](#) in [Northern Cape](#) to the west (DC9)
- [Bophirima](#) in [North West](#) to the north-west (DC39)



[Coordinates: 27°58'S, 26°44'E](#)

(Source: Draft Lejweleputswa GDS 2006, p6)



The district comprises the following 5 municipalities and covers an area of 31686 square kilometres:

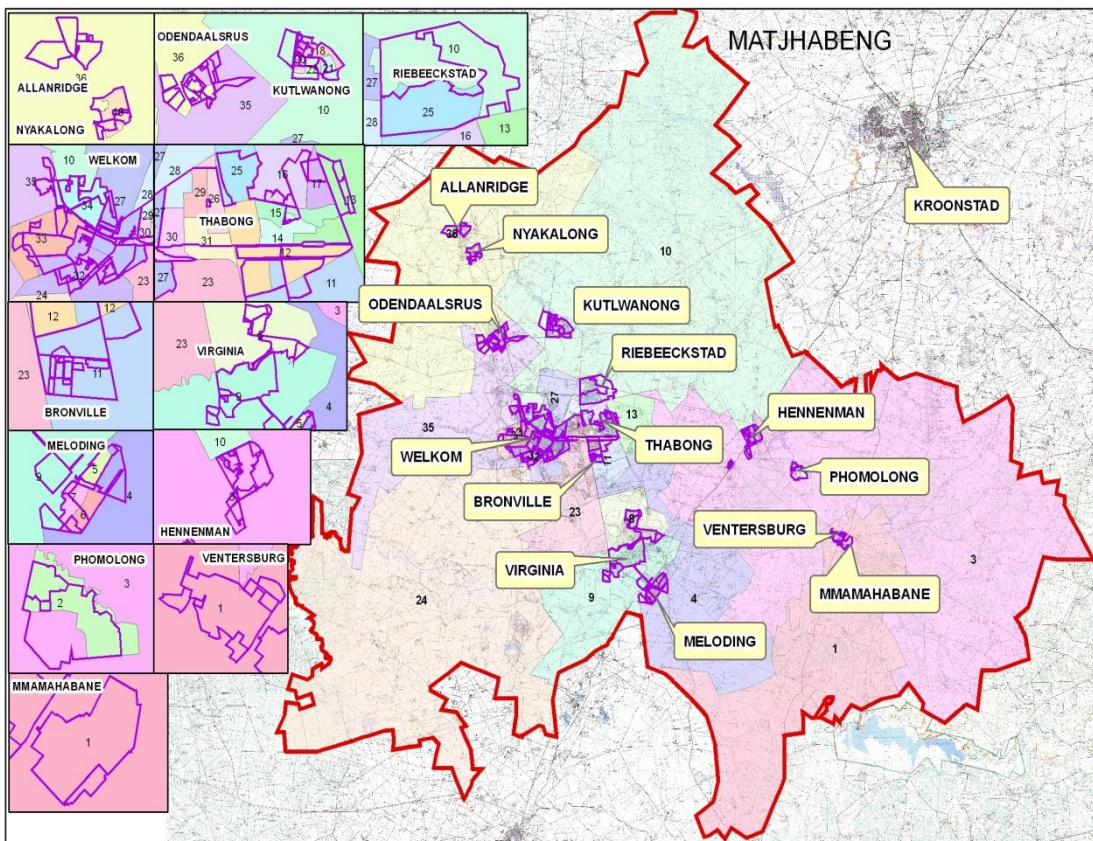
- Masilonyana Local Municipality consisting of the following towns: Theunissen, Brandfort, Winburg, Soutpan and Verkeedevlei
- Matjhabeng Local Municipality consisting of the following towns: Welkom, Virginia, Odendaalsrus, Hennenman, Ventersburg and Allanridge
- Nala Local Municipality consisting of the following towns: Bothaville and Wesselsbron
- Tokologo Local Municipality consisting of the following towns: Boshof, Dealesville and Hertzogville
- Tswelopele Local Municipality consisting of the following towns: Bultfontein and Hoopstad.

1.3 MATJHABENG MUNICIPAL AREA

The Matjhabeng Municipal area, previously known as the Free State Goldfields, consists of the following towns:

- Welkom/Thabong
- Allanridge/Nyakalong
- Odendaalsrus/Kutlwanong
- Hennenman/Phomelong
- Ventersburg/Mmamahbane
- Virginia/Meloding

The area is favourably located in the north-eastern Free State about 250 km south of Johannesburg and 160 km north of Bloemfontein. The nearest harbour is Durban approximately 565 km from Matjhabeng by road.



(Source: Matjhabeng Municipality)

2. THE LEGISLATIVE ENVIRONMENT FOR SPATIAL DEVELOPMENT

There are various legislative frameworks at national, provincial and local government level that influences spatial development. These include over arching legislation e.g. the Constitution to

more sector specific legislation e.g. the National Land and Transport Transition Act and National Environmental Management Act. In the context of this document the following are important:

2.1 Development Facilitation Act 67/1995

The Development Facilitation Act set the tone for subsequent legislation concerning land development. The principles set in Section 3 are:

3. (1) The following general principles apply, on the basis set out in section 2, to all land development:

(a) Policy, administrative practice and laws should provide for urban and rural land development and should facilitate the development of formal and informal, existing and new settlements.

(b) Policy, administrative practices and laws should discourage the illegal occupation of land, with due recognition of informal land development processes.

(c) Policy, administrative practice and laws should promote efficient and integrated land development in that they-

(i) *promote the integration of the social, economic, institutional and physical aspects of land development;*

(ii) promote integrated land development in rural and urban areas in support of each other;

(iii) promote the availability of residential and employment opportunities in close proximity to or integrated with each other;

(iv) optimise the use of existing resources including such resources relating to agriculture, land, minerals, bulk infrastructure, roads, transportation and social facilities;

(v) promote a diverse combination of land uses, also at the level of individual erven or subdivisions of land;

(vi) discourage the phenomenon of "urban sprawl" in urban areas and contribute to the development of more compact towns and cities;

(vii) contribute to the correction of the historically distorted spatial patterns of settlement in the Republic and to the optimum use of existing infrastructure in excess of current needs; and

(viii) encourage environmentally sustainable land development practices and processes.

- (d) Members of communities affected by land development should actively participate in the process of land development.
- (e) The skills and capacities of disadvantaged persons involved in land development should be developed.
- (f) Policy, administrative practice and laws should encourage and optimise the contributions of all sectors of the economy (government and non-government) to land development so as to maximise the Republic's capacity to undertake land development and to this end, and without derogating from the generality of this principle-
 - (i) national, provincial and local governments should strive clearly to define and make known the required functions and responsibilities of all sectors of the economy in relation to land development as well as the desired relationship between such sectors; and
 - (ii) a competent authority in national, provincial or local government responsible for the administration of any law relating to land development shall provide particulars of the identity of legislation administered by it, the posts and names of persons responsible for the administration of such legislation and the addresses and locality of the offices of such persons to any person who requires such information.
- (g) Laws, procedures and administrative practice relating to land development should-
 - (i) be clear and generally available to those likely to be affected thereby;
 - (ii) in addition to serving as regulatory measures, also provide guidance and information to those affected thereby;
 - (iii) be calculated to promote trust and acceptance on the part of those likely to be affected thereby; and
 - (iv) give further content to the fundamental rights set out in the Constitution.
- (h) Policy, administrative practice and laws should promote sustainable land development at the required scale in that they should-
 - (i) promote land development which is within the fiscal, institutional and administrative means of the Republic;
 - (ii) promote the establishment of viable communities;
 - (iii) promote sustained protection of the environment;
 - (iv) meet the basic needs of all citizens in an affordable way; and

- (v) ensure the safe utilisation of land by taking into consideration factors such as geological formations and hazardous undermined areas.
- (i) Policy, administrative practice and laws should promote speedy land development.
- (j) Each proposed land development area should be judged on its own merits and no particular use of land, such as residential, commercial, conservational, industrial, community facility, mining, agricultural or public use, should in advance or in general be regarded as being less important or desirable than any other use of land.
- (k) Land development should result in security of tenure, provide for the widest possible range of tenure alternatives, including individual and communal tenure, and in cases where land development takes the form of upgrading an existing settlement, not deprive beneficial occupiers of homes or land or, where it is necessary for land or homes occupied by them to be utilised for other purposes, their interests in such land or homes should be reasonably accommodated in some other manner.
- (l) A competent authority at national, provincial and local government level should co-ordinate the interests of the various sectors involved in or affected by land development so as to minimize conflicting demands on scarce resources.
- (m) Policy, administrative practice and laws relating to land development should stimulate the effective functioning of a land development market based on open competition between suppliers of goods and services.

2.2 Municipal Systems Act, 32/2000.

The Municipal Systems Act, (Act 32, 2000) obligates all municipalities to prepare an Integrated Development Plan (IDP) as the primary and overriding management tool.

As an integral component of the IDP the SDF must also adhere to the requirements of the Local Government: Municipal Planning and Performance Management Regulations, 2001.

The content of a Spatial Development Framework is spelled out in terms of the Local Government: Municipal Planning and Performance Management Regulations, 2001 (Government Notice 22605, 24 August 2001) which stated in regulation 2 (4) that:

2(4) A spatial development framework reflected in a municipality's Integrated Development Plan must

- (a) give effect to the principles contained in Chapter 1 of the Development Facilitation Act, 1995 (Act No. 67 of 1995);
- (b) set out objectives that reflect the desired spatial form of the municipality;
- (c) contain strategies and policies regarding the manner in which to achieve the objectives referred to in paragraph (b), which strategies and policies must-
 - (i) indicate desired patterns of land use within the municipality;
 - (ii) address the spatial reconstruction of the municipality; and
 - (iii) provide strategic guidance in respect of the location and nature of development within the municipality;
- (d) set out basic guidelines for a land use management system in the municipality;
- (e) set out a capital investment framework for the municipality's development programs;
- (f) contain a strategic assessment of the environmental impact of the spatial development framework;
- (g) identify programs and projects for the development of land within the municipality;
- (h) be aligned with the spatial development frameworks reflected in the integrated development plans of neighbouring municipalities; and
- (i) provide a visual representation of the desired spatial form of the municipality, which representation –
 - (i) must indicate where public and private land development and infrastructure investment should take place;
 - (ii) must indicate desired or undesired utilisation of space in a particular area;
 - (iii) may delineate the urban edge;
 - (iv) must identify areas where strategic intervention is required; and
 - (v) must indicate areas where priority spending is required.

2.3 Land Use Management Bill

The Land use management bill aims to normalise land use management through out the whole country by setting further principles in Section 4.

4. (1) The general principle is that spatial planning, land development and land use management must promote and enhance –
- (a) equality
 - (b) efficiency;
 - (c) integration;

(d) sustainability; and

(e) fair and good governance

Principle of equality

5. (1) Everyone affected by a decision or process on spatial planning, land development and land use management has the right -

(a) to be treated equally by the law;

(b) to equal protection and benefit of the law; and

(c) not to be unfairly discriminated against except as permitted in terms of the Constitution.

(2) No provision of this Act shall prevent the introduction or implementation of policies and other measures designed to protect or advance persons, or categories of persons, disadvantaged by unfair discrimination.

Principle of efficiency

6. Policies and other measures on spatial planning, land development and land use management must -

(a) ensure the best use of available resources;

(b) develop and promote compact human settlements and discourage low density urban sprawl; and

(c) secure proximity between residential and work places taking into account the health and well-being of affected persons.

Principle of integration

7. Policies and other measures on spatial planning, land development and land use management must -

(a) promote efficient, optimally functional and integrated settlement patterns;

(b) be functionally co-ordinated, aligned with, and take into account related policies and programmes, including transportation systems;

(c) promote integration of communities from diverse backgrounds, including race and class; and

(d) facilitate appropriate mixed land use.

Principle of sustainability

8. In order to ensure the sustainable management and use of the resources making up the natural and built environment, policies and other measures on spatial planning, land development and land use management must -

- (a) ensure that land is used or developed only in accordance with the law;
- (b) create synergy between economic, social and environmental concerns;
- (c) protect natural, environmental and cultural resources in a manner consistent with applicable environmental management legislation;
- (d) preserve the use of prime and unique agricultural land; and
- (e) take into account disaster management.

Principle of fair and good governance

9. (1) Policies and other measures on spatial planning, land development and land use management must be democratic, participatory and lawful.

(2) A process or decision on spatial planning, land development and land use management must -

- (a) be lawful, reasonable and procedurally fair;
- (b) comply with the right to just administrative action;
- (c) *take into account and promote the need of affected persons to understand its nature and effect;*
and
- (d) promote efficient administration, including -
 - (i) the provision of adequate notice of details of officials who may assist the public;
 - (ii) inviting affected persons to forums at which spatial planning, land development and land use management decisions are taken ; and
 - (iii) taking decisions within prescribed time-frames.

The Land Use Management Bill then further defines Spatial Development Frameworks on a National, Provincial, Regional and a Municipal level. Section 17 of the Land use management Bill states:

17. (1) The spatial development framework of a municipality must –

- (a) give effect to the directive principles;
- (b) be consistent with the national spatial development framework;
- (c) be consistent with the provincial spatial development framework of the province in which the municipality is located;
- (d) be consistent with any applicable national and provincial legislation on environmental management; and
- (e) give effect to any national and provincial plans and planning legislation.

(2) A municipal spatial development framework must reflect at least –

- (a) the current state of affairs report on land use in the municipality, including any spatial dysfunctionality that exists;
- (b) a conceptual framework of the desired spatial growth patterns in the municipality;
- (c) a multi-sector based spatial plan, at an appropriate scale, sufficiently formulated to achieve the desired spatial development goals, including -
 - (i) the correction of past spatial imbalances and the integration of disadvantaged persons;
 - (ii) linkage between settlement development and appropriate transport infrastructure and systems;
 - (iii) vacant land analysis of strategically located land comprising -
 - (aa) location and size;
 - (bb) ownership;
 - (cc) current zoning;
 - (dd) value;
 - (ee) surrounding land use;
 - (ff) geotechnical conditions; and
 - (gg) most suitable use (suitability index)
- (d) a multi-sector driven resource plan for implementation of the spatial development framework.

2. SPATIAL DEVELOPMENT STRUCTURE OF MATJHABENG

3.1 Current spatial structure

The current spatial development structure of Matjhabeng is depicted on the attached Map 1. In this regard the different land uses and all physical constraints on future development must be noted.

3.2 Current land uses in Matjhabeng

The following table depicts the current land uses in Matjhabeng:

TOWN	TOTAL AREA	BUSINESS	CEMETERY	EDUCATIONAL	GOVERNMENT	INDUSTRIAL	INSTITUTIONAL	PARKS	RESIDENTIAL
WELKOM									
WELKOM	9148	366		43	27	427	66	396	7821
NAUDEVILLE	1044	4		1	2		7	15	1015
RHEEDERPARK	1379	6		4			9	24	1336
FLAMINGO PARK	1634	4		6	3		7	50	1564
THABONG	29871	288	1	245		102	20	227	28986
BRONVILLE	2368	15		5	2	16	20	19	2291
RIEBEECKSTAD	5618	154		21	16	108	25	95	5191
SUBTOTAL	51062	837	1	325	50	653	154	826	48204
VIRGINIA									
VIRGINIA	6431	306	1	19	11	184	32	168	5710
MELODING	10774	100	4	80				62	10528
SUBTOTAL	17205	406	5	99	11	184	32	230	16238
HENNENMAN									

TOWN	TOTAL NUMBER	BUSINESS	CEMETERY	EDUCATIONAL	GOVERNMENT	INDUSTRIAL	INSTITUTIONAL	PARKS	RESIDENTIAL
HENNENMAN	1695	122	1	34	10	139	2	88	1299
HAVENGAVILLE	51	27				3	1	1	19
PHOMELONG	4983	29	2	48				33	4871
	117	2						8	107
DAGBREEK HOLDINGS	25								25
CONFIDO HOLDINGS	23								23
SUBTOTAL	6895	180	3	82	10	142	3	130	6345
VENTERSBURG									
VENTERSBURG	658	65		9	5	35	7	5	532
MMAMAHABANE	1875	18	1	10	1	5		15	1825
TSWELANGPELE	636	6	2	15				5	608
SUBTOTAL	3169	89	3	34	6	40	7	25	2965
ALLANRIDGE									
ALLANRIDGE	1627	27	1	18	5	9		64	1503
NYAKALLONG	4114	21	1	41				24	4027
SUBTOTAL	5741	48	2	59	5	9		88	5530
ODENDAALSRUS									
ODENDAALSRUS	3511	211	2	18	27	82	26	90	3055
KUTLWANONG	12296	116	1	117				90	11971
SUBTOTAL	15807	327	3	135	27	82	26	180	15026
TOTAL	99879	1887	17	734	109	1110	222	1479	94308

4. THE MATJHABENG SPATIAL DEVELOPMENT FRAMEWORK PLAN

4.1 THE SPATIAL DEVELOPMENT FRAMEWORK

The Spatial Development Framework is a multi-year plan that shows general future spatial direction aiming at the creation of integrated and habitable cities, towns and rural areas. From a town planning perspective this plan should direct and arrange the development activities and the built form in such a way that it can accommodate ideas and desires of people without compromising the natural environment and the way services are rendered.

4.2 CURRENT STATUS

The compilation of the Spatial Development Framework for Matjhabeng is in progress and will be completed in phases in order to comply with the applicable legislative requirements. The plan will be completed as follows:

Phase 1 is an analyses phase. During this phase data is collected both cadastral and physical. From this information a base map is compiled indicating: (See Map 1):

- Status quo information.
- Development constraints and restrictions.
- Existing spatial trends.
- Available land on account of it's strategic location, ownership, current use, physical conditions etc.

Phase 2 is a strategic phase where the following is proposed: (Municipal Policy)

1. -
The identification of areas for the conservation of the natural and build environment, including environmentally sensitive areas, river corridors, areas of biodiversity or with unique ecological processes, heritage resources, high potential agricultural land etc.
- The identification of areas of future growth and development, that includes the development of the necessary urban development policies to address:

- a) The desired spatial structure, as well as patterns and directions of future growth.
- b) The desired land-uses for each area, as well as areas where certain land-uses should be encouraged or discouraged, or the intensity of certain uses be increased or decreased.
- c) Development corridors and development nodes.
- d) Transport routes to facilitate future traffic demands and mobility requirements.
- e) Areas where infrastructural investment is required.
- f) The spatial reconstruction of the Municipal area and the correction of past imbalances and integration.
- g) Proposed areas for noxious activities, social services, cemeteries, waste disposal and the like.
- h) The spatial implications of HIV/AIDS, for example the positioning of future clinics and care centres for orphans.
- i) The spatial findings of the strategic environmental assessment.
- j) The location of IDP projects and strategies.

Phase 3 is the detail phase. This phase must be done if and when specific circumstances demand further investigation and more detailed interventions in a specific area. The terms of reference of this phase shall only become clear as the SDF process unfolds. This phase comprises the following actions:

- A detail assessment of priority and unique areas, and areas that require a higher level of management.
- Compilation of detail RSDP's (Regional Spatial Development Plans) for these areas.
- The establishment of regional policies in line with the parent policy.

The Public Participation Process is critical in order to establish legitimacy and the "buy-in" of all stakeholders into the Spatial Development Framework. The deliverables of the process shall be the creation of the Spatial Development Framework document consisting of maps and policies encompassing:

- Spatial development plan – (on a strategic level).
- Urban development boundary and policies.
- Transportation and movement policy.
- Nodal development policy.
- Environmental policy.
- Corridor development policy.

- Sustainable neighbourhood policy for inter alia previously disadvantaged communities.
- Land use management policy.

4.3 GENERAL DIRECTION, PRINCIPLES AND NORMS ADOPTED

During the Integrated Development Planning process the principles and Plan of the Free State Goldfields Structure Plan Phase One was adopted. In order to direct development the following objectives must guide the Spatial Development Framework: efficiency, sustainability and accessibility. To further enhance the development and implementation of the Spatial Development Framework the following underlying principles are as important when developing and applying the Spatial Development Framework: integration, equality and good governance.

The general principles and norms in relation to the spatial development of Matjhabeng as discussed in this section are depicted in the attached Map 2 and Map 3:

4.3.1 Spatial Development Trends

- The physical integration of Matjhabeng into one Town is at present restricted due to the physical distance between the towns as well as mining activities forming physical restrictions. (Ventersburg Virginia 20Km, Allanridge Odendaalsrus 15 Km, Hennenman Welkom 25 Km etc.)
- The integration of existing towns should optimally utilise existing infrastructure and increase the density of established towns.
- Where a new development extends the present town limits, it must form a homogeneous extension of the town.
- Integration between Ventersburg and Mmamahabane is almost complete and further development direction should be given in the Matjhabeng Structure Plan.
- Integration between Hennenman and Phomolong should be pursued but will be difficult due to some physical restrictions like a spruit, sewerage works and a dumping site.
- Virginia and Meloding can to some extent be integrated via a southern link over the farm Schoonheid. The Land use plan for Mining Land would assist in clarifying this and other opportunities for integration.
- Allanridge and Nyakallong also have physical restrictions of a pan, a sewerage works and a major provincial road separating them, but the Matjhabeng Structure Plan should give clear direction.

- Bronville Thabong Riebeeckstad Kutlwanong Odendaalsrus and Welkom can be integrated over the longer term and should develop in line with the proposals of the Goldfields Structure Plan Phase 1.

4.3.2 Localised General Spatial Development Principles

The following aspects are key to the future spatial development of Matjhabeng:

- Optimal utilisation of natural and infrastructural resources, and integrated planning principles should drive all development.
- Effective and efficient procedures and processes for applications and consents should be pursued to facilitate development initiatives.
- Future trends with a spatial impact, for example HIV/AIDS, needs to be carefully monitored and planning should take place accordingly in a pro-active and holistic manner.
- The core areas of the Goldfields including Welkom/Thabong, Odendaalsrus/Kutlwanong, and Virginia/Meloding should be encouraged to develop as a compact integrated sub-region.
- Development in towns must be channelled to develop towards each other as indicated by the Goldfields Guide Plan.
- Defunct or undeveloped mining land including infrastructure should be reclaimed for urban functions to create the ideal compact sub-regional urban structure.
- The location of residential and employment opportunities should be in close proximity to or integrated with each other.
- The densification of urban uses to optimise civil engineering services, opportunities and facilities.

4.3.2.1 Land development for residential purposes will be guided by the following principles:

- All open land in the different urban areas previously earmarked for residential development should be developed as a first priority.
- All defunct or undeveloped mining land and open spaces between urban areas should be developed as a second priority or simultaneously with developments highlighted as a first priority.
- The existence of well established residential areas with high land values should be protected against urban decay. Transitional zones between low and high residential income areas can

be planned to assume the projection of well established residential areas. These transitional zones must be planned to the satisfaction of the Municipality and these zones can include any land use providing for the desirable transition.

- Areas indicated for residential development should make provision for the different income levels of the population and different tenure options should be made available.
- The minimum size of a residential stand shall be 500m² in any new residential layout.
- Mining hostels in the past offer housing to mainly heads of households and could be utilised for high density family based residential development and or education facilities, community facilities, commercial hive development on ground floor with residential development on top floors.
- Private hostels should be upgraded to high-density family or single dweller units and ownership of land should be promoted.

4.3.2.2 Defunct or undeveloped mining areas

It is further important to realise that mining land is to be released in terms of the Minerals Act, Act 50/1991 as amended before mining land could be used for urban purposes.

Land development of defunct or undeveloped mining areas, when needed for urban development (rehabilitation through urban development), should be guided by the following:

(i) Land uses

(a) Residential

Detail studies concerning the feasibility to convert hostel buildings to high density units, education facilities, community facilities or commercial hives at ground level with residential development on top level should, be carried out before any decision regarding the utilisation of land is taken.

Existing mining villages and open areas around these villages should be planned to form balanced township extensions.

(b) Shaft areas and reduction plants

Defunct shaft areas should be utilised for non-noxious industrial and commercial land uses and should be planned as a unit to surrounding neighbourhoods.

(c) Rock and refuse dumps

Rock and refuse dumps in the area should be rehabilitated and township development can only proceed when dumps are removed.

(d) Existing industrial areas

Existing industrial areas should be incorporated into any future detail town planning as industrial areas.

(e) Explosive magazines

Defunct explosive magazines should be rehabilitated when development is considered. Note must be taken regarding the limitations for residential development when explosive magazines are still in operation.

(f) Concession stores, mining offices and security training areas

Concession stores should be incorporated as local business areas in proposed development areas.

Mining offices should be used as office/park - commercial/park facilities and the high quality of gardening should be continued to enhance the tranquillity of the area.

Existing security training areas should be used as community facilities for example a school, orphanage, old age home, etc.

(g) Sports facilities

Existing mining sport facilities should be re-utilised in future urban developments as sport zones. Adjacent hostels to these facilities should be converted for indoor sport such as karate, wrestling, boxing, etc.

(h) Mine water canals

Mine water canals still in operation when township development proceeds in earmarked mining areas should be incorporated and safeguarded in respect to pollution and health within the guidelines of the National Department of Health, Department of Water Affairs and Forestry and Department of Environmental Affairs.

(i) Excavation areas

These areas need to be rehabilitated before or during urban development processes.

(j) Existing mining road networks

These roads are assets and should be incorporated in future development plans as internal/external linkages.

(k) Railway network systems

If development in a mining area proceeds, investigations should be done to establish the feasibility of re-using existing railway lines for alternative uses such as industrial, commercial or rail based transportation systems.

(l) Slimes dam

Due to radiation levels no slimes dams can be re-used for urban development purposes.

(m) Trees

Existing plantations should be incorporated into any development plans.

(ii) Infrastructure

- Mining services:

Future development teams should liaise closely with mining officials in order to determine which mining services can be removed or should be accommodated in development plan proposals.

- Civil engineering:

Before development can proceed on undeveloped/defunct mining land the following investigations must be done:

- the capacities of bulk services supply to development areas should be determined.
- existing sewerage and water reticulation networks, which may be utilised in developments, should be evaluated for compliance with municipal requirements.

- the general conditions of existing roads should be verified to determine whether these roads comply with geometric standards and municipal requirements.
- (iii) Environmental issues

It is important that mining houses clarify environmental restrictions such as radiation, acid mine drainage, subterranean water quality, general contamination and geotechnical restrictions before land is to be developed for urban land usage.

4.3.2.3 Business

(i) The retail component

- The Central Business District of Welkom should maintain its dominant status as first order business centre in Matjhabeng. Decentralised suburban business areas should be planned and managed on a co-ordinated basis taking the existence of other areas into account.
- In Welkom rezoning along Stateway, between the CBD and the industrial area, should be allowed subject to the conditions as proposed by the Matjhabeng municipality.
- Business areas in the municipal Area are planned in a hierarchical pattern. Future development of business areas should accommodate these planned areas and these hierarchical settlement patterns of business should be extended. The retail hierarchy as proposed in Table 15 should be applied in a flexible manner to identify retail opportunities for the Municipal area.

(ii) Mixed land use nodes

- Certain areas in the Matjhabeng should be earmarked as mixed land use nodes to encourage developers to make investments in these areas that in turn will create work opportunities that are greatly needed to the Matjhabeng area.

4.3.2.4 The Industrial component

(i) Industries

- Approximately 446 ha additional land will be needed by the year 2010. The following areas are proposed as industrial areas to make up the need:
 - Hennenman Industrial Area

- the portion of land to the east of the market (about 7 ha)
- the land to the south and south-east of Voorspoed-Oos Extension 12 industrial areas (about 460 ha).
- the land between Arrarat Street, Alma Drive and Western Holdings shaft for light industries, commercial development and industrial parks (about 86 ha).
- The following areas could be used for industrial development. These areas include mining land that could become defunct in the next 15 years and are as follows:
 - ✚ mining land at Western Holdings 5 shaft: approximately 160 ha
 - ✚ mining land at Western Holdings 8 shaft: approximately 200 ha
 - ✚ mining land at Western Holdings 1 shaft: approximately 168 ha
 - ✚ mining land at Western Holdings 2 shaft: approximately 68 ha

(ii) Light industrial and commercial corridor

- The existing corridor of mixed land uses along Provincial Road (P1/2) between Welkom and Odendaalsrus as a given situation should be supported and extended to accommodate different zones of land uses including mining, residential, commercial, recreation areas, etc.

(iii) Heavy industries

- Heavy industries that are classified as noxious industries in terms of noise, smoke or other pollution activities should be encouraged to settle at locations south of Welkom and towards Virginia. Since no residential areas can be developed here due to constraints associated with mining activities. Noxious industries should have the lowest impact on the environment in this area.

4.3.2.5 Education and community facilities

(i) Primary and Secondary Education

- The existing standards prescribed by the National Department of Education will be used during future developments to determine the number of education facilities required. These

school sites will be located according to population distribution, road network and the availability of existing buildings or suitable land.

- Land not needed by the Education Department should revert back to the municipality to utilize for other purposes.

(ii) Tertiary education

- Tertiary Education is currently only located in Welkom. Open land to the north of the existing tertiary education component should be reserved for future extensions or additional facilities.
- Detail studies concerning the feasibility to convert defunct mining infrastructure (buildings) to education facilities should be done especially in areas reserved as mixed land use nodes.

(iii) Community facilities

- Community facilities comprise a whole range of facilities from crèches, libraries and community halls to churches. Land for Community facilities are provided according to the norms and standards of the Provincial Government. The development of the facilities itself is governed by the need and the availability of funds and institutions.

4.3.2.6 Open space

(i) Informal

- An integrated network of open spaces should be designed to link natural areas and community facilities with residential areas. This is particularly important in low income areas where pedestrian movement is high due to lower vehicle ownership levels.

- Existing drainage areas, lake areas, exotic and indigenous plantations as well as Thorn veld areas should form part of the network of open spaces and retention facilities should be planned in advance in these areas to prevent storm water hazards.
- An Open Space Master Plan should be compiled to determine the future use of all open spaces.

(ii) Formal

- Community recreation parks should be identified in future developments. One community recreation area per population of 60 000 should be provided to serve local recreational needs.
- Multi-purpose neighbourhood parks, mini parks and space for aesthetic parks should be provided according to needs at a local level when development plans are prepared.

4.3.2.7 Urban agriculture

- The principle of urban agriculture as an urban land use is accepted and the proposals are as such that continuity of normal urban development will not be disrupted. There is a need for agricultural holdings / small farms with a size of 1-25 ha to provide for a range of needs in the community.

4.3.2.8 Public Transport

- The areas planned for Taxi ranks must be developed since these locations have been planned to serve as major assemble nodes on a macro basis. At a micro level provision must further be made for taxis at the different decentralised suburban business nodes.
- The South African Rail Commuter Corporation Limited identified a future rail corridor in concept between Welkom and Virginia. This corporation was also involved in this Structure Planning process that resulted in the conceptual identification of a future rail based public corridor located between Odendaalsrus and Welkom. The conceptual location of this corridor is indicated on the Spatial Development Framework Plan. The location of this corridor is not fixed and further investigations by the South African Rail Commuter

Corporation Limited should be done to determine feasibilities and exact location of such a commuter system.

4.3.2.9 Cemeteries

- The existing cemeteries at Allanridge, Nyakallong, Welkom, Thabong, Odendaalsrus, Kutlwanong, Bronville, Hennenman and Phomolong are sufficient for this IDP period to satisfy growing needs. Ventersburg, Mmamahabane is in the process of addressing the need.

4.3.2.10 Refuse areas and waste disposal

- The refuse areas currently serving Welkom, Thabong, Bronville and Odendaalsrus are sufficient to serve needs for the IDP period. Special attention should be given to the introduction of refuse transfer stations. Investigations should further be done to utilise defunct mining areas for example slimes dams for purposes of refuse areas or waste disposal sites. Due to radiation levels defunct slimes dam areas are restricted for urban development.

5. LAND USE MANAGEMENT PLAN FOR MATJHABENG

The Land Use Management Plan ensures that all land and properties in Matjhabeng are used only according to their permitted land-use or zoning rights. It considers applications for new developments by property owners and developers to change permitted land uses, zoning rights and their accompanying restrictions, which are in turn specified in a zoning scheme. This responsibility is exercised in line with the City's commitment to sustainable and equitable development.

Typical land-use or zoning categories in a zoning scheme include:

- Residential zones (e.g. single residential dwellings, group housing schemes or blocks of flats)
- Open space zones (e.g. public open spaces, parks, sports fields, cemeteries or private open spaces)
- Business commercial zones (e.g. shops or office blocks)
- Community use facility zones (e.g. schools, clinics or places of worship)

- Industrial zones (e.g. factories, motor repair garages or warehouses)
- Utility zones (e.g. electricity substations or water treatment plants)
- Transport zones (e.g. public roads, railway lines and public transport interchanges)

In addition to the spatial development frameworks and structure plans, zoning schemes and related regulations and policies are primary tools for land-use and development management.

The new uniform Land Use Management Plan for Matjhabeng will be approved shortly and thus replace the existing land use management guidelines for the different units in Matjhabeng.

1. Introduction

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

In line with the said legal requirement this framework is a policy document that will set out the requirements that the Matjhabeng Municipality's PMS will need to fulfill, the principles that informed its development and subsequent implementation, the preferred performance model of the Municipality, the process by which the system will work, the delegation of responsibilities for different roles in the process and a plan for the implementation of the system.

2. The legislative framework for performance management

The legislative and policy framework for PMS includes the Constitution, The Municipal Systems Act, the Municipal Finance Management Act, Municipal Planning and Performance Management Regulations, The White Paper on Local Government and Batho Pele principles. The main regulatory mechanism for PMS is Chapter 6 of the MSA and the related Municipal Planning and Performance Management Regulations.

The major PMS policy instruments is the 1998 White Paper on Local Government supported by the Batho Pele principles, which policies was given legal stature through the adoption of the Municipal Systems Act in 2000 (Act 32 of 2000). The said Act requires all municipalities to:

- Develop a performance management system
- Set targets and monitor and review the performance of the Municipality based on indicators linked to their Integrated Development Plan (IDP)
- Table and publish an annual performance report on performance of the Municipality forming part of its annual report as per the Municipal Finance Management Act (MFMA).
- Incorporate and report on a set of general (sometimes also referred to as national) indicators prescribed by the Minister responsible for local government

- Conduct, on a continuous basis, an internal audit of all performance measures
- Have their annual performance report audited by the Auditor-General
- Involve the community in setting indicators and targets and reviewing municipal performance

These are some of the main elements and requirements of the legislative requirements for the development and implementation of a performance management system for municipalities. For the ease of reference and for the benefit of a comprehensive Matjhabeng Municipality Performance Management System Framework, more detailed legislative and policy guidelines and requirements are included in the framework.

The White Paper on Local Government (1998)

The White Paper on Local Government (1998) suggested that local government should introduce the idea of *performance management systems*. The White Paper noted that,

"Involving communities in developing some municipal key performance indicators increases the accountability of the municipality. Some communities may prioritise the amount of time it takes a municipality to answer a query; others will prioritise the cleanliness of an area or the provision of water to a certain number of households. Whatever the priorities, by involving communities in setting key performance indicators and reporting back to communities on performance, accountability is increased, and public trust in the local government system enhanced" (The White Paper on Local Government, 1998).

Batho Pele (1998)

Similarly, the White Paper on Transforming Public Service Delivery (Batho Pele) puts forward eight principles for good public service:

Consultation:

Citizens should be consulted about the level and quality of public service they receive, and, where possible, should be given a choice about the services which are provided.

Service standards:

Citizens should know what standard of service to expect.

Access:

All citizens should have equal access to the services to which they are entitled.

Courtesy:

Citizens should be treated with courtesy and consideration

Information:

Citizens should be given full and accurate information about the public services they are entitled to receive.

Openness and transparency:

Citizens should know how departments are run, how resources are spent, and who is in charge of particular services.

Redress:

If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made citizens should receive a sympathetic, positive response.

Value-for-money:

Public services should be provided economically and efficiently in order to give citizens the best possible value-for-money.

"Importantly, the Batho Pele White Paper notes that the development of a service-oriented culture requires the active participation of the wider community. Municipalities need constant feedback from service-users if they are to improve their operations. Local partners can be mobilised to assist in building a service culture. For example, local businesses or non-governmental organisations may assist with funding a helpline, providing information about specific services, identifying service gaps or conducting a customer survey" - The White Paper on Local Government (1998).

The Municipal Systems Act (2000)

The principle requirements of the Municipal Systems Act have already been highlighted. To provide further insights into the requirements of the Act, the different sections of Chapter 6 (**Annexure A**) of the MSA will be summarized:

- ☑ **Section 38:** Requires municipalities to establish a Performance Management System, promote a performance management culture and administer its affairs in an economical, effective, efficient and accountable manner.
- ☑ **Section 39:** Gives Executive Mayor the responsibility for managing the development of a Performance Management System, as well as powers of delegation of responsibilities and the responsibility of submitting the PMS to Council.
- ☑ **Section 40:** Places responsibility on the municipality for the monitoring and review of its PMS.
- ☑ **Section 41:** Outlines the core components to be included in the PMS of the municipality, and refers to KPI's, targets, measurement mechanisms, steps for improvement and the reporting processes.
- ☑ **Section 42:** Requires the municipality to establish mechanisms and procedures for community involvement in the process, in terms of Chapter 4 of the MSA.
- ☑ **Section 43:** Allows the minister to establish general KPI's which must be included in the KPI's of municipalities, to the extent that these general KPI's are relevant to the municipality.

- ☑ **Section 44:** Requires the municipality to notify stakeholders internally and the general public of its KPI's and targets.
- ☑ **Section 45:** Requires the municipality to conduct an internal audit of its performance as well as an audit by the auditor general.
- ☑ **Section 46:** Requires the municipality to prepare an annual performance report.
- ☑ **Section 47:** Requires MEC to compile an annual performance report for the municipalities within the province
- ☑ **Section 48:** The Minister has to compile an annual report and submit it to parliament, in terms of the performance of the municipalities in relation to general KPI's
- ☑ **Section 49:** Allows the Minister to make regulations or issue guidelines for the purpose of Chapter 6 of the MSA

Municipal Planning and Performance Management Regulations (2001)

The Minister responsible for local government published the Municipal Planning and Performance Management Regulations (2001) in terms of the Municipal Systems Act (Section 49) setting out in detail the requirements for a municipal PMS. The Regulations also contain the general indicators prescribed by the Minister responsible for local government and have been attached as **Annexure B**.

Although not a legislative or policy requirement, the Department of Provincial and Local Government's Performance Management Guide for Municipalities (available at www.pimss.net) and the KwaZulu-Natal Best Practice Guide for Organisational Performance Management (available at <http://devplan.kzntl.gov.za>) provides relevant guidelines for the preparation and implementation of Performance Management Systems. The detailed programme will to a great extent be based on these Guides, linked in with the relevant legislative requirements.

2.5 Municipal Finance Management Act (2004)

It is also important to note that the Municipal Finance Management Act (MFMA) contains various important provisions related to municipal performance management. It requires municipalities to annually adopt a Service Delivery and Budget Implementation Plan (SDBIP) with service delivery targets and performance indicators. Whilst considering and approving the annual budget the Municipality must also set measurable performance targets for each revenue source and vote. The Municipality must lastly compile an annual report, which must include a performance report compiled in terms of the Systems Act. In terms of a circular issued by National Treasury provision is also made for the compilation on an annual basis of departmental SDBIPs.

3. Performance management and measures at various levels

Performance management can be applied to various levels within any organisation. The legislative framework as set out above provides for performance management at various levels in the municipality including strategic (sometimes also referred to as municipal, organisational or

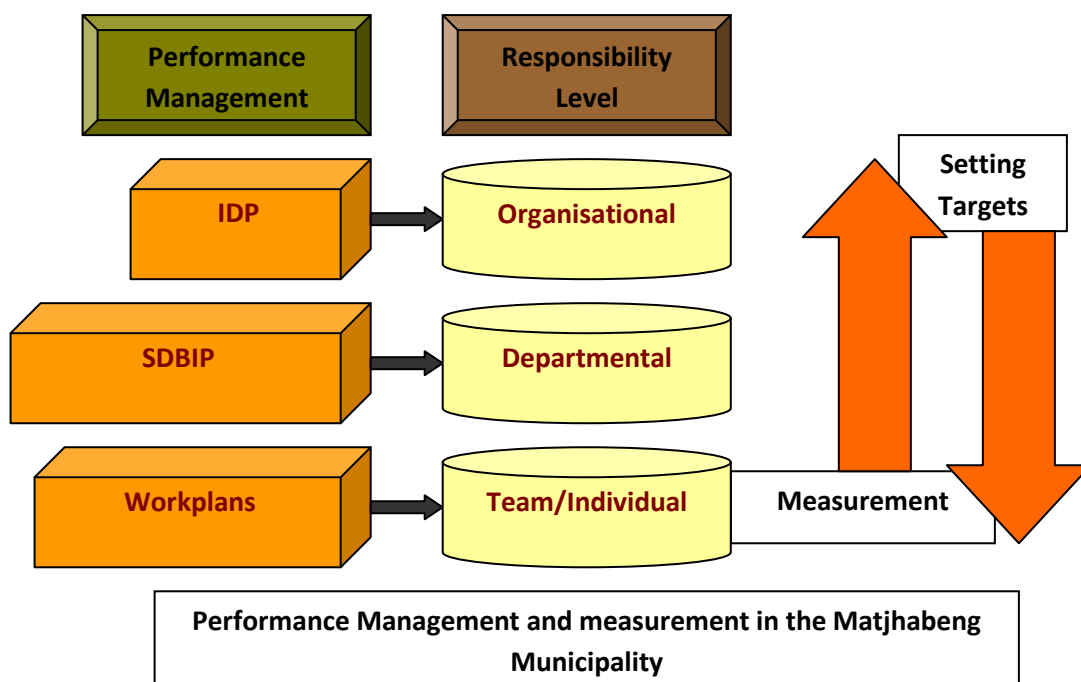
corporate) level, operational (also referred to as services, departmental or section/team) level and lastly, individual level.

At strategic level the five-year IDP of the municipality forms the basis for performance management, whilst at operational level the annual SDBIP forms the basis. The Matjhabeng Municipality will supplement the required SDBIP with Operational Plans. The IDP is a long-term plan and by its nature the performance measures associated with it will have a long-term focus, measuring whether a municipality is achieving its IDP objectives. A SDBIP (both for the municipality as a whole and that of a department) is more short-term in nature and the measures set in terms of the SDBIP, reviewing the progress made with implementing the current budget and achieving annual service delivery targets.

The measures set for the Matjhabeng Municipality at strategic level is captured in a strategic (municipal/organisational/corporate) scorecard structured in terms of the preferred performance management model of the Municipality (see chapter 6). The measures at operational level are to be captured in the SDBIP of the Municipality and the SDBIPs of the various Departments in the Municipality.

By cascading performance measures from strategic to operational level, both the IDP and the SDBIP, forms the link to individual performance management. This ensures that performance management at the various levels relate to one another which is a requirement of the Municipal Planning and Performance Regulations. The MFMA specifically requires that the annual performance agreements of managers must be linked to the SDBIP of a municipality and the measurable performance objectives approved with the budget.

The following diagram indicates the performance management at various levels:



4. Objectives of the Performance Management System

As indicated in the previous chapter the Municipality's PMS is the primary mechanism to monitor, review and improve the implementation of its IDP and to gauge the progress made in achieving the objectives as set out in the IDP. The objectives for any municipal performance management system is guided and regulated by the relevant legislation and policy guidelines. The Planning and Performance Management Regulations informs the objectives to a great extent. The PMS for the Matjhabeng Municipality includes the following objectives that the system should fulfill:

Meeting IDP Objectives

To ensure that the priorities as contained within the IDP are achieved, by measuring the success of meeting these

Effective Community Participation

The Performance Management System is to ensure that effective community participation is achieved throughout the process.

Financial Accountability

The system should assist in improving the financial accountability of the key office bearers and officials.

Facilitate increased accountability

The performance management system should provide a mechanism for ensuring increased accountability between the local community, politicians, the Municipal Council and the municipal management team.

Facilitate learning and improvement

The PMS should facilitate learning in order to enable the Municipality to improve delivery.

Provide early warning signals

It is important that the system ensure decision-makers are timeously informed of performance related risks, so that they can facilitate intervention, if necessary.

Facilitate decision-making

The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

The functions listed above are not exhaustive, but summarise the intended benefits of the system. These intended functions should be used to evaluate and review the performance management system on a regular basis (see chapter 9).

5. Principles governing the Matjhabeng Municipal PMS

The principles that should govern the Matjhabeng Municipal PMS are developed to ensure that the PMS is relevant, especially in attaining its objectives and legislative requirements. The said principles are the following:

effective utilization of financial and human resources

simplicity so as to facilitate implementation given any current capacity constraints,

politically acceptable to all political roleplayers,

administratively managed in terms of its day-to-day implementation,

implementable within any current resource constraints,

transparency and accountability both in terms of developing and implementing the system,

efficient and sustainable in terms of the ongoing implementation and use of the system,

public participation in terms of granting citizens their constitutional right to participate in the process,

integration of the PMS with the other management processes within the Municipality,

objectivity based on credible information and lastly,

reliability of the information provided on the progress in achieving the objectives as set out in its IDP.

6. Preferred performance management model

A performance management model can be defined as the grouping together of performance indicators, sometimes based on the type of indicator, into logical categories or groups (often called perspectives), as a means to enhance the ability of an organisation to manage and analyse its performance. As such a model provides a common framework for what aspects of performance is going to be measured and managed. It further ensures that a balanced set of measures are

employed that are not relying on only one facet of performance and therefore not presenting a holistic assessment of the performance of an organisation.

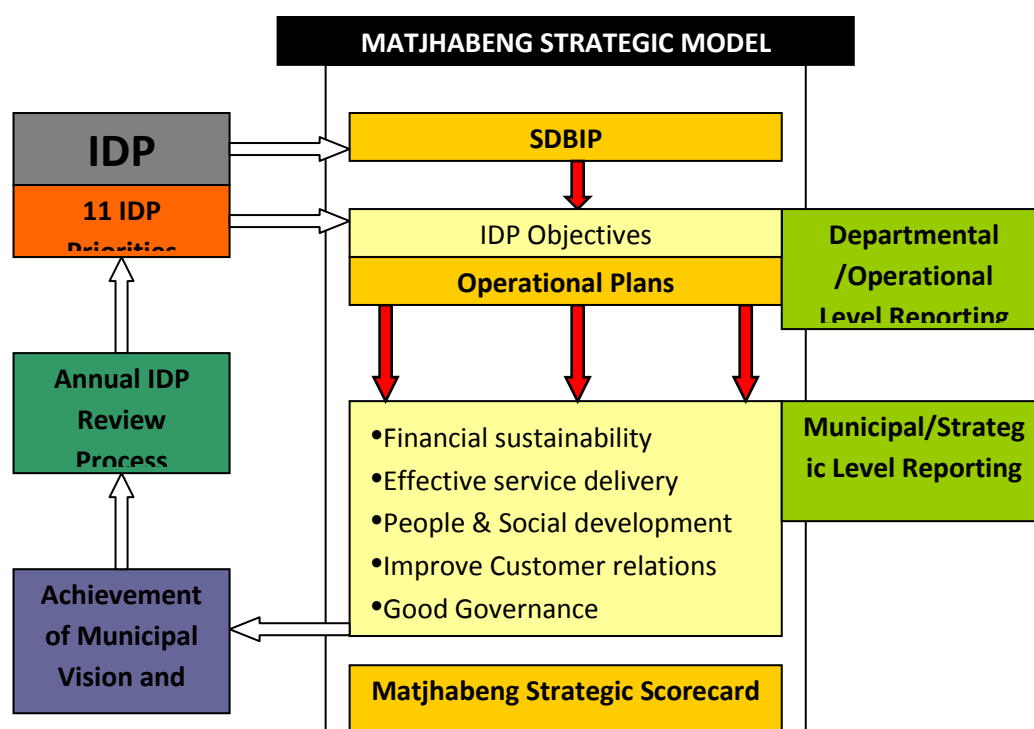
A number of performance models are available and any of them could be applied by the Municipality. The available models include the Municipal Scorecard, Balanced Scorecard and the Key Performance Area Model. The Matjhabeng Municipality has however chosen the Matjhabeng Strategic Model. In terms of the said model all indicators are grouped together into Perspectives within the Strategic Scorecard. These perspectives have its roots in the Balanced Scorecard Model and have been adapted to best suit the performance model of the municipality. The Strategic Scorecard has its main focus on the performance of the Municipality as an organization according to the following perspectives:

- ⊕ Financial sustainability
- ⊕ Effective service delivery
- ⊕ People and social development
- ⊕ Improve customer relations
- ⊕ Good governance

The municipality has Operational Plans in place which are drawn up annually and gives direction to the operations for the respective departments of the municipality. The operational plans are linked to the SDBIP and also to the IDP objectives. The operational plans consist of Key Performance Areas with its Key Performance indicators which are linked to the IDP objectives.

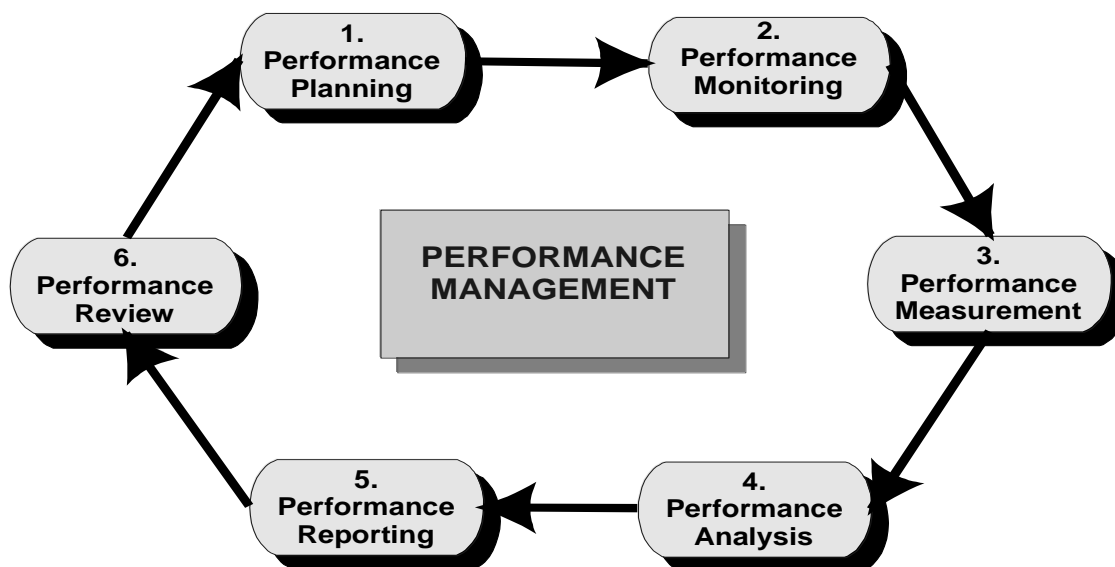
The Operational Plans will inform the Strategic Scorecard and the Individual MSA Section 57 Employees' performance agreements are also structured in terms of the perspectives of the Strategic Scorecard. This allows for appropriate linkage between the strategic or organizational PMS and individual PMS within the municipality.

The following diagram serves as a schematic representation of the Matjhabeng Strategic Model:



7. The process of managing performance

The annual process of managing performance at strategic (municipal, organisational or corporate) level in the Municipality involves the steps as set out in the diagram below:



The following table spells out in more detail the role of all relevant roleplayers in each of the above steps:

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting & Reviews
Citizens and Communities	<ul style="list-style-type: none"> • Be consulted on needs • Develop the long term vision for the area • Influence the identification of priorities • Influence the choice of indicators and setting of targets 		<ul style="list-style-type: none"> • Be given the opportunity to review municipal performance and suggest new indicators and targets

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting & Reviews
<i>Council</i>	<ul style="list-style-type: none"> • Facilitate the development of a long-term vision. (MSA Chapter 5) • Develop strategies to achieve vision (MSA Chapter 5) • Identify priorities (MSA Chapter 5) • Adopt indicators and set targets (Planning and Performance Management Regulations (PPMR)) 		<ul style="list-style-type: none"> • Review municipal performance bi-annually (PPMR)
<i>Executive Mayoral Committee and the IDP Steering Committee</i>	<ul style="list-style-type: none"> • Play the leading role in giving strategic direction and developing strategies and policies for the organisation • Manage the development of an IDP (MSA Chapter 5) • Approve and adopt indicators and set targets (MSA Chapter 6) • Communicate the plan to other stakeholders (MSA Chapter 5) 		<ul style="list-style-type: none"> • Conduct the major reviews of municipal performance, determining where goals had or had not been met, what the causal reasons were and to adopt response strategies (PPMR)

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting & Reviews
<i>Municipal Manager + HODs</i>	Assist the Executive Mayoral Committee in <ul style="list-style-type: none"> • providing strategic direction and developing strategies and policies for the organisation • Manage the development of the IDP (MSA Chapter 5) • Ensure that the plan is integrated • Identify and propose indicators and targets (MSA Chapter 6) • Communicate the plan to other stakeholders (MSA Chapter 5; PPMR) 	<ul style="list-style-type: none"> • Regularly monitor the implementation of the IDP, identifying risks early (PPMR) • Ensure that regular monitoring (measurement, analysis and reporting) is happening in the organisation (PPMR) • Intervene in performance problems on a daily operational basis (PPMR) 	<ul style="list-style-type: none"> • Conduct regular reviews of performance (PPMR; MSA Chapter 5) • Ensure that performance reviews at the political level are organised • Ensure the availability of information • Propose response strategies to the Mayoral Committee
<i>Directorate/ Departmental Managers</i>	<ul style="list-style-type: none"> • Develop service plans for integration with other sectors within the strategy of the organization (MFMA) 	<ul style="list-style-type: none"> • Measure performance according to agreed indicators, analyse and report regularly (PPMR) • Manage implementation and intervene where necessary (PPMR) • Inform decision-makers of risks to service delivery timeously 	<ul style="list-style-type: none"> • Conduct reviews of service performance against plan before other reviews

The balance of this chapter looks at each of the steps in more detail and how they will unfold in the process of managing performance in the Municipality. Although the steps and what follow relates mainly to performance management at strategic level, the principles and approaches as espoused could also be applied to performance management at operational level.

It will be apparent throughout the rest of this chapter that the link between the organizational and employee performance has been provided for as part of the recommendations of the actions to be followed, thus addressing the legal requirement of linking the two.

7.1 Performance Planning

The performance of the Municipality is to be managed in terms of its IDP and the process of compiling an IDP and the annual review thereof therefore constitutes the process of planning for performance. It should be noted that the last component of the cycle is that of performance review and the outcome of such a review process must inform the next cycle of IDP compilation/review by focusing the planning processes on those areas in which the Municipality has under-performed.

The performance Planning step is further specified and rolled out in more detail in terms of the Service Delivery and Budget Implementation Plan, being a requirement of the Municipal Finance Management Act. The third level of planning for performance refers to the Operational Plans at Departmental level, as indicated within the Matjhabeng Strategic Model.

7.2 Performance monitoring

Performance monitoring is an ongoing process by which a Manager accountable for a specific indicator as set out in the strategic scorecard (or a service delivery target contained in an annual SDBIP) continuously monitors current performance against targets set. These targets will be developed as part of the Operational Plans and is to be linked to the KPI's that are set within these Plans. The aim of the monitoring process is to take appropriate and immediate interim (or preliminary) action where the indication is that a target is not going to be met by the time that the formal process of performance measurement, analysis, reporting and review is due.

In the instance of the Matjhabeng Municipality it is recommended that the Strategic Scorecard of the Municipality be reported on a quarterly basis to the Executive Mayoral Committee. Performance monitoring requires that in between the said formal cycle of performance measurement appropriate action be taken should it become evident that a specific performance target is not going to be met. It is therefore proposed that at least on a monthly basis Managers track performance trends against targets for those indicators that lie within the area of accountability of their respective Departments as a means to early on identify performance related problems and take appropriate remedial action.

It is further recommended that each Manager delegate to the direct line manager the responsibility to monitor the performance for his/her sector. Such line managers are, after all, best placed given their understanding of their sector to monitor on a regular basis whether targets are being met currently or will be met in future, what the contributing factors are to the level of performance and what interim remedial action needs to be undertaken. This will also serve to better link organizational performance with individual/employee performance.

7.3 Performance measurement

Performance measurement refers to the formal process of collecting and capturing performance data to enable reporting to take place for each key performance indicator and against the target set for such indicator. Given the fact that initially at least the Municipality will have to rely on a manual process to manage its performance provision has been made in the Strategic Scorecard for the name of an official responsible for reporting on each indicator (please note that this might not necessarily be the same official accountable for performance on an indicator).

The said official will, when performance measurement is due, have to collect and collate the necessary performance data or information and capture the result against the target for the period concerned on the strategic scorecard and report the result to his/her Manager making use of the said scorecard after completing the next step (see performance analysis below). It should be noted at this stage that for each of the scorecards of the Municipality two formats exist namely a planning and reporting format. The planning format is used to plan and capture the performance targets for each indicator whilst the reporting format is used to capture actual performance against targets and to report to the Executive Mayoral Committee.

7.4 Performance analysis

Performance analysis involves the process of making sense of measurements. It requires interpretation of the measurements as conducted in terms of the previous step to determine whether targets have been met and exceeded and to project whether future targets will be met or not. Where targets have not been met performance analysis requires that the reasons therefore should be examined and corrective action recommended. Where targets have been met or exceeded, the key factors that resulted in such success should be documented and shared so as to ensure organisational learning.

In practice the aforementioned entails that the Manager responsible for each indicator will have to, after capturing the performance data against targets on his/her respective Operational Scorecards strategic, analyse the underlying reasons why a target has/has not been met and capture a summary of his/her findings on the Operational Scorecard. The Manager will thereafter have to compile a draft recommendation in terms of the corrective action proposed in instances where a target has not been achieved and also capture this on the strategic scorecard. Provision has been made on the reporting format of the strategic scorecard to capture both the “reason for deviance” in other words the results of the analysis undertaken) and the “corrective measures” proposed.

The Strategic Scorecard will then be compiled with the inputs from the respective managers by extracting the information from their Operational Scorecards and importing and translating it into the five perspectives contained within the Matjhabeng Strategic Scorecard. The Strategic Scorecard as completed must then be submitted to a formal meeting of the senior management team for further analysis and consideration of the draft recommendations as captured by the relevant Managers. This level of analysis should examine performance across the organisation in terms of all its priorities with the aim to reveal and capture whether any broader organisational factors are limiting the ability to meet any performance targets in addition to those aspects already captured by the relevant Manager.

The analysis of the Strategic Scorecard by senior management should also ensure that quality performance reports are submitted to Councillors and that adequate response strategies are proposed in cases of poor performance. Only once senior management has considered the Strategic Scorecard, agreed to the analyses undertaken and captured therein and have reached consensus on the corrective action as proposed, can the Strategic Scorecard be submitted to the Executive Mayoral Committee for consideration and review.

7.5 Performance reporting and review

The next two steps in the process of performance management namely that of performance reporting and performance review will be dealt with at the same time. This section is further divided into three sections dealing with the requirements for quarterly versus annual reporting and reviews respectively and lastly a summary is provided of the various reporting requirements.

7.5.1 In-year performance reporting and review

The submission of the Strategic Scorecard to the Executive Mayoral Committee for consideration and review of the performance of the Municipality as a whole is the next step in the process. The first such report is a major milestone in the implementation of any PMS and it marks the beginning of what should become a regular event namely using the performance report as a tool to review the Municipality's performance, and subsequently the IDP, and to make important political and management decisions on how to improve. Vantage Holdings have compiled a brief document on how to make the most of the first performance report and a copy of the said document is attached as **Annexure C**.

As indicated earlier it is recommended that the Strategic Scorecard be submitted to the Executive Mayoral Committee for consideration and review on a quarterly basis. The reporting should therefore take place in October (for the period July to end of September - quarter 1 of the financial year), January (for the period October to the end of December - quarter 2), April (for the period January to the end of March - quarter 3) and July (for the period April to the end of June - quarter 4).

The review in January will coincide with the mid-year performance assessment as per section 72 of the MFMA. The said section determines that the accounting officer must by 25 January of each year assess the performance of the municipality and report to the Council on inter alia its service delivery performance during the first half of the financial year and the service delivery targets and performance indicators as set out in its SDBIP.

Performance review is the process where the leadership of an organisation, after the performance of the organisation have been measured and reported to it, reviews the results and decided on appropriate action. The Executive Mayoral Committee in reviewing the Strategic Scorecard submitted to it on a quarterly basis will have to ensure that targets committed to in the Scorecard have been met, where they have not, that satisfactory and sufficient reasons have been provided by senior management and that the corrective action being proposed is sufficient to address the reasons for poor performance. If satisfied with the corrective action as proposed these must to be adopted as formal resolutions of Council, minuted and actioned accordingly.

7.5.2 Annual performance reporting and review

On an annual basis a comprehensive report on the performance of the Municipality also needs to be compiled. The requirements for the compilation, consideration and review of such an annual report are set out in chapter 12 of the MFMA. In summary it requires that:

- All municipalities for each financial year compile an annual report
- The annual report be tabled within seven months after the end of the financial year

- The annual report immediately after it has been tabled be made public and that the local community be invited to submit representations thereon
- The municipal Council consider the annual report within nine months after the end of the financial year and adopt an oversight report containing the council's comments on the annual report
- The oversight report as adopted be made public
- The annual report as tabled and the Council's oversight report be forwarded to the Auditor-General, the Provincial Treasury and the department responsible for local government in the Province
- The annual report as tabled and the Council's oversight report are submitted to the Provincial legislature.

The oversight report to be adopted provides the opportunity for full Council to review the performance of the Municipality. The requirement that the annual report once tabled and the oversight report be made public similarly provides the mechanism for the general public to review the performance of the Municipality. It is however proposed that in an effort to assist the public in the process and subject to the availability of funding, a user-friendly citizens' report be produced in addition to the annual report for public consumption. The citizens' report should be a simple, easily readable and attractive document that translates the annual report for public consumption.

It is also proposed that annually a public campaign be embarked upon to involve the citizens of the Municipality in the review of municipal performance over and above the legal requirements of the Municipal Systems Act and the MFMA. Such a campaign could involve all or any combination of the following methodologies:

- Various forms of media including radio, newspapers and billboards should be used to convey the annual report.
- The public should be invited to submit comments on the annual report via telephone, fax and email.
- Public hearings could be held in a variety of locations to obtain input of the annual report.
- Making use of existing structures such as ward and/or development committees to disseminate the annual report and invite comments.
- Hosting a number of public meetings and roadshows at which the annual report could be discussed and input invited.
- Producing a special issue of the municipal newsletter in which the annual report is highlighted and the public invited to comment.
- Posting the annual report on the council website and inviting input

The public review process should be concluded by a formal review of the annual report by the IDP Representative Forum of the Municipality.

Lastly it should be mentioned that the performance report of a municipality is only one element of the annual report and to ensure that the outcome thereof timeously inform the next cycle of performance planning in terms of an IDP compilation/review process, it is recommended that the annual performance report be compiled and completed as soon after the end of a financial year as possible but ideally not later than two months after financial-year end.

7.5.3 Summary of various performance reporting requirements

The following table, derived from both the legislative framework for performance management and this PMS framework, summarises for ease of reference and understanding the various reporting deadlines as it applies to the Municipality:

Report	Frequency	Submitted for consideration and/or review to	Remarks
1. Departmental SDBIPs	Continuous	Manager of Department	See MFMA Circular 13 of National Treasury for further information
2. Monthly budget statements	Monthly	Executive Mayor/Mayor (in consultation with Exco)	See sections 71 and 54 of the MFMA
3. Departmental scorecards	Monthly	Mayoral Committee	Only if developed separately from Departmental SDBIPs
4. Strategic (municipal/organisational/corporate) Scorecard	Quarterly	Mayoral Committee	This PMS framework (see section 7.5.1 above)
5. SDBIP mid-year budget and performance assessment	Annually during January of each year	Executive Mayor/Mayor (in consultation with Exco)	See sections 72 and 54 of the MFMA
6. Performance report	Annually	Council	See section 46 of the Municipal Systems Act as amended. Said report to form part of the annual report (see 7 below)
7. Annual report	Annually	Council	See chapter 12 of the MFMA

For further ease of reference and clarity on the requirements of the internal and external “cascade” of reporting relevant to the Matjhabeng Municipality, a flow diagram indicating the sequence of reporting and the regulating mechanism has been attached as **Annexure D**.

8. The auditing of performance measures

8.1 The role of internal audit in terms of performance management

The MFMA requires that the Municipality must establish an internal audit section which service could be outsourced depending on its resources and specific requirements. Section 45 of the Municipal Systems Act stipulates that the results of the Municipality’s performance measures must be audited by the said internal audit section as part of the internal auditing process and annually by the Auditor-General.

The Municipal Planning and Performance management Regulations stipulates that internal audit section must on a continuous basis audit all performance and the auditing must include an assessment of the following:

- (i) The **functionality** of the municipality’s performance management system.
- (ii) Whether the municipality’s performance management system **complies** with the Act.
- (iii) The extent to which the municipality’s performance measurements are **reliable** in measuring the performance of municipalities by making use of indicators.

Each of the aforementioned aspects will now be looked at briefly.

Functionality

To function could be defined as a proper or expected activity or duty or to perform or operate as expected (Chambers Handy Dictionary). This could also be applied to the operation of any system such a PMS. The internal audit section must therefore on a regular basis audit whether the PMS of the Municipality is functioning as developed and described in this framework.

Compliance

To comply can be defined as to act in the way that someone else has commanded or wished (Chambers Handy Dictionary). In this respect it is clear that the legislature wishes to ensure that the Municipality’s PMS complies strictly with the requirements of the Systems Act, Regulations and the MFMA. This compliance check would require that the

Municipality's internal audit unit, at least on an annual basis, verifies that the Municipality's PMS complies with the said legal requirements.

Reliability

To rely could be defined as to trust or depend (upon) with confidence. Reliability in the context of PMS refers to the extent to which any performance measures reported upon could be seen as being reliable, e.g. if the performance target was to build 500 houses and it is reported that the target has been met or exceeded, it must be established whether the information is factually correct or only an estimation or even worse, purposeful misrepresentation. Undertaking a reliability audit will entail the continuous verification of performance measures and targets reported upon. This will require that the Municipality sets in place a proper information management system (electronically or otherwise) so that the internal audit section is able to access information regularly and to verify its correctness.

The Municipality's internal auditors must submit quarterly reports on the audits undertaken to the Municipal Manager and the Audit Committee.

8.2 Audit Committee

The MFMA and the Municipal Planning and Performance Management Regulations require that the municipal council establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No Councillor may be a member of an audit committee. Council shall also appoint a chairperson who is not an employee.

The Regulations gives municipalities the option to establish a separate performance audit committee whereas the MFMA provides only for a single audit committee. The operation of this audit committee when dealing with performance management is governed by section 14 (2-3) of the Regulations which require that the audit committee must:

- review the quarterly reports submitted to it by the internal audit unit
- review the municipality's PMS and make recommendations in this regard to the Council of the Municipality
- at least twice during a financial year submit an audit report to the municipal Council

In order to fulfill their function a performance audit committee may, according to the MFMA and the Regulations,

- communicate directly with the council, municipal manager or the internal; and external auditors of the municipality concerned;
- access any municipal records containing information that is needed to perform its duties or exercise its powers;
- request any relevant person to attend any of its meetings, and, if necessary, to provide information requested by the committee; and
- investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

The Municipality has already established an Audit Committee and it is recommended that their responsibility in terms of performance management be as set out in the MFMA, Regulations and this framework.

8.3 Performance Investigations

The Audit Committee should also be able to commission in-depth performance investigations where there is either continued poor performance, a lack of reliability in the information being provided or on a random ad-hoc basis. The performance investigations should assess:

- The reliability of reported information
- The extent of performance gaps from targets
- The reasons for performance gaps
- Corrective action and improvement strategies

While the internal audit section may be used to conduct these investigations, it is preferable that external service providers, preferably academic institutions, who are experts in the area to be audited, should be used. Clear terms of reference will need to be adopted by the Council for each such investigation.

9. GENERAL ISSUES RELATING TO PERFORMANCE MANAGEMENT

The following is some general issues related to performance management that needs to be taken into consideration in implementing the PMS of the Municipality:

9.1 Annual review of the Performance Management System

As stated earlier, one of the functions of the audit committee is to on at least an annual basis, review the PMS of the Municipality. It is envisaged that after the full cycle of the

annual review and reporting is complete and the audit committee has met as required; the internal audit section will compile a comprehensive assessment/review report on whether the Municipality's PMS meets the system objectives and principles as set out in this framework and whether the system complies with the Systems Act, PMS Regulations and the MFMA. This report then needs to be considered by the audit committee and any recommendations on amendments or improvements to be made to the PMS, submitted to the Council for consideration.

The Municipal Systems Act requires the Municipality also annually evaluate its PMS. The review undertaken by the audit committee and its recommendations could serve as input into this wider municipal review of the PMS and it is proposed that after the full cycle of the annual review is complete; the Municipal Manager will initiate an evaluation report, taking into account the input provided by departments. The report will then be discussed by the Management Team and finally submitted to the Council for discussion and approval.

9.2 Amendments to key performance indicators and targets

The Municipality will have to adopt a policy on amendments to indicators and targets. It is recommended that such amendments may be proposed but will be subject to the approval of the Executive Mayoral Committee in consultation with the Municipal Manager.

9.3 Integrating PMS with the Council's existing management cycle

International best practice indicates that PMS stand the best chance to succeed if it is integrated with the current management cycle of the Municipality. The purpose of such a cycle would be to guide the integration of important processes such as the strategic planning or development process in terms of the IDP methodology, the annual budget process and the formal process of evaluating and assessing Council's performance in terms of the approved PMS and this framework. An example of such an integrated cycle is attached as **Annexure E** and it is recommended that the Matjhabeng Municipality develop and adopt a similar cycle that suitable to its own circumstances and requirements on an annual basis.

9.4 Institutional arrangements

The implementation of the PMS in terms of this framework would require co-ordination and it is recommended that at organisational level this be the task of the Manager responsible for the IDP. This is not to say that it would be the said person's responsibility to measure, analyse and report on performance but only to ensure that this happens and that material is collated and available for analyses and review as per this framework on behalf of the Municipal Manager.

At an individual level the responsibility for co-ordination, administration and record keeping should be the responsibility of the Manager responsible for human resource management.

The Municipality also needs to ensure that its internal audit section is capacitated to deal with the additional responsibilities it has in terms of performance management over and above its traditional financial audit responsibilities.

10. CONCLUSION

In conclusion, it must be emphasised that there are no definitive solutions to managing municipal performance. The process of implementing a performance management system must be seen as a learning process, where the Municipality must continuously improve the way the system works to fulfil the objectives of the system and address the emerging challenges from a constantly changing environment.

9.1. SERVICE DELIVERY PLAN

The Service Delivery Plan of the Municipality is informed by huge growth and maintenance backlogs. It is further informed by community needs and developmental objectives. Key components of the service delivery plan include the following:

1. Growth and maintenance backlogs
2. Capital works plan and other ward-based projects
3. Sector departments plans (government departments in the Municipality)
4. Private sector investment(Local Economic Development)

GROWTH AND MAINTENANCE/HISTORICAL BACKLOGS

Maintenance comprises two components: operational maintenance and capital maintenance backlogs. The Municipality aims to eliminate backlogs by 2030 as alluded to in the previous chapters.

Comprehensive studies have to be undertaken to quantify the institutional backlogs. Based on the findings, large portions of the Municipality's Capital Budget should allocate to maintenance backlogs. This desired situation is not the case in this document and as we stand.

Water and Sanitation

Due to historical reasons our water and sanitation infrastructure has been under lots pressure to cope with an increased demand and ageing. This demands the municipality to set aside significant amount of money for maintenance. It is important to acknowledge the fact that the municipality does not have sufficient data to determine the extant of bag log.

Roads and storm-water

Same as water and sanitation infrastructure, the municipality is face with similar challenge. It is important at this instance to acknowledge the fact that the municipality does not have sufficient data to determine the extent of bag log. The municipality over the years has been reacting to infrastructural decay challenges as an when they happened. There is no proactive strategy to address the problem.

Electricity and energy

As indicated below on the capital work-plan the municipality is under lot of pressure to maintain and replace the ageing infrastructure. Equally be the municipality is not in the position to can accurately determine the exact maintenance and replacement costs of the ageing infrastructure but continue to undertake maintenance as routine.

PRIVATE SECTOR INVESTMENT (Local Economic Development)

For the year 2010/11 the Municipality with cooperation of provincial government, national government, state own enterprise and private sector investors will embark on numerous projects that seek to reengineer and resuscitate the local economy. Key amongst is them are project and interventions house under the project named **MINING MITIGATION AND REDEVELOPMENT**.

Experience gathered elsewhere in the world, particularly in the province of Saxony in Germany has proved that old mines provide opportunity for small scale mining and associated processing and value adding by small miners. This is of particular importance, given the high skill levels of many those who were previously employed by mining houses and are now jobless.

SECTOR DEPARTMENT AND SOE

See the plans

Table 1: Capital Maintenance Backlog

Directorate: Infrastructure

Sub Directorate: Electrical Engineering

IDP REF	PROJECT DESCRIPTION	Ward NO	TOTAL PROJECT ESTIMATE	ESTIMATES			KPA
				BUDGET YEAR 2010/11	BUDGET YEAR 2011/12	BUDGET YEAR 2012/13	
	Upgrading medium voltage network Flamingo park-Welkom	34	1,320,000	500,000	620,000	100,000	Service delivery/ infrastructure
132kV Distribution							
	WELKOM Upgrading breakers and isolators 132KV reticulation		1,035,426	621,500	413,926		Service delivery/ infrastructure
	WELKOM Upgrading breakers and isolators 132KV reticulation		713,664	452,000	261,664		Service delivery/ infrastructure
Administration and strategic planning							
	ODENDAALSRUS : Upgrading of load control		124,300	124,300	0	0	Service delivery/ infrastructure
	VIRGINIA : Upgrading of load control system Virginia		248,600	248,600	0	0	Service delivery/ infrastructure
	WELKOM : Upgrading load control Welkom		497,200	497,200	0	0	Service delivery/ infrastructure
	MATJHABENG Upgrading of remote meter reading software for the Matjhabeng Electrical Engineering Services Department		22,600	22,600	0	0	Service delivery/ infrastructure
	MATJHABENG Ring fencing and Asset Evaluation of the Matjhabeng Electrical Engineering Services Department - All 6 Towns		1,695,000	565,000	565,000	565,000	Service delivery/ infrastructure
	MATJHABENG Conduct a Risk assessment for the Electrical Engineering Services in terms of the OHS Act 85/1993		186,450	186,450	0	0	Service delivery/ infrastructure
	WELKOM Quality of supply		3,107,500	1,864,500	870,100	372,900	Service delivery/ infrastructure
Distribution low and medium voltage							
	VENTERSBURG Replace High voltage ring feed to Hamilton Substation		202,609	202,609	0	0	Service delivery/ infrastructure
	HENNENMAN Ring electrical supply 11kV Atlass Street		398,699	0	0	398,699	Service delivery/ infrastructure
	HENNENMAN Ring electrical supply 11kV Goud Street		474,713	474,713	0	0	Service delivery/ infrastructure
	ODENDAALSRUS Upgrade electrical supply to Du Plessis Single		149,160	149,160	0	0	Service delivery/ infrastructure
	ODENDAALSRUS Complete 11kV electrical ring feed in CBD Area (Odendaalstreet)		167,805	167,805	0	0	Service delivery/ infrastructure

	ODENDAALSRUS Replace stolen 11kV Medium Voltage Supply cable between Sub 8 and Mini Substation MS 17B Industrial Area		853,150	853,150	0	0	Service delivery/ infrastructure
	ODENDAALSRUS Replace stolen 11kV Medium Voltage Supply cable between Sub 1A and Mini Substation MS5		508,500	508,500	0	0	Service delivery/ infrastructure
	ODENDAALSRUS Upgrading of overhead electrical networks that was damaged due theft and vandalism		2,825,000	1,356,000	1,469,000		Service delivery/ infrastructure
	WELKOM : Ring feed Vista & Bongani Hospital		2,406,448	0	0	2,406,448	Service delivery/ infrastructure
	WELKOM : ST Helena upgrading of cable distribution network		1,988,800	745,800	745,800	497,200	Service delivery/ infrastructure
	VIRGINIA Upgrading of electrical ring feed 11kV to Fauna Park		1,559,965	745,800	814,165	497,200	
	VIRGINIA Upgrading of electrical ring feed 11kV to Boabab Str		248,600.	24,860	223,740	0	Service delivery/ infrastructure
	VIRGINIA : Upgrading of electrical ring feed 11kV to Virginia and Harmony		775,632	372,900	402,732	0	Service delivery/ infrastructure
	WELKOM : Upgrading of the St Helena Electrical distribution network		1,988,800	745,800	745,800	497,200	Service delivery/ infrastructure
	WELKOM : Upgrading medium voltage network Flamingopark		1,491,600	745,800	745,800	0	Service delivery/ infrastructure
	WELKOM : Upgrading medium voltage network Stateway new Businesses		8,136,000	3,955,000	2,825,000	1,356,00	Service delivery/ infrastructure
	WELKOM : Upgrading medium voltage network EXT 19		1,491,600	0	745,800	745,800	Service delivery/ infrastructure
	WELKOM : Upgrading medium voltage network Civic Centre		5,445,759	5,445,759	0	0	Service delivery/ infrastructure
	WELKOM : Upgrading medium voltage network Industrial Area		3,616,000	3,616,000	0	0	Service delivery/ infrastructure
	HENNENMAN: Replace overhead transmission lines in Fabriek street		273,460	0	0	273,460	Service delivery/ infrastructure
	ODENDAALSRUS: Upgrade electrical distribution boxes		149,160	99,440	49,720	0	Service delivery/ infrastructure
	WELKOM : Rehabilitation of low voltage reticulation Phase 1 Bedelia		2,050,950	807,950	1,243,000	0	Service delivery/ infrastructure
	ODENDAALSRUS: Upgrading of low voltage overhead distribution lines		1,028,583	652,575	376,008	0	Service delivery/ infrastructure

Directorate: Infrastructure

Sub Directorate: Civil Engineering

IDP REF	PROJECT DESCRIPTION	Ward NO	TOTAL PROJECT ESTIMATE	ESTIMATES			KPA
				BUDGET YEAR 2010/11	BUDGET YEAR 2011/12	BUDGET YEAR 2012/13	
Roads and Storm Water							
	WELKOM Upgrade , Clean And widen 20 catch pits in Civic centre.		100 000	100 000			Service delivery/ infrastructure
	ODENDAALSUS Repair and replacement of main road catchpits lids		600 000	90,000	200 000	300 000	Service delivery/ infrastructure
	ODENDAALSUS Repair and Cleaning of main stormwater canal in Vander Vyfer Street		140 000	140 000			Service delivery/ infrastructure
	VIRGINIA : Cleaning and upgrading of Cobalt Street stormwater system		150 000				Service delivery/ infrastructure
	MATJHABENG: Repair of potholes in all 6 towns		1 000 000	450 000	650 000		Service delivery/ infrastructure
Water and waste water							
	WELKOM: Isolation and implementation of Pressure Control Valves in Naudeville		240 000	240 00			Service delivery/ infrastructure
	VIRGINIA : Upgrading of main water network in Apiesdoorn, Birch, Doornboom and Moriyah Streets.		248,600	248,600	0	0	Service delivery/ infrastructure
	MATJHABENG Upgrading and replacement of damaged and fault water meters reading for the Matjhabeng Engineering Services Department		22,600	22,600	0	0	Service delivery/ infrastructure
	MATJHABENG Ring fencing and Asset Evaluation of the Matjhabeng Water Engineering Services Department - All 6 Towns		1,695,000	565,000	565,000	565,000	Service delivery/ infrastructure
	MATJHABENG Conduct a Risk assessment for the water Engineering Services in terms of the OHS Act 85/1993		186,450	186,450	0	0	Service delivery/ infrastructure
	MATJHABENG: Conduct water quality investigations(Blue Drop project)		3,107,500	1,864,500	870,100	372,900	Service delivery/ infrastructure
HOUSING							
	Renovation and Maintenance of Harrison street and State way Municipal Flats		2 500 000	500 000	1 500 00	3 000 000	
	Upgrading of Thabong and Meloding Hostels		50 000 000	10 000 000	20 000 000	30 000 000	
	Promotion of security of tenure		900 000	900 000			

Directorate: Community Services

IDP REF	PROJECT DESCRIPTION	Ward NO	TOTAL PROJECT ESTIMATE	ESTIMATES			KPA
				BUDGET YEAR 2010/11	BUDGET YEAR 2011/12	BUDGET YEAR 2012/13	
Parks , Sport, Recreation and Cemetery							
	WELKOM Beautification and upgrading of Dagbreek Park		10 000	10 000			Service delivery/ infrastructure
	WELKOM Repair fence at Welkom Cemetery		170 000	170,000			Service delivery/ infrastructure
	ODENDAALSRUS Repair and Upgrade ablution facility at Mimosa Caravan Park		40 000	40 000			Service delivery/ infrastructure
	VIRGINIA : Removal of trees and landscaping of cemetery		50 000	50 000			Service delivery/ infrastructure
	MATJHABENG: Pruning of trees in all 6 towns		1 000 000	450 000	650 000		Service delivery/ infrastructure
	ALLANRIDGE: Maintenance of open space at Main entrance		8 000	8 000			Service delivery/ infrastructure
	VIRGINIA : Repair of irrigation system at Central park CBD		100 000	100 000			Service delivery/ infrastructure
	HENNENMAN Upgrading of pavilion at Unie Park Stadium		50 000	50 000			Service delivery/ infrastructure
	VENTERSBURG Upgrading of a park at Pienaar Street		15 000	15 000			Service delivery/ infrastructure

Table 2: Capital Development Projects

IDP REF	PROJECT DETAILS	Ward NO	TOTAL PROJECT ESTIMATE	ESTIMATES			KPA
				BUDGET YEAR 2010/11	BUDGET YEAR 2011/12	BUDGET YEAR 2012/13	
	Directorate:						
Institutional Development and transformation							
	Replacement of Municipal Fleet		80 000 000	15 000 000	20 000 000	55 000 000	
	Integrated project management system		500 000	500 000			
	Compilation of Municipal Asset Register		5 000 000	2 500 000	2 500 000		
	Development of Integrated transport Plan		5 000 000	500 000			
	Upgrading of ITC systems and servers		7 000 000	7 000 000			
	Development of Municipal Code(By-laws)		600 000	600 000			
	Upgrading of Conference Facility at 4 th Floor Main Building		350 000		350 000		

IDP REF	PROJECT DETAILS	Ward NO	TOTAL PROJECT ESTIMATE	ESTIMATES			KPA
				BUDGET YEAR 2010/11	BUDGET YEAR 2011/12	BUDGET YEAR 2012/13	
	Directorate: Infrastructure						
Bucket Eradication							
	Kutlwanong: Phase 5 Bucket Eradication on 2000 stands with toilet structure		15 600 000	2 000 000			
	Phomolong: Bulk sewer and connections to 1374 stands	3	10 337 976	1 000 000			
	Kutlwanong: Sewer development in Geneva - 489 stands	10	5 281 200	300 000			
	Meloding: Bucket eradication phase 2 for 1257 stands	9	11 313 00	383 330			
	Hennenman (Phomolong): Bucket eradication phase 7-518 stands	3	4 662 000	341 646			
	Meloding: Bucket eradication phase 6 – 514 structures	7	5 551 200	214 374			
	Hennenman (Phomolong): Eradication of 1550 buckets Phase 8	3	13 950 000	243 000			
	Meloding (Phase 3): Sewer reticulation network and 1016 toilet structures	7	9 294 000	165 501			
	Kutlwanong: Rehabilitation of 2292 old toilets structures		17 313 678	1 221 865			
	Phomolong outfall sewer	2	2 177 044	300 000			
	Thabong: Waterborne sewer network for 5324 stands, Phase 1		24 356 920	2 550 058	2 000 000		
	Welkom (thabong): T16 Construction of internal water network and waterborne		4 733 000	224 439			
	Odendaalsrus, Kutlwanong, Welkom: Relining of worn-out sewer lines		14 893 422	1 628 764	1 400 000		
	Stateway outfall sewer phase 1	33	4 600 000	400 237	400 000		

IDP REF	PROJECT DETAILS	Ward NO	TOTAL PROJECT ESTIMATE	ESTIMATES			KPA
				BUDGET YEAR 2010/11	BUDGET YEAR 2011/12	BUDGET YEAR 2012/13	
	Directorate: Infrastructure						
Sewer Networks							
	Thabong x 12 & 13: Water and Sewerage	12/13	4 278 420	221 363	1 000 000		
	Kutlwanong upgrage	10	12 000 000		12 000 000		
	Sewer connections houses to main lines	10	1 583 934	1 083 934			
	Sewer rising Main 450 dia: Major	10	720 000	580 000			
	Nyakallong: Outfall sewer Phase 2: from pump stations to WWTP	36	2 500 000	1 400 000	600 000		
Purification Works							
	Odendaalsrus: Upgrading of wastewater treatment works		10 784 000	5 206 544			
	Matjhabeng: Purified effluent sewer network upgrading and overflow release pipeline	32	7 849 974	300 000			
	Thabong: Rehabilitation of sewer purification works	29	19 686 033	2 414 345			
	Klippan/Witpan Reduction of water levels	32	8 000 000	666 695			
	Witpan upgrade	32	36 637 776	34 840 709	10 000 000		
	Purification works: Nyakallong upgrade	19	8 000 000		8 000 000		
	Theronia upgrade	34	500 000		500 000		
	Thabong Extension	29	12 000 000		12 000 000		
	Mmamahabane new works	1	6 000 000		6 000 000		
	Hennenman Civil works & aeration (Phase 1 = Investigation)	2	1 500 000		1 500 000		
	Virginia sludge management	9	4 000 000		4 000 000		
	Whites: Septic tank system	2	6 000 000		6 000 000		

IDP REF	PROJECT DETAILS	Ward NO	TOTAL PROJECT ESTIMATE	ESTIMATES			KPA
				BUDGET YEAR 2010/11	BUDGET YEAR 2011/12	BUDGET YEAR 2012/13	
Pump station Upgrading							
	Allanridge/Nyakallong: Upgrading of main sewerage pump stations and new outfall sewers (MIS:165350)	36	14 736 217	1 241 790	1 200 000		
	Meloding Upgrade	5	2 000 000		2 000 000		
	Phomolong Civil upgrade (Basil Read and Phom Main)	3	2 000 000		2 000 000		
Water							
	Worn out water Bronville	11	4 218 000	889 654			
	Water network Thabong X20	13	4 217 430	400 000			
	Water Network & Connections: Thabong T12 Phase 4	12	320 000		320 000		
	Replace worn-out waterlines (Asbestos and steel) 24 Km/annum		12 400 000	5 600 000	2 200 000		
	Replace water meters Phases	11	12 000 000	2 700 000	2 200 000		
	Replacement of defective Valves and Hydrants	All	12 000 000	6 000 000	6 000 000		
Roads							
	Nyakallong: Construction of Bus and Taxi Roads phase 2	19/36	350 000	150 000			
	Matjhabeng: Resurfacing of 70km roads		22 800 000	1 541 807			
	Hani-Park: Construction of 8.2km Road network and storm water drainage (MIS:159992)	12	19 680 000	9 635 466	3 000 000		
	Road 200	13	3 892 423	3 000 000			
	Road 300 in T14/2(SW)	17	2 208 000	1 888 000	120 000		
	Matjhabeng Resurfacing and upgrading of Roads		43 000 000	14 000 000	23 000 000		
	Matjhabeng Gravel/sealed dumprock roads in Matjhabeng		34 200 000	11 200 000	17 000 000		
	Calabria: Upgrading of streets and storm water Phase 1 (2)	7	6 945 520	752 615	500 00		
	Hani Park: Construction of 8.2km Road network and storm water drainage (MIS:159992)		19 680 000	9 635 466	3 000 000		
	Matjhabeng Resurfacing and upgrading of roads		43 000 000	14 000 000	23 000 000		
	Matjhabeng Gravel / sealed dumprock roads in Matjhabeng		34 200 000	11 200 000	17 000 000		
	Stormwater T14 & T16 North		12 000 000	9 763 529	1 498 601		
	Oppenheimer Park: Construction of internal roads	12	6 000 000	4 500 000	1 500 000		
	Roads Upgrade: Arrarat and Volk/ Tempest and Jan Hofmeyer		1000 000	1 000 000			

IDP REF	PROJECT DETAILS	Ward NO	TOTAL PROJECT ESTIMATE	ESTIMATES			KPA
				BUDGET YEAR 2010/11	BUDGET YEAR 2011/12	BUDGET YEAR 2012/13	
	Directorate: Infrastructure						
Stormwater							
	Thabong X 19- Lining of storm water channels	17	665 760	100 373			
	Hani Park North Main Canal lining	12	900 000		900 000		
	Losaba		392 000		392 000		
	Xaluva		208 000		208 000		
	Phakathi		72 000		72 000		
	Thabong T14		6 000		6 000		
	Thabong T14/2		88 000		88 000		
	Stormwater T14 & T16 North		12 000 000	9 763 529	1 498 601		
	Phomolong		4 900 000		2 500 000		
	Meloding		4 900 000		4 900 000		
	MMamahabane		4 900 000		2 500 000		
High Mass Lightining							
	Matjhabeng: High mast lights in Thabong, Nyakallong & Kutlwanong phase 3		2 571 385	5 447 805	1 000 000		
Distribution							
	WELKOM Provision 20MVA 132KV transformer		9,944,000	9,944,000	0		
	Administration and strategic planning						
	HENNENMAN Upgrading of load control		932,250	932,250			
	Distribution low and medium voltage						
	WELKOM Alma development		13,560,000	4,520,000	4,520,000	4,520,000	
	WELKOM Reyrole switch replacement		124,300	124,300	0	0	
	ODENDAALSRUS Provision and installation of a 11kV electrical ring feed between Hospitalpark and Eldorie		847,500	847,500	0	0	
	WELKOM NER bulk supply Extension 15 Thabong		2,486,000	1,243,000	1,243,000	0	
	WELKOM Ext 19 LT electrical reticulation upgrade		819,117	372,900	446,217	0	
	WELKOM Flamingo park LT Electrical distribution upgrade		1,225,129	621,500	603,629		
	VENTERSBURG Provision and installation protection relays		93,225	93,225	0		
	VENTERSBURG Provision and installation protection relays		300,806	0	124,300	176,506	
	VIRGINIA Upgrading of protection relays		604,098	106,898	248,600	248,600	
	ODENDAALSRUS Upgrading of protection relays		602,855	372,900	229,955	0	
			1,323,439	441,146	441,146	441,146	

	WELKOM Upgrading of protection relays						
	VIRGINIA Provision and installation of remote Electrical metering systems		223,740	37,290	186,450	0	
	ODENDAALSRUS Provision and installation of remote Electrical metering systems		362,061	229,706	132,355	0	
	WELKOM Provision and installation of remote Electrical metering systems		2,361,698	787,233	787,233	787,233	
	MATJHABENG Testing and verification of all large electrical consumer connections to the NRS 058 regulations in all towns by a SANAS approved authority		4,651,928	1,550,643	1,550,643	1,550,643	
	WELKOM Upgrade of SCADA system		248,600	124,300	124,300	0	
	Bronville Electrification of 2000 stands		1 400 000	1 400 000			
Revenue protection							
	VENTERSBURG Provision and installation of a STS pre-paid electrical meters		124,300	136,730	0		
	HENNENMAN Provision and installation of a STS pre-paid electrical meters		124,300	136,730	0		
	VIRGINIA Upgrading of STS pre-paid electrical metering system		135,600	149,160	0		
	ODENDAALSRUS Upgrading of STS pre-paid electrical metering system		237,300	111,870	149,160		
	ALLANRIDGE Provision and installation of STS pre-paid electrical metering system		124,300	105,655	31,075		
	WELKOM Pre-paid metering upgrade		210,858	231,944	0		
Street lights							
	PHOMOLONG Provision and installation of Street Lighting for main entrance road 6013.29 meters		1,264,972	463,822	463,822		
	NYAKALONG Provision and installation of Street Lighting for main entrance road 1416.16 meters		297,908	327,698	0		
	MMAMAHABANE Provision and installation of Street Lighting for main entrance road 4089.42 meters		860,263	315,429	315,429	315,429	
	MELODING Provision and installation of Street Lighting for main entrance road 5882.04 meters		1,133,003	415,434	415,434	415,434	
	KUTLWANONG Provision and installation of Street Lighting for main entrance road 1128.54 meters		237,403	0	0	261,143	
	THABONG: NKOANE ROAD Provision and installation of Street Lighting for main entrance road 6294.79 meters		1,324,191	0	1,456,610	0	
	THABONG: MANGOSUTHU BUTHELEZI ROAD Provision and installation of Street Lighting for main entrance road 1936.4 meters		407,347	0	448,081	0	
	THABONG: PHAKATI ROAD Provision and installation of Street Lighting for		412,112	0	0	453,322	

	main entrance road 1959.05 meters						
	THABONG: NDAKI ROAD Provision and installation of Street Lighting for main entrance road 7225.81 meters		1,520,044	0	0	1,672,060	
	THABONG: MOTHUSI ROAD Provision and installation of Street Lighting for main entrance road 2124.26 meters		446,866	491,552	0	0	
	THABONG: CONSTANTIA ROAD Provision and installation of Street Lighting for main entrance road 2124.26 meters		1,208,565	1,329,421	0	0	
	HENNENMAN Provision and installation of two(2) high mast lights for Phomolong		900,000	450,000	450,000	0	
	VIRGINIA Provisioning and installation of Two(2) high mast lights in Saaiplaas		900,000	450,000	450,000	0	
	VIRGINIA Provisioning and installation of Two(2) high mast lights Meloding		774,615	0	372,900	479,177	
	VIRGINIA Provisioning and installation of Ten(10) high mast lights Meloding Abany		4,500,000	1,125,000	1,125,000	1,125,000	
	ODENDAALSRUS Provision and installation of Tenn(10) high mast lights in Odendaalsrus Ward 35		4,500,000	1,125,000	1,125,000	1,125,000	
	ODENDAALSRUS Provision and installation of Thirteen(13) high mast lights in Kutlwanong		5,850,000	1,462,500	1,462,500	1,462,500	
	ALLANRIDGE Provision and installation of Six(6) high mast lights in Nayakalong		2,700,000	675,000	675,000	675,000	
	WELKOM Five (5) High mast lights Hani Park, Bronville		2,250,000	562,500	562,500	562,500	
	WELKOM One (1) High mast lights Phomolong Ext2		450,000	0	0	450,000	
	WELKOM Seven (7) High mast lights Welkom Reitz Park Ward 27		3,150,000	787,500	787,500	787,500	
	WELKOM 26 High mast lights Thabong		11,700,000	2,925,000	2,925,000	2,925,000	
	VENTERSBURG Three(3) High Mast Lights in Mmamahabane		1,350,000	337,500	337,500	337,500	
	VENTERSBURG Upgrading of streetlights		136,730	0	150,403	0	
	HENNENMAN Upgrading of streetlights in Hennenman Town		149,160	0	164,076	0	
	ODENDAALSRUS Provision and installation of streetlights Mimosa Way		226,000	248,600	0	0	
	WELKOM Central park lighting		135,600	149,160	0	0	
	MATJHABNG Upgrading lighting Othello Road		56,500	62,150	0	0	
Electrical work shop							
	MATJHABENG Testing and repair all Electrical Installation that is property of the Matjhabeng Municipality in terms to the SANS10142-1 regulations		791,000	372,900	248,600	248,600	
	HENNENMAN Provision and installation of security systems at		56,500	62,150	0	0	

	electrical Substations						
	VENTERSBURG Provision and installation of security systems at electrical Substations		50,850	55,932	0	0	
	ALLANRIDGE Provision and installation of security systems at electrical Substations		56,500	62,150			
	VIRGINIA Provision and installation of security systems at electrical Substations		115,260	99,440	27,346	0	
	ODENDAALSRUS Provision and installation of security systems at electrical Substations		119,690	83,530	48,129	0	
	WELKOM Substation security and remote control system		9,717,998	3,563,265	3,563,265	3,563,265	
	HENNENMAN Upgrading of substation buildings		282,500	62,150	248,600	0	
	VIRGINIA Upgrading of substation buildings		847,500	186,450	372,900	0	
	ODENDAALSRUS Upgrading Main substation		113,000	124,300	0	0	
	ALLANRIDGE Upgrading Main substation		361,600	397,760	0	0	
	ALLANRIDGE Emergency work to be done on all substation in Allanridge		226,000	248,600	0	0	
	WELKOM Mini-Substation Replacement		1,234,299	425,576	425,576	425,576	
	WELKOM Revamp main sub structure		169,500	93,225	93,255	0	
	VENTERSBURG Upgrading of OCB in distribution network		395,500	0	435,050	0	

IDP REF	PROJECT DETAILS	Ward NO	TOTAL PROJECT ESTIMATE	ESTIMATES			KPA
				BUDGET YEAR 2010/11	BUDGET YEAR 2011/12	BUDGET YEAR 2012/13	
	Directorate: Community Services						
Creating and upgrading of Cemeteries							
	Meloding		900 000	300 000			
	Phomolong		900 000	600 000			
	Bronville		900 000	900 000			
	Kutlwanong		900 000	600 000			
	Landfill sites, relay stations and waste management		8 000 000	4 000 000	4 000 000		
Emergency and fire service							
	Digital joint control centre		R2 000 000-00	2000 000			
	Mobile disaster control centre		R2 000 000-00		2 000 000		
	Established satellite fire stations		R6 000 000-00	1 000 000	2 000 000	3 000 000	
Parks, Sports, Recreation, Halls and Health Systems							
	Nyakallong/ Mmamahabane/ Phomolong: New sports and recreation facilities		20 000 000	8 000 000	7 412 606		
	North West stadium Lights		5 000 000	2 600 000	2 486 185		
	Thabong Precinct Beautification (Paving of Sidewalks and Land scalping of Main entrances)		6 120 000	3 120 000	3 000 000		
	Upgrading, refurbishment and renovations of Township community Halls		5 000 000	3 000 000	2 000 000		
	North West stadium Feasibility study		90 000	90 000			
	Old Thabong Stadium: Upgrading and Renovation		3 000 000	500 000	1 500 000	500 000	
	Construction of Multipurpose Stadium: Thabong		15 000 000	1 000 000	1 000 000	1 000 000	

IDP REF	PROJECT DETAILS	Ward NO	TOTAL PROJECT ESTIMATE	ESTIMATES			KPA
				BUDGET YEAR 2010/11	BUDGET YEAR 2011/12	BUDGET YEAR 2012/13	
DIRECTORATE : HOUSING, SPATIAL PLANNING AND VALUATIONS							
SPATIAL PLANNING							
	Revising of Spatial Development Framework for Matjhabeng		R2 600 000				
	• Strategic Environmental Assessment			R600000			
	• Analysis and compilation of SDF			R600000	R1400000		
	Air quality Assessment (climate change)		1 000 000		R1000 00		
	Open Space Master Plan		R400 000	R400000			
	Central Business Area Strategic Development Plan		R500 000	R500000			
	Furniture and Office equipment		R140 000	R 140000			
	Establishment of an Integrated GIS system		R2 000000	R1000000	R1000000		
	Planning and pegging (6000/pa) – Township establishment		R8 400 000	R4 400000	R2400000	R2400000	
HOUSING							
	Normal Housing subsidies (3000 x R62000) considered as external since funding is not paid over to Council						
	Land purchases by Dept of Land Affairs considered as external since funding is not paid over						
VALUATIONS							
	Compilation of the general Valuation Roll for Matjhabeng		15 000 000	8 000 000	5 000 000	1 000 000	

SMME/LED Projects					
Public transport facilities including taxi ranks		8 000 000	2 000 000	6 000 000	
Directional signage		300 000		300 000	
Industrial park SMME zone Fencing/Paving and Shelter		1 500 000	500 000	1 000 000	
Commonage infrastructure development (Water/Toilets/roads)		1 500 000		1 500 000	
Market and stalls: development and stalls		3 000 000	1 000 000	2 000 000	
Urban Redevelopment Program(Neighbourhood Development Project)		250 000 000	8 000 000	90 000 000	120 000 00
Air quality investigation		350 000	350 000		
Establishment of Agri-Villages		3 000 000		1 000 000	2 000 000

PRIVATE SECTOR INVESTMENT (Local Economic Development)

IDP REF	PROJECT DETAILS	Ward NO	TOTAL PROJECT ESTIMATE	ESTIMATES			KPA
				BUDGET YEAR 2010/11	BUDGET YEAR 2011/12	BUDGET YEAR 2012/13	
	MINING MITIGATION AND REDEVELOPMENT						
	Development of Overall Master plan, Water management concept and Optimize cover designs for tailing dams		6 000 000	3000 000	3000 000		LED
	Manufacturing of solar panel components		200,000,000				LED
	Geotherminal Energy		100,000,000				LED
	Pumping scheme peak power generation		50,000,000				LED
	Tyre recycling		200,000,000				LED
	Mine equipment manufacturing		100,000,000				LED
	Advance driving training facility(Phakisa)		15,000,000				LED
	Mining Academy		20,000,000				LED
	Centre for Excellence in construction skills		20,000,000				LED
	Vegetable oil processing		10,000,000				LED
	Expanded small scale mining		100,000,000				LED
	Precious metals recycling		80,000,000				LED
	Battery recycling		40,000,000				
	Artificial sports field		8,000,000				
	Coal to gas power station		2bn				
	Mine related tourism		20,000,000				
	Bio gas production		100,000,000				
	Solar farm renewable energy		30,000,000				
	Fish farming		100,000,000				

SECTOR DEPARTMENTs AND SOE

Branch: State own Enterprise
Eskom electrification projects

IDP REF	PROJECT DETAILS	Ward NO	TOTAL PROJECT ESTIMATE	ESTIMATES			KPA
				BUDGET YEAR 2010/11	BUDGET YEAR 2011/12	BUDGET YEAR 2012/13	
ESKOM ELECTRIFICATION PROJECTS							
	Kutlwanong Ext – 214 estimated connections		1,641,460		1,641,160		
	Meloding stilte - 60 estimated connections	7	460,138		460,138		
	Meloding - 32 estimated connections	4	245,407		245,407		
	Phomolong – 100 estimated connections	2	766,897		766,897		
	Thabong thandanani phase 1600 estimated connections		7,668,973		7,668,973		
	Thabong Ext 24 Phokeng 200 estimated connections		1,533,795		1,533,795		
	Meloding Albany stilte phase 2 – 320 estimated connections		2,454,071		2,454,071		
	Mmamahabane phase 3 – 180 estimated connections		1,380,415		1,380,415		
	Thabong EXT 18 Hani Park 700						

National Departments

IDP REF	PROJECT DETAILS	Ward NO	TOTAL PROJECT ESTIMATE	ESTIMATES			KPA
				BUDGET YEAR 2010/11	BUDGET YEAR 2011/12	BUDGET YEAR 2012/13	
DEPARTMENT OF POLICE (NATIONAL)							
	Building of new police station in Kutlwanong	10					
	Building of new police station in Bronville	11					

IDP REF	PROJECT DETAILS	Ward NO	TOTAL PROJECT ESTIMATE	ESTIMATES			KPA
				BUDGET YEAR 2010/11	BUDGET YEAR 2011/12	BUDGET YEAR 2012/13	
DEPARTMENT OF WATER AFFIARS							
	Implementation and awareness of water conservation and water demand management						
	Waste Water Treatment Works: Refurbishment						

Provincial Departments

IDP REF	PROJECT DETAILS	Ward NO	TOTAL PROJECT ESTIMATE	ESTIMATES			KPA
				BUDGET YEAR 2010/11	BUDGET YEAR 2011/12	BUDGET YEAR 2012/13	
DEPARTMENT OF POLICE, ROADS AND TRANSPORT							
	Upgrade and maintenance of street network in Thabong, Phomolong, Meloding and Kutlwanong						
	Construction of Welkom Transport Centre						

IDP REF	PROJECT DETAILS	Ward NO	TOTAL PROJECT ESTIMATE	ESTIMATES			KPA
				BUDGET YEAR 2010/11	BUDGET YEAR 2011/12	BUDGET YEAR 2012/13	
DEPARTMENT OF SPORT, ART AND CULTURE							
	Upgrade and reopening of Reibeeckstad Library	10					
	Pilot project on disabled dancers at Thabong Community Arts Centre	31					
	Installation of Audio Visual Equipment at Libraries: Welkom and Virginia						
	Installation of Security Alarm System at Phomolong, Meloding and Mmamahabene Libraries						
	Directional Signs to Libraries to improve access						
	Community vegetable Gardens in Meloding						
	Procurement of Toys for kutlwanong						

IDP REF	PROJECT DETAILS	Ward NO	TOTAL PROJECT ESTIMATE	ESTIMATES			KPA
				BUDGET YEAR 2010/11	BUDGET YEAR 2011/12	BUDGET YEAR 2012/13	
DEPARTMENT OF AGRICULTURE (PROVINCIAL)							
	Lejweleputswa Irrigation Project: Henneneman	3	230 000				
	Chabane Trust Beef Production: Ventersburg	1	960 000				
	Virginia Poultry Structures	8	1 500 000				
	Khanyiso Broiler Irrigation scheme (Virginia)	8	1 260 000				
	Molelengoane Trust sheep production: Ventersburg	1	70 000				
	Ithabeleng layers : Virginia	8	1 100 000				
	Vegetable garden at Thabong Clinc	26	100 000				
	Iketsetseng Vegetable Tunnels & Velue Adding :Welkom		100 000				
	Tlamahano Merohong Vegetable farming: Welkom(CASP)		1 400 000				
	Tlamahano Merohong Vegetable farming: Welkom(ILIMA)		640 00				
	Kopano Broiler Production: Welkom		300 000				

IDP REF	PROJECT DETAILS	Ward NO	TOTAL PROJECT ESTIMATE	ESTIMATES			KPA
				BUDGET YEAR 2010/11	BUDGET YEAR 2011/12	BUDGET YEAR 2012/13	
DEPARTMENT OF ECONOMIC DEVELOPMENT , TOURISM AND ENVIRONMENTAL AFFAIRS							
	Implementation of MOU with CUT on establishment of RIC and IT hub						
	Implementation of mentorship for tourism SMME in Welkom (4)						
	Revitalisation of Tourism information Centre and Arts craft						
	Techno Park: Development of termination centre at: Virginia						
	BIOTECH Park: Establishment of the HUB that will host pharmaceutical and Medical research: Odendaalsrus						

IDP REF	PROJECT DETAILS	Ward NO	TOTAL PROJECT ESTIMATE	ESTIMATES			KPA
				BUDGET YEAR 2010/11	BUDGET YEAR 2011/12	BUDGET YEAR 2012/13	
DEPARTMENT OF CORPORATE GOVERNANCE AND TRADITIONAL AFFAIRS/HOUSING							
	Demolition and rebuilding of G Hostel, Thabong	31	85 500 000				
	Mix Housing/ rental stork/ dwellings close to place of work						