
MATJHABENG LOCAL MUNICIPALITY: INTEGRATED DEVELOPMENT PLAN (IDP) FOR THE FINANCAL YEAR 2011 / 2012



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1.1. Foreword by the Executive Mayor

The current year, namely, 2011, is unique for all of us who operate at the local government sphere. This is the year in which the current political term comes to an end. It is also the year during which local government elections will be held across the length and breadth of South Africa on 18 May to elect new Councillors. Flowing from the above, 2011 will finally see the constitution and inauguration of new Councils.

Primarily because of the uniqueness alluded to above, there was a need for government to give guidelines aimed at helping municipalities meet some of the obligations as articulated in various pieces of legislation governing local government. Amongst others, the Municipal Finance Management Act (MFMA) and Circular 54 of National Treasury, come to mind, especially in respect of the development of the Integrated Development Planning and new budget.

The 2011 / 2012 Integrated Development Plan (IDP) and budget that are presented here have taken their cue from one of the options contained in the aforesaid Circular, namely, Option One, which permits the outgoing Council to approve both the IDP and budget before the end of April 2011. Further, the IDP and budget presented here are a result of an intensive public participation programme whose targeted outcome was to solicit community inputs into the documents under discussion.

Recently, the Council of Matjhabeng Local Municipality approved a new vision for itself, namely Vision 2030. The new vision places the municipality on a path of becoming a metropol on or before 2030. Amongst others, to achieve this mammoth goal, the municipality must renew and where possible build anew its multifaceted infrastructure comprising primarily of roads, electricity, sewer, and water. These, lie right at the heart of service delivery and job creation initiatives.

I, as the Executive Mayor of this municipality, am happy to say a closer look at the contents of both the IDP and its accompanying budget reveals a serious, conscious and deliberate bias towards service delivery and job creation initiatives, a focus that is in line with President Jacob Zuma's state of the nation address.

Further, the IDP that is being presented here gives expression to the other strategic thrusts of Matjhabeng Local Municipality, namely:

- Keeping our towns and environment clean
- Creation of an environment conducive for economic revival of the city
- Sustaining the service delivery momentum built over the past months
- Facilitating the creation of decent human settlement environments, and
- Increasing our revenue base, amongst others.

In conclusion, we are proud to announce that our IDP remains the strategic driver of both our budget and performance management system. In this way, our strategy drives real development on the ground, and the maze of organs civil society can measure us against targets that would be based on strategic IDP programmes.

We look forward to engaging with our communities on our IDP in a far more strategic and meaningful way. We hope that from now henceforth, our communities- and wards-based planning processes would become vehicles for mass participation in the IDP, in order to maximise coordination and ensure synergy between the two processes.

Additionally, we wish to increase the number and depth of our sectoral engagement with a number of significant others which include but not limited to business, the aged, youth, women, and the differently-abled formations. Over and above this process, I wish to encourage every resident, every business, every community and non-governmental organization to take this opportunity to read, engage with and provide feedback to us on our IDP and budget.

For it is only when we work together that we can do more. It is only when we work together that we can realise our municipality's new vision.

2. Background and overview

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

The IDP under discussion arises out of Circular 54 of Treasury and derives its mandate from the MFMA as legislated. This is a one year IDP, and lays the basis for the finalization of an IDP covering numerous financial years which will be developed and adopted once the new Council comes into effect mid 2011. The municipality, through this IDP, will develop a set of goals and strategic objectives that will form the basis for the annual business planning and budgeting carried out by the different departments for the financial year 2011/2012.

The one year IDP should therefore be understood as an interpretation of the strategy and priorities that have emerged from an intensive and well-planned and executed public participation programme the municipality undertook during the better part of February 2011.

The main objective of the IDP is therefore to ensure alignment with the Free State Growth and Development Strategy, the Lejweleputswa District Growth and Development Strategy, Mayoral priorities, community inputs, and the municipal 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 in particular the strategic planning.

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.

Municipalities no longer only have the task of providing basic local administration. They are now expected to play an important role in the country's struggle against poverty and underdevelopment. Government policy requires municipalities to play a developmental role. This policy places the local sphere of government in the forefront of a national effort to put right the political, social and economic wrongs of apartheid.

Developmental local government means that a local government must be committed to work with citizens and groups within the community to find ways to meet their social, economic and material needs and improve the quality of their lives. It should target especially those members and groups within communities that are marginalized or excluded, such as women, disabled people and very poor people (White Paper, 1998).

Municipalities face great challenges in promoting human rights and meeting human needs, addressing past backlogs and problems caused by apartheid planning, and planning for a sustainable future. They can only meet these challenges by working together with local citizens, communities and businesses, and adopting a developmental approach.

Developmental Local Government has the following interrelated characteristics:

Firstly, maximising social development and economic growth. A municipality must make sure that the people and the economy in its area are healthy and well taken care of. In particular, municipalities are responsible for providing services that meet the basic needs of the poor in their communities, in a cost-effective and affordable manner.

This can be achieved in two ways:

- Municipalities should provide relief for the poor. Government's policy is to provide a number of free basic services, particularly water and electricity, to households; and
- Municipalities can also promote social development through arts and culture, the provision of recreational and community facilities, and the delivery of social welfare services.

Secondly, Municipalities have great influence over local economic development and therefore need to work in partnership with local business to improve job creation and investment. It is not the role of local government to create jobs but it can take active steps to improve the conditions in the area for the creation of employment opportunities.

Thirdly, developmental local government must provide leadership to all those who have a role to play in achieving local prosperity. One of the most important methods for achieving greater co-ordination and integration is integrated development planning.

Fourthly, municipalities must start to not only recognise the impact of the HIV/AIDS among communities, but must actively begin to mainstream HIV/AIDS in almost all applicable programmes. In South Africa, the HIV/AIDS epidemic has overtime become a national emergency on a scale that is difficult to fully comprehend. One in five people between the ages of 15 and 49 is HIV positive. HIV/AIDS is much more than a health issue. It affects all levels and spheres of government, and should be at the top of the agenda for developmental local government in South Africa.

Looking at the Integrated Development Plans (IDPs) of most South African municipalities, you would never know this. Most make a passing reference to AIDS, and some talk about a few plans. But some don't talk about it at all, and only a minority give it the attention it deserves. The HIV/AIDS and Local Government Learning Network (Halogen) debated these issues at a recent learning event, and the full discussion can be found at www.halogen.org.za. Here are some of the highlights of the discussion.

Integrated Development Planning is still a relatively new way of working for South African municipalities and there is not yet a depth of experience and capacity when it comes to Integrated Development Planning. Studies have shown that only 37% of municipalities have the capacity to prepare an IDP on their own, without the assistance of outside partners or consultants.

Creating awareness and action around HIV/AIDS is difficult because there is often no HIV focal person to ensure HIV/AIDS is a priority. Often there is no local HIV/AIDS prevalence data available. Without understanding where HIV/AIDS levels are high, municipalities cannot give priority to these places or target the specific issues that make the disease so prevalent.

There are two main ways that municipalities can respond to HIV/AIDS: programming and mainstreaming. Programming focuses only on interventions that are directly related to HIV/AIDS, like awareness campaigns, condom distribution, prevention of mother-to-child transmission, the provision of anti-retroviral treatment and support to orphans and vulnerable children.

Mainstreaming means that all departments in the municipality consider how their day-to-day work contributes to vulnerability to HIV infection and how their work impacts on people's ability to cope with HIV/AIDS. Every decision should be considered in terms of how it affects HIV/AIDS, either in a positive or a negative way. Mainstreaming is critical, because HIV/AIDS can be affected by everything a municipality does, whether the municipality realises it or not.

Going into the future, it may be wise that the Matjhabeng Local Municipality must consider a comprehensive HIV/AIDS programme that may hinge around the:

- Development of a shared view about HIV/AIDS and a sense of urgency that all partners have a role to play. This may include hosting a local AIDS Summit with communities, civil society, sector departments and local businesses.
- Knowing the scale and nature of the epidemic in the municipality. This may include the commissioning of an HIV/AIDS prevalence and incidence study.
- Encouraging every municipal department to integrate HIV/AIDS into their plans to be included in the IDP. Amongst others, this may include the provision of support to relevant staff members.
- Fostering effective leadership on HIV/AIDS. For example, this may mean the development of key performance indicators for managers to assess performance against cross-cutting issues and HIV/AIDS mainstreaming.
- Building and sustaining partnerships with relevant stakeholders. This may include encouraging the establishment of a Local AIDS Council

It is hoped that this IDP will go a long way to ensuring:

- Effective use of scarce resources
- Accelerated service delivery
- Attracting additional funding and/or necessary investment
- Strengthened democracy
- The apartheid legacy is overcome, and
- Coordination among the three spheres of government

1.3. Overview of spatial location of Matjhabeng Local Municipality in the Free State

1.3.1. 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: [www.dining-out.co.za/images/Free State.gif](http://www.dining-out.co.za/images/Free%20State.gif))

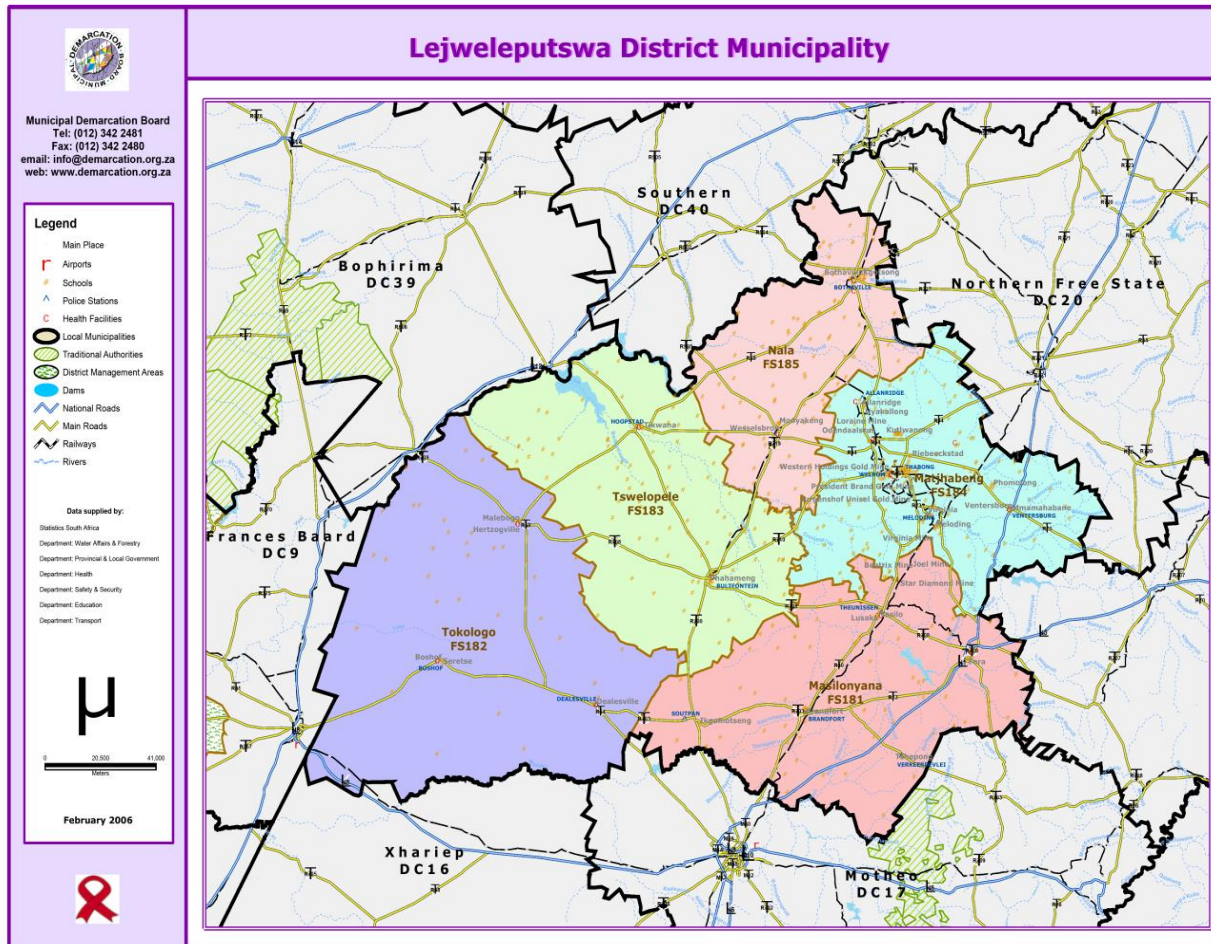
The Free State is divided into five [district municipalities](#) (districts). These are again subdivided into three to five local municipalities each, for a total of 20 local municipalities.

The five districts are:

- Fezile Dabi
- Thabo Mofutsanyana
- Motheo
- Xhariep and
- Lejweleputswa

1.3.2 Lejweleputswa District

Lejweleputswa District Municipality area of jurisdiction is situated in the north western part of the Free State and borders North West; Fezile Dabi; Thabo Mofutsanyane; Motheo; Xhariep; and the Northern Cape (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).



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

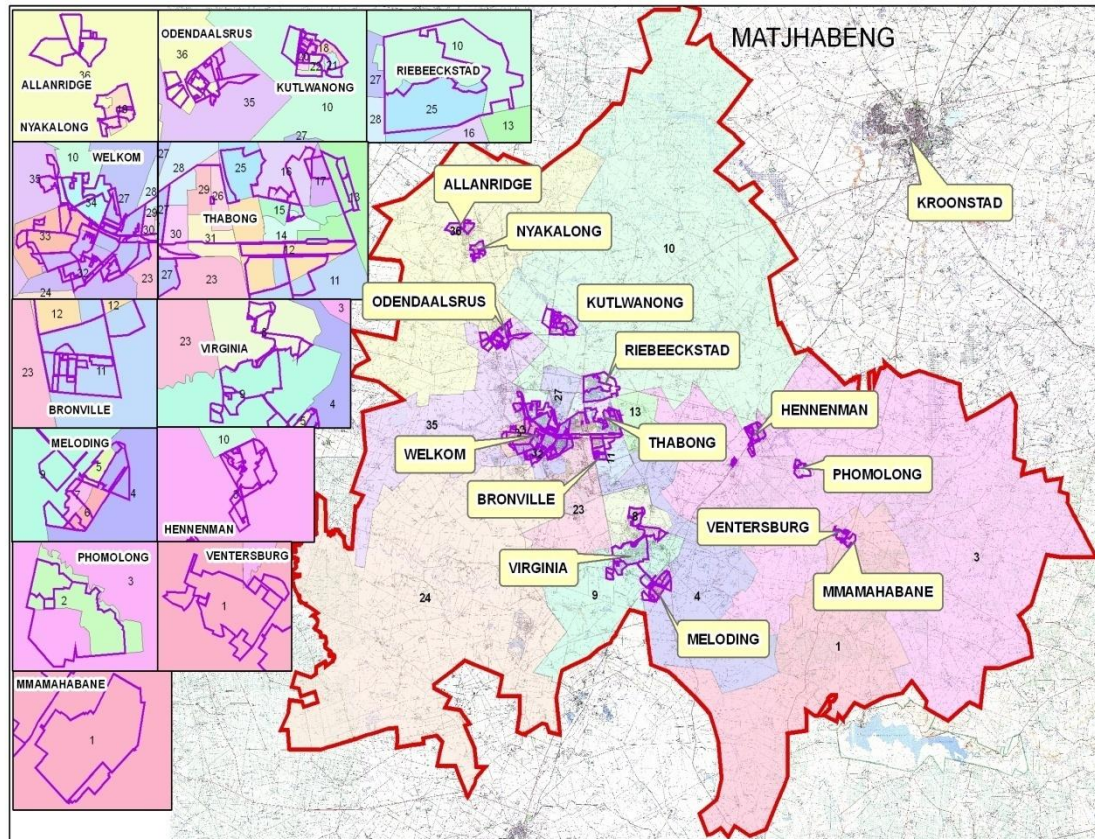
- Matjhabeng Local Municipality consisting of the following towns: Welkom, Virginia, Odendaalsrus, Hennenman, Ventersburg and Allanridge
- Nala Local Municipality consisting of the following towns: Bothaville and Wesselsbron
- Tokologo Local Municipality consisting of the following towns: Boshof, Dealesville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

1.3.3. 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, and is about 250 km south of Johannesburg and 160 km north of Bloemfontein. The nearest harbour is Durban, which is approximately 565 km from Matjhabeng by road.



(Source: Matjhabeng Municipality)

CHAPTER 2. LEGISLATIVE OVERVIEW

2.1. 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	Refuse removal, dumps and solid waste Municipal roads Municipal airports Fire fighting Markets Cemeteries Municipal public works Electricity regulation	Libraries Housing

Category B functions	Category C functions	Provincial & National Competencies
A	B	C
Local sport facilities Municipal parks and recreation Municipal planning Municipal public transport Municipal roads Public places Street lighting Traffic and parking Licensing of dogs Local amenities	Municipal health Storm water 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.

2.2. 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.”

2.3. Distribution of roles and responsibilities

2.3.1. Internal Role players

2.3.1.1. 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.

2.3.1.2. 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

2.3.2. 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

2.3.3. IDP Unit

(a) Comprising of:

- Executive Director: Strategic Support
- 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

2.3.4. Ward Councillors

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.

2.3.5. 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.

2.3.6. Officials

The officials of Matjhabeng Local Municipality will ultimately be responsible for the implementation of the IDP Process and such will play a key role in 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.

2.3.8. External role players

Distribution of responsibilities between municipality and external role players

2.3.9. 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 includes:

- 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.

2.3.10. Professional Service Providers

Professional service providers will be engaged as the need arises e.g in the development of non existing 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.

2.3.11. IDP Representative Forum

2.3.12.1. 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:

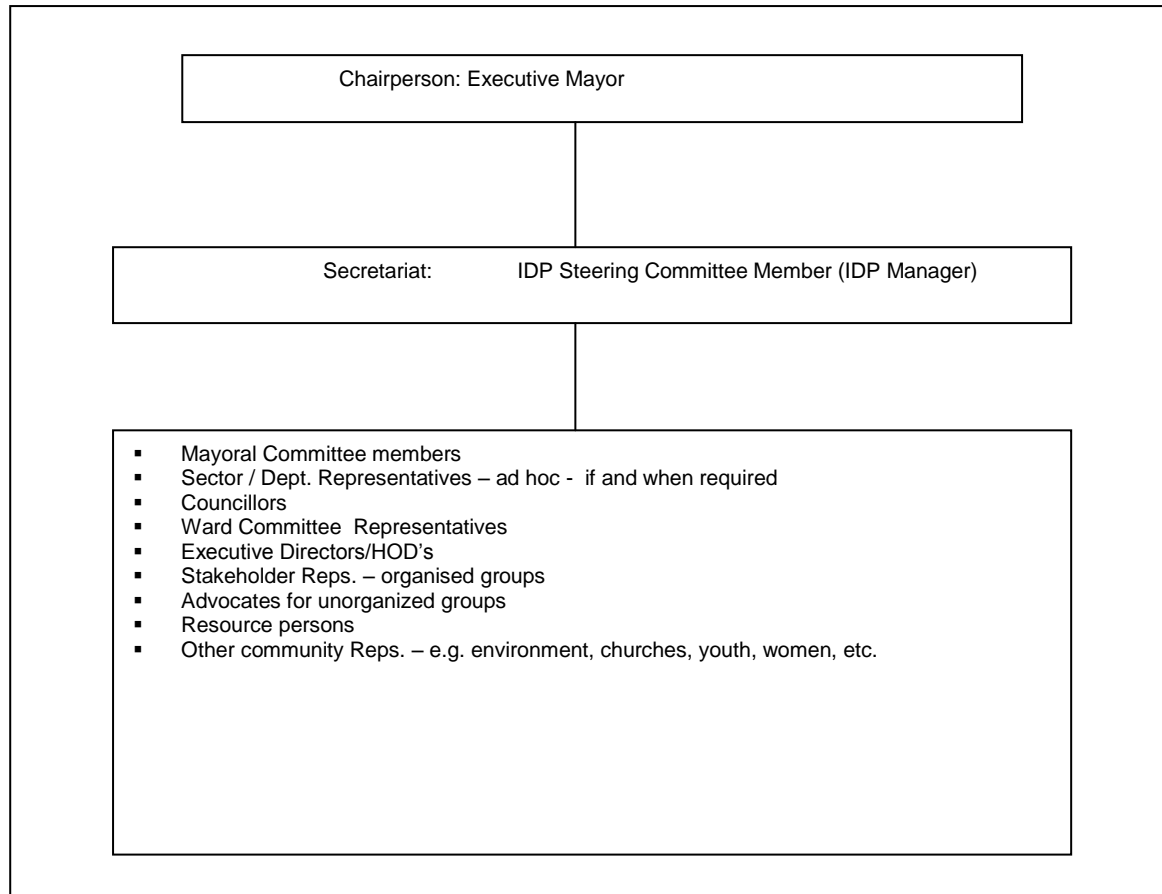
- Executive Mayor
- Mayoral Committee;
- Ward Councillors;
- Ward Committees;
- Senior Municipal Officials;
- Stakeholder representatives of organised groups;
- Advocates of unorganised groups;
- Resource persons;
- Other community representatives;
- National and Provincial Departments regional representatives;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

2.3.12.2. 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



2.4. Organizational arrangements

2.4.1. Municipal Manager assisted by the 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.

2.4.2. IDP Representative Forum

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

2.5. MECHANISMS AND PROCEDURES FOR PARTICIPATION

2.5.1. Functions and context of 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.

2.5.2. 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 2011. The venues for these meetings will be publicized at the IDP RF as well as through the media.

E.IDP Process Plan For 20011/2012 Financial Year

ITEM	IDP REVIEW PROCESS	ACTIVITY	NARRATION	TIMEFRAME	RESPONSIBLE DEPARTMENT
1	Process plan	Adoption of the Revised Process plan by relevant bodies within the context of applicable laws and government directives	MFMA s 21, 23 MSA s 34 Chapter 4 as amended Circular 54 of MFMA	17 January 2011 19 January 2011 27 January 2011	Municipal Manager and EXCO Executive Mayor and MAYCO COUNCIL

2	<p>Prioritization and Identification of Projects</p>	<p>Identification of projects and determination of the accompanying budgets by individual municipal business units (directorates; sub-directorates)</p> <p>Identification of projects from Sector Departments (National and Provincial) for inclusion in the 2011-2012 IDP</p> <p>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</p>	<p>Business Units/Directorates/Sub-Directorates inputs on projects and budget</p> <p>Joint MAYCO and IDP/BUDGET Steering Committee Workshop</p>	<p>31 January – 2 February 2011</p> <p>3 – 4 February 2011</p> <p>6 – 7 February 2011</p>	<p>Municipal Manager</p> <p>IDP Sub-Directorate</p> <p>Finance</p> <p>Municipal Manager's EXCO</p> <p>IDP Sub-Directorate</p> <p>Finance</p> <p>Municipal Manager</p> <p>IDP/Budget Steering Committee</p> <p>Finance</p> <p>Executive Mayor</p> <p>MAYCO</p> <p>Municipal Manager's EXCO</p>

Matjhabeng Local Municipality: IDP 2011 / 2012

	Consolidation				
5	Development of Draft IDP and Budget for 2011-2012 FY	IDP Sub-Directorate and Finance compile the drafts	The purpose is to prepare for MAYCO debriefing and ultimately Council approval	28 February – 11 March 2011	IDP Sub-Directorate Finance
6	Alignment	Align IDP with Draft Budget Estimates , Provincial and National Priorities		14 – 15 March 2011	IDP Finance
7	First Draft of IDP Second IDP/Budget Draft	Municipal Manager and Executive Mayor submit Draft IDP and Budget for 2011-2012 for further inputs' refinement	MAYCO COUNCIL MAYCO COUNCIL	Mid March 2011 End March 2011 Mid April 2011 End April 2011	Municipal Manager Executive Mayor Municipal Manager Executive Mayor
8	Public Consultation on Draft IDP and BUDGET	Public Participation/Imbizos : <ul style="list-style-type: none">▪ Ward Councilors ;	Six Unit based Imbizos for Ward Committees The purpose is to report back on	4 -8 April 2011	Executive Mayor , MAYCO, MM, Finance, Speaker, IDP Office and Budget office

			consolidated inputs and budget		
9	Draft IDP to DPLGH/COGTA	Submit Draft/Budget /IDP DPLGH/COGTA		End April 2011	IDP /Budget Municipal Manager
10	Budget and IDP Approval	Submit Final Budget and IDP		May – June 2011	NEW COUNCIL
11	Start Prep for 2012/2016 IDP Process Plan	Reflect on the MEC letter (IDP Gaps) and conduct analysis on the Corporate Development Priorities		JULY 2011	IDP/Budget/MAYCO
12	Process Plan for 2012-2016	Adoption and approval of the Process Plan for 2012 - 2016by MAYCO and Council		AUGUST 2011	Council

In its elections manifesto for the 2006 local government elections, the ANC made a firm commitment 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.

2.6.1. Community and Stakeholder level analysis (PPP)

2.6.1.1. 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;

2.6.1.2. Matjhabeng Municipality community 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 all always consulted on any matter that council is involved in.

2.6.1.3. 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 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.

CHAPTER 3. SITUATIONAL ANALYSIS

3.1. 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.

3.2. 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:Stats SA

	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:Stats SA

3.3. ECONOMY

3.3.1. 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

3.3.2. 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

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Source:Statssa

3.3.3. 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

3.3.4. 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 being how the local authority intervenes in mitigating this situation.

3.3.5. 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.

3.3.5.1. 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:

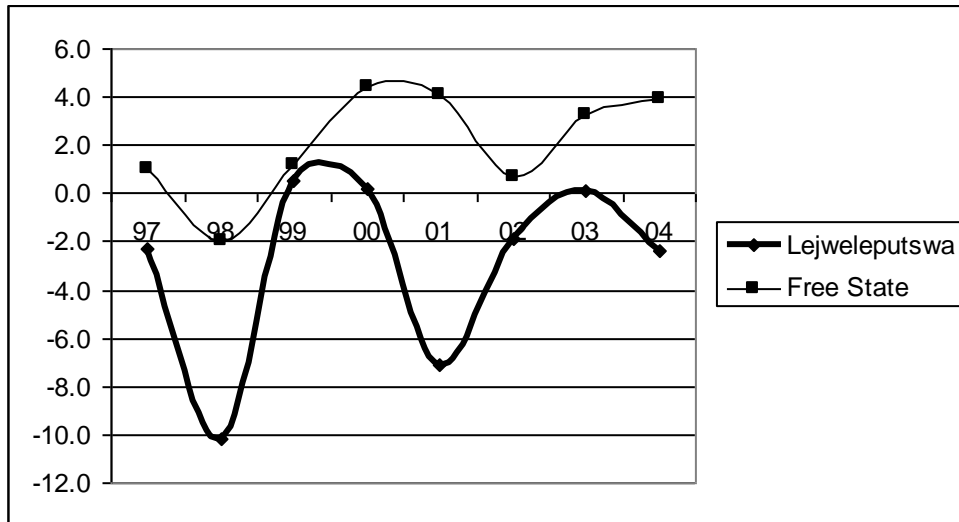
- About 72% of the district's economic output is generated in MLM.
- The relative contributions from MLM and Masilonyana have decreased since 1996.
- The main reason for the decreases in these two municipalities is the overall decline of the mining industry.
- The relative contributions from the other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

3.3.6. 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.

.....TABLE 11

In this regard the following

- In 2004, the GDP per considerably lower than
- Overall, the GDP per 1996 (constant figures).
- Large-scale decreases Masilonyana with small Tswelopele.
- The per capita GDP severe. In 1996 it was figure, but by 2004 it

The decrease was the severest MLM and Masilonyana where it and from 110% to 77% mining industry was very severe.-(See Figures 3-5)

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	

must be noted:

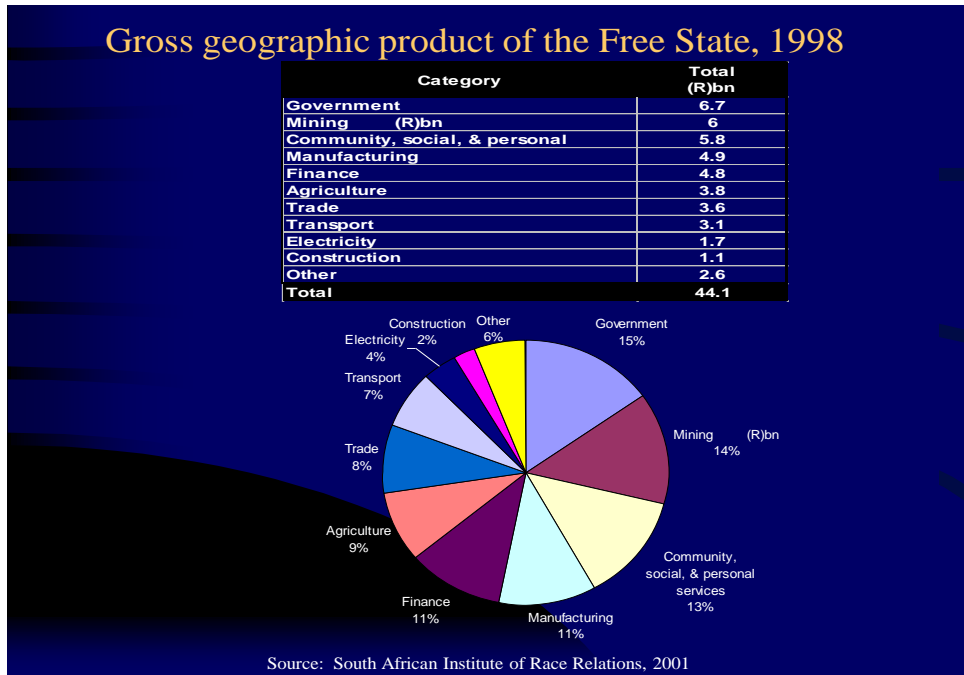
capita in Lejweleputswa was in the Free State.

capita has decreased since

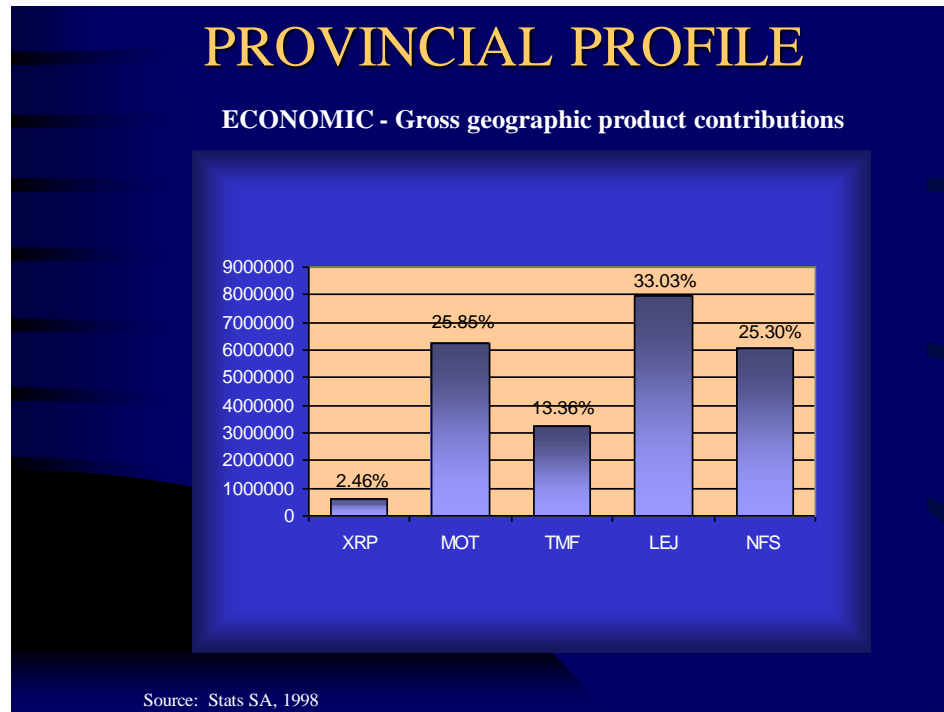
have taken place in MLM and decreases in Tokologo and

decrease in the LDM was still at 95% of the provincial has dropped to 73.1%.

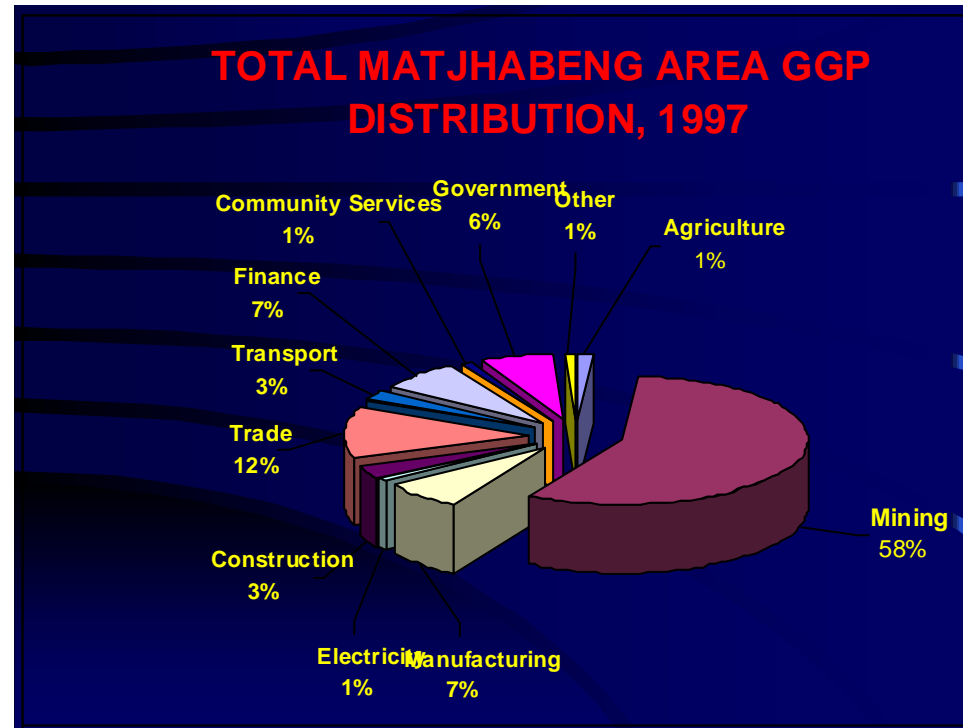
in the local municipalities of declined from 114% to 83% respectively. The decline of the



.....FIGURE 3



.....FIGURE 4



.....FIGURE 5

3.4. 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.

3.5. 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.

3.6. 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 dependent 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

Matjhabeng Local Municipality: IDP 2011 / 2012

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

Matjhabeng Local Municipality: IDP 2011 / 2012

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%

3.7. 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

3.8. 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

3.9. 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

3.10. 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

3.11. Cemeteries

There are 14 cemeteries around Matjhabeng with are the 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.

3.12. 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.

3.12.1. 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 hijack, house robbery, illegal arms, etc. that 0.3% each	3.08

Our Vision

By being a benchmark developmental municipality in service delivery excellence.

Mission statement 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.

<p>1: Basic Service Delivery and Infrastructure</p> <p>Investment</p>	<p>2: LOCAL ECONOMIC DEVELOPMENT</p>
<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
<p>3: Municipal Financial Viability</p>	<p>4: Municipal Transformation and Institutional Development</p>
<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
<p>5: Good Governance and Public Participation</p>	
<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 the 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.

KPA											
Institutional Development											
Outcomes of government : 2. Improve health and life expectancy 5. A skilled and capable workforce to support inclusive growth 9. A response and , accountable, effective and efficient local government system 12. A development –orientated public service and inclusive citizenship											
Key Focus Area: Council Administration Human Resources and Organisational Efficiency Studies											
Budgetary projections(R')											
Objective	Strategy	Project	Ward	Standard	3-yr budget projection	2011/12	2012/13	2013/14	Funding source	Target	KPI
Organisational Efficiency Studies											
Implement Performance Management System	Concluding performance contracts with managers reporting to Section 56/57 Managers		N/A	Number of Contracts completed					MLM	100% of Managers reporting to Section 56/57 have performance contracts	Signed contracts
	Provide feedback on performance/improved performance		N/A						MLM	Four performance feedback meetings with managers reporting to Section 56/57 Managers	Concluded performance feedback meetings
Develop an Individual Performance Management System (IPMS) for all	Developing and having IPMS approved								MLM	December 2012	Policy approved by Council

KPA											
Institutional Development											
Outcomes of government : 2. Improve health and life expectancy 5. A skilled and capable workforce to support inclusive growth 9. A response and , accountable, effective and efficient local government system 12. A development –orientated public service and inclusive citizenship											
Key Focus Area: Council Administration Human Resources and Organisational Efficiency Studies											
Objective	Strategy	Project	Ward	Standard	Budgetary projections(R')			Funding source	Target	KPI	
					3-yr budget projection	2011/12	2012/13				2013/14
staff in Matjhabeng											
Managing the approved IPMS	Training on IPMS presented for staff of MLM (Post levels 5/4 and 6)		N/A						MLM		
Develop and implement institutional performance improvement	Development and maintenance of organisational structure and staff establishment of Matjhabeng Local Municipality		N/A						MLM	According to directorate needs	Develop/maintain the organisational structure of the municipality
			N/A						MLM	According to directorate needs	Determine an optimal staff establishment for different directorates

KPA											
Institutional Development											
Outcomes of government : 2. Improve health and life expectancy 5. A skilled and capable workforce to support inclusive growth 9. A response and , accountable, effective and efficient local government system 12. A development –orientated public service and inclusive citizenship											
Key Focus Area: Council Administration Human Resources and Organisational Efficiency Studies											
Objective	Strategy	Project	Ward	Standard	Budgetary projections(R')			Funding source	Target	KPI	
					3-yr budget projection	2011/12	2012/13				2013/14
											within the municipality
	Assisting Line functions to enhance overall efficiency and performance	Conduct work studies with reference to a broad range of relevant issues	N/A						MLM	Assisting management to organise and re-organise their organisation structures to improve labour utilisation in their departments	Determine an optimal staff establishment for different components within Matjhabeng LM
									MLM	According to directorate needs	Conduct ad-hoc investigations
									MLM		Perform feasibility studies

KPA											
Institutional Development											
Outcomes of government : 2. Improve health and life expectancy 5. A skilled and capable workforce to support inclusive growth 9. A response and , accountable, effective and efficient local government system 12. A development –orientated public service and inclusive citizenship											
Key Focus Area: Council Administration Human Resources and Organisational Efficiency Studies											
					Budgetary projections(R')						
Objective	Strategy	Project	Ward	Standard	3-yr budget projection	2011/12	2012/13	2013/14	Funding source	Target	KPI
Skills Development / Training											
To comply with the relevant skills development legislation	Conducting a skills needs analysis		N/A						MLM	1X Skills Audit Report	Conducting an annual skills audit
	Compilation of a work place skills plan		N/A						MLM	1x Approved WSP	Compiling a work place skills plan by July each year
	Implementation of the work place skills plan		N/A						MLM	1x Annual Implementation Report	Compiling an annual implementation report

KPA											
Institutional Development											
Outcomes of government : 2. Improve health and life expectancy 5. A skilled and capable workforce to support inclusive growth 9. A response and , accountable, effective and efficient local government system 12. A development –orientated public service and inclusive citizenship											
Key Focus Area: Council Administration Human Resources and Organisational Efficiency Studies											
Objective	Strategy	Project	Ward	Standard	Budgetary projections(R')			Funding source	Target	KPI	
					3-yr budget projection	2011/12	2012/13				2013/14
											by January each year
			N/A						MLM	Number of employees trained	Providing Accredited training courses in line with skills needs identified with WSP
			N/A						LGSETA	1x Learnership approved and funded by LGSETA	Providing learnership approved by LGSETA
										Monthly service providers reports	Coordinating training interventions by external training providers
										Database 100% up to date	Administration of employee and learner database

KPA											
Institutional Development											
Outcomes of government : <ul style="list-style-type: none"> 2. Improve health and life expectancy 5. A skilled and capable workforce to support inclusive growth 9. A response and , accountable, effective and efficient local government system 12. A development –orientated public service and inclusive citizenship 											
Key Focus Area: Council Administration Human Resources and Organisational Efficiency Studies											
					Budgetary projections(R')						
Objective	Strategy	Project	Ward	Standard	3-yr budget projection	2011/12	2012/13	2013/14	Funding source	Target	KPI
Personnel Administration											
To manage the recruitment , selection and placement policies and processes in the MLM	Implementation of the Employment Equity Plan								MLM	70% of staff in the three highest levels of management who are Black people	Increasing the number of people from designated groups appointed
										50% of staff employed in the three highest levels of management who are women	
										2% of staff employed in different categories and levels which are black	

KPA											
Institutional Development											
Outcomes of government : 2. Improve health and life expectancy 5. A skilled and capable workforce to support inclusive growth 9. A response and , accountable, effective and efficient local government system 12. A development –orientated public service and inclusive citizenship											
Key Focus Area: Council Administration Human Resources and Organisational Efficiency Studies											
Objective	Strategy	Project	Ward	Standard	Budgetary projections(R')			Funding source	Target	KPI	
					3-yr budget projection	2011/12	2012/13				2013/14
									people		
	Recruitment , selection and placement of employees									Compilation and distribution of vacancy adverts within 3 weeks after the vacancy being realised	
To manage the employee data and information of all Matjhabeng LM employees	Developing an effective record system for all Matjhabeng LM employees									Filing of 100% of documentation within 3 weeks of receipt	

KPA											
Institutional Development											
Outcomes of government : 2. Improve health and life expectancy 5. A skilled and capable workforce to support inclusive growth 9. A response and , accountable, effective and efficient local government system 12. A development –orientated public service and inclusive citizenship											
Key Focus Area: Council Administration Human Resources and Organisational Efficiency Studies											
Objective	Strategy	Project	Ward	Standard	Budgetary projections(R')			Funding source	Target	KPI	
					3-yr budget projection	2011/12	2012/13				2013/14
	Capturing statistical data with regard to absenteeism								Four reports per quarter	Submitting quarterly reports on employee absenteeism, appointments, terminations, retirements.	
										Capturing 100% of approved leave within 2 weeks of receipt of leave applications	
Social Services and Wellness											
To coordinate and promote employee	Developing and implementing an Employee Wellness Policy								1 Policy	Adoption of Employee Wellness Policy by Council	

KPA											
Institutional Development											
Outcomes of government : 2. Improve health and life expectancy											
5. A skilled and capable workforce to support inclusive growth											
9. A response and , accountable, effective and efficient local government system											
12. A development –orientated public service and inclusive citizenship											
Key Focus Area: Council Administration Human Resources and Organisational Efficiency Studies											
Objective	Strategy	Project	Ward	Standard	Budgetary projections(R')			Funding source	Target	KPI	
					3-yr budget projection	2011/12	2012/13				2013/14
wellness											
	Planning and co-ordinating wellness events									4 Programms	Planning and coordinating 1 wellness programmes event per quarter
	Developing and implementing wellness programmes for MLM employees and immediate families									4 Events per year	Planning and coordinating 1 proactive wellness programmes per quarter

KPA											
Institutional Development											
Outcomes of government : 2. Improve health and life expectancy 5. A skilled and capable workforce to support inclusive growth 9. A response and , accountable, effective and efficient local government system 12. A development –orientated public service and inclusive citizenship											
Key Focus Area: Council Administration Human Resources and Organisational Efficiency Studies											
Budgetary projections(R')											
Objective	Strategy	Project	Ward	Standard	3-yr budget projection	2011/12	2012/13	2013/14	Funding source	Target	KPI
Council Administration											
To manage the records of the MLM	Ensuring that the current records management system and practices comply with the relevant archive legislation									Standard	Completed audit of records management system and practices within the MLM.
Maintenance of facilities	To maintain high levels of hygiene and cleanliness of all buildings and facilities of the MLM									80% Satisfactory levels by June 2012	% internal and external customers satisfied with cleanliness and hygienic state of MLM facilities & buildings

KPA											
Institutional Development											
Outcomes of government : 2. Improve health and life expectancy 5. A skilled and capable workforce to support inclusive growth 9. A response and , accountable, effective and efficient local government system 12. A development –orientated public service and inclusive citizenship											
Key Focus Area: Council Administration Human Resources and Organisational Efficiency Studies											
Objective	Strategy	Project	Ward	Standard	Budgetary projections(R')			Funding source	Target	KPI	
					3-yr budget projection	2011/12	2012/13				2013/14
	To ensure the upkeep/upgrading of MLM buildings and facilities by undertaking scheduled maintenance								100% of scheduled maintenance/upgrading of MLM facilities undertaken by June 2012	Maintenance/upgrading undertaken as scheduled.	

KPA											
Institutional Development											
<p>Outcomes of government : 2. Improve health and life expectancy 5. A skilled and capable workforce to support inclusive growth 9. A response and , accountable, effective and efficient local government system 12. A development –orientated public service and inclusive citizenship</p>											
Key Focus Area: Council Administration Human Resources and Organisational Efficiency Studies											
Budgetary projections(R')											
Objective	Strategy	Project	Ward	Standard	3-yr budget projection	2011/12	2012/13	2013/14	Funding source	Target	KPI
Legal Services											
Assist in administering law within the municipality as well as rendering proper legal advise and researched opinion.	Gazetting and implementation of the outstanding by-laws.	By-laws enforcement section.		Ongoing	150,000	150,000	-	-	MLM		Report

KPA											
Institutional Development											
Outcomes of government : 2. Improve health and life expectancy 5. A skilled and capable workforce to support inclusive growth 9. A response and , accountable, effective and efficient local government system 12. A development –orientated public service and inclusive citizenship											
Key Focus Area: Council Administration Human Resources and Organisational Efficiency Studies											
Objective	Strategy	Project	Ward	Standard	Budgetary projections(R')			Funding source	Target	KPI	
					3-yr budget projection	2011/12	2012/13				2013/14
	Reduction in escalating civil proceedings.	Provide compliance management services.		To be done monthly			-		MLM	monthly	Report
Provide legal opinions and advise.	Number of legal opinions to be provided. A proportion of request for opinions to be received.										
	Protect Council's interests at Courts.	Timeous defence on civil proceedings instituted		ongoing					MLM		Report

KPA											
Institutional Development											
<p>Outcomes of government : 2. Improve health and life expectancy 5. A skilled and capable workforce to support inclusive growth 9. A response and , accountable, effective and efficient local government system 12. A development –orientated public service and inclusive citizenship</p>											
Key Focus Area: Council Administration Human Resources and Organisational Efficiency Studies											
					Budgetary projections(R')						
Objective	Strategy	Project	Ward	Standard	3-yr budget projection	2011/12	2012/13	2013/14	Funding source	Target	KPI
		and adherence to Court Orders.									

KPA											
Building effective municipal communications, marketing and branding strategy											
Outcome: Effective, efficient and responsive communication tools											
Key Focus Area: COMMUNICATIONS, BRANDING AND MARKETING											
					Budgetary projections(R')						

Matjhabeng Local Municipality: IDP 2011 / 2012

Objective	Strategy	Project	Ward	Standard	3-yr budget projection	2010/11	2011/12	2012/13	Funding source	Target	KPI
Building effective municipal communications, marketing and branding strategy	Collate municipal information and build it into an all-accessible 24/7 portal updated on daily basis	Build a comprehensive online depository municipal information	all	New project	1,900,000	500,000	650,000	750,000	MLM	30 June 2011	Satisfies GCIS conditions & guidelines and have website starting to run the 1 st of July 2011
	Effective involvement of all sectors and public participation drive for adoption	Municipal Communications Policy and Communications Strategy Implementation	all	Complimentary project	500,000	500,000	-	-	MLM	End of July 2011	All milestone as outlined in the communications implementation plan achieved
	Comprehensive campaign plan for each of the municipal campaigns per departmental programmes	Implementation and management of campaigns	all	New projects	3,000,000	400,000	700,000	900,000	MLM	On-going per departmental quarterly submission	Campaign reach and impact analysis report and results of study undertaken
	Effective management and use of appropriate communication channels	Development of appropriate communicational channels to raise awareness of and support for all layers of government in particular municipal department's	all	New project	6,000,000	500,000	1,500,000	3,000,000	MLM	100% implementation of the municipal media relations programme including creative and cost effective deployment of a variety of	Quality and quantity of media coverage and engagement including samples of communication collateral developed, produced and

		campaigns and objectives								marketing channels	distributed.
	Internal and external communication plane developed and implemented	Build and sustain a positive image of the municipality	All	On-going	1,000,000	250,000	350,000	500,000	MLM	4 Annually one per quarter	Information provided on the website; report on public participation programmes; samples of communication material developed and produced

KPA 2

Local Economic Development

Economic Growth, Poverty Alleviation and Job Creation

6. Outcome: Sustainable Economic Growth and Development

Key Focus Area: LED & PLANNING

Objective	Strategy	Project	Ward	Standard	Budgetary projections(R')			Funding source	Target	KPI	
					3-yr budget projection	2010/11	2011/12				2012/13
To preserve the local historical/heritage resource	<ul style="list-style-type: none"> ➤ Upgrade the local historical site ➤ Institutional sustainability and conservation of heritage resources ➤ Community participation and job creation 	Historical Sites Upgrade (Old SANCO Building)	30	New project	1,119,126	1,119,126	-	-	MIG	Project to be completed by end of FY 2011/2012	Project Completion and Report
Develop a convenient transport facility for the community of Kutlwanong	Develop the existing pick up/ drop-off point in Kutlwanong into a model taxi	Public transport facilities: Kutlwanong taxi rank	20	New project	3,500,000 8,000,000	1,830,524	5,400,000	1,562,064	Harmony MIG	Project to be completed by end of FY 2011/2013	Report

Matjhabeng Local Municipality: IDP 2011 / 2012

	rank										
Standardization of informal/ trading operation in Matjhabeng	Forge uniformity through creation of standardized stalls and markets for Street Traders.	Market and stalls		New project	6,194,999	800,000	1,000,000	1,000,000	MIG	Commencement of Project Project to be completed by end of FY 2011/2013	Project Completion and Report
Create an environment suitable for our emerging farmers to operate	Provision of infrastructural development in all municipal commonage farms for emerging farmers	Commonage infrastructure development (water, toilets and roads)		New project	7,825,252				MIG	Project to be completed by end of FY 2011/2013	Project Completion and Report
Create a conducive environment for the growth and development of SMMEs	Renovate and improve the conditions of MIP	Industrial Park SMME Zone Fencing/paving & shelter		New project	21,252,516	100,000	800,000	1,000,000	MIG	Project to be completed by end of FY 2011/2013	Project Completion and Report
Acquire land for human settlement or any other future development around Welkom	Acquire suitable land in close proximity to town	Land acquisition: Vlakplaats 125	32	New project	3,000,000				RDLR	Project to be completed by end of FY 2011/2012	Project Completion and Report
Acquire agricultural land around Kutlwanong for Commonage purposes to curb the	Acquire suitable grazing and arable agricultural land	Land acquisition: Melkkraal No.		New project					RDLR	Project to be completed by end of FY 2011/2012	Project Completion and Report

Matjhabeng Local Municipality: IDP 2011 / 2012

challenge of loitering cattle and sheep		458 Remainder of Melkkraal Hilton No. 449			2,580,500 8,027,500 1,494,000						
Marketing Matjhabeng as a tourism destination	Production of marketing material i.e. Brochures, Stickers, Flyers, Banners, Website, Billboards, Promotional Video	Creation of destination branding		Ongoing project	1,000,000	2010/11	-	-	MLM	Project to be completed by end of FY 2011/2013	Report
Promote the importance of tourism in the community	Conduct workshops in each of the Six towns in Matjhabeng	To promote tourism awareness and education		Ongoing project	450,000	150,000	150,000	150,000	MLM	Project to be completed by end of FY 2011/2013	Report
To market Matjhabeng as tourism destination of choice	By celebrating tourism Month with various activities e.g. Jazz festival, poetry session	Tourism month		Ongoing project	3,000,000	1,000,000	1,000,000	1,000,000	MLM	Project to be completed by end of FY 2011/2013	Report
Redevelopment of the Showgrounds as an events and Tourism Destination	1. Access MIG funding for the Showgrounds . 2.. Advertise 3. .Appointment	Upgrading of Welkom showgrounds	32	Ongoing project.	500,000	100,000	375,000	25,000	MIG	Project to be completed by end of FY 2011/2013	Report

	consultant. 4. Market the Welkom showgrounds.										
Create communication and exhibition platform for SMME's	<ul style="list-style-type: none"> ➤ Service Provider has been appointed ➤ SLA has been signed by the service Provider and the Municipal Manager ➤ Endorsement Letter still need to be signed by the Accounting Officer ➤ Action Plan has been drawn –up by the service provider 	SMME's Exhibition Week		New project	3,000,000	1,000,000	1,000,000	1,000,000	MLM (R500 000) External Funding	1 per year	Number of Exhibition staged

Matjhabeng Local Municipality: IDP 2011 / 2012

Increase opportunities for infrastructure investment through provision of Facilities.(Business hives for SMME's,)	Construct / Upgrade taxi ranks in phases	Taxi Rank/ Terminals	34/8	New project	1,500,000	500,000	1,000,000	-	MLM/ MIG	Project completed by 2012/2012 FY	Report
Ensure the standard of Welkom Airport is maintained	Resurface 2.3Km of run way	Welkom Airport Runway resurface & Maintanance of the main Building		New project	2,000,000	1,500,000	500,000	-	MLM	Project to be completed by end of FY 2011/2012	Report
Upgrading and maintenance of infrastructure(SMME Facilities)	Renovation of SMME's Kiosk	Welkom, Odendaalsrus & Hennenman		New Project	500,00	500,000	-	-	MLM	Project to be completed by end of FY 2011/2012	Report

KPA 1

Basic Services and Infrastructure Investment

OUTCOME: IMPROVED PROVISION AND UPGRADE OF COMMUNITY SERVICES THROUGHOUT THE MUNICIPAL AREA

Community Services Directorate

Key Focus Area: Parks, Sport & Recreation

Budgetary projections(R')

Matjhabeng Local Municipality: IDP 2011 / 2012

Objective	Strategy	Project	Ward	Standard	3-yr budget projection	2010/11	2011/12	2012/13	Funding source	Target	KPI
To ensure an effective urban & environmental greening program	Provide greened public open spaces	Upgrade tree nurseries in Welkom and Virginia	All	New project	1,875,665	566,666	623,333	685,666	MLM/ DEA	June 2013	Achieved upgrading of nurseries for Matjhabeng Municipality
		Planting of 1200 trees per annum	All	Current project	317,760	96,000	105,600	116,160	MLM/ DEA	ON-GOING	Provision of trees to all units of Matjhabeng Municipality's part of Environmental greening Project
		Pruning of trees and remove decrepit and dangerous trees	All	Current project	1,615,280	488,000	536,800	590,480	MLM	ON-GOING	Keeping the environment clean and beautiful
		Upgrading of public open spaces by clearing and levelling	All	Current project	820,549	247,900	272,690	299,959	MLM	ON-GOING	Provision of environmental friendly areas for healthy community.
		Upgrading of urban parks	All	Current	993,000	300,000	330,000	363,000	MLM/	ON-	Provision of environmental

Matjhabeng Local Municipality: IDP 2011 / 2012

				project					DEA	GOING	friendly areas for healthy community.
To provide adequate burial space for the community	Develop new & upgrade current cemeteries	Upgrading of fences and toilet facilities at the following cemeteries: Ventersburg/Mamahabane (3), Allanridge (2), Kutlwanong (3), Virginia/Meloding (4), Thabong, Bronville and Welkom	1 22 19,36 45,47 & 11	New project	37,513,314	11,333,328	12,466,660	13,713,326	MIG	June 2012	Provision of recreational orientated cemeteries suitable for community needs.
Ensure that basic sport & recreational facilities are available to all communities	To upgrade & maintain existing & build new municipal sport & recreation facilities	Upgrading of the following existing sport and recreation facilities: Nyakallong Stadium, Mmamahabane Stadium, Meloding Stadium, Kutlwanong Stadium, Bronville Community Centre and resurfacing of the following tennis courts: Thabong (3), Bronville (2), Rovers (2), Harvinia (2), and Odendaalsrus (2)	1,4,11,18, 28 & 36	New project	21,852,217	6,530,707	7,194,617	8,126,893	MIG	JUNE 2013	Provision of facilities suitable for community usage and promotion of healthy sport and recreation participants.
		Fencing and upgrading of Mimosa Fun Park	35	Proposed project	2,000,000		1 000 000	1 000 000	MLM	JUNE 2013	Provision of facilities suitable for community usage and promotion of healthy sport

											and recreation participants.
		Fencing of Welkom Cemetery	34		3 000,000		3 000. 000		MIG	JUNE 2012	Provision of facilities suitable for community usage and promotion of healthy sport and recreation participants.
		Refurbishment of internal roads and upgrading of entrances			5 000.000		5 000. 000		MIG	JUNE 201	
		Upgrading of Kopano Indoor Sport Centre Swimming Pool	15		3,000,000		3 000. 000		MLM/ LOTTO	JUNE 2012	Provision of facilities suitable for community usage and promotion of healthy sport and recreation participants.
		Upgrading of Riebeeckstad Swimming Pool	25		5 0000,000		5 000 00		MLM/ LOTTO	JUNE 2012	Provision of facilities suitable for community usage and promotion of healthy sport and recreation participants.
		Establishment of Meloding Sport Complex	4		12,000,000		2 000. 000	10 000.000	MIG MLM	JUNE 2013	Provision of facilities suitable for

											community usage and promotion of healthy sport and recreation participants.
		Zuka Baloyi Stadium development of parking area around stadium	35		3,456,200		3. 456.200		MLM MIG	JUNE 2012	Provision of facilities suitable for community usage and promotion of healthy sport and recreation participants.
		Development of Kutlwanong Stadium area	18		3,456,200		3. 456.200		MLM MIG	JUNE 2012	Provision of facilities suitable for community usage and promotion of healthy sport and recreation participants.
		Upgrading of B field in Northern Free Sate West Stadium	33		4,500,000	4.500. 000			MLM	APRIL 2011	Provision of facilities suitable for community usage and promotion of healthy sport and recreation

											participants.

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KPA 1

Basic Services and Infrastructure Investment

8. Outcome: Sustainable human settlements and improved quality of household life.

Key Focus Area: Human Settlements

Objective	Strategy	Project	Ward	Standard	Budgetary projections(R')			Funding source	Target	KPI	
					3-yr budget projection	2010/11	2011/12				2012/13
Accelerate housing delivery.	Construct 2800 low income houses.	Building of low income houses.	All	New project	-	-	-	-	Provincial Department of Human Settlements	Projects completed	Report
Improve property market	Facilitate construction of middle-income houses.	Phakisa mixed housing project	34	New project	-	-	-	-	MLM/ Provincial Department of Human Settlements	Project completed	Report
More efficient land utilisation	Develop spatial plans to ensure new housing developments are	Development of spatial framework	All	New project	-	-	R 500 000.00	-	MLM	Project completed	SDF Report

	in line with national policy on integrated human settlements.										
Release state-land	Upgrading informal settlements	Township establishments	All	New project	-	-	R 3 000 000.00	-	MLM/ Provincial Department of Human Settlements	3000 sites .	3000 sites allocated
Establish housing needs in Matjhabeng	Updating of Housing sector plan	Establishment of actual housing needs	All	New project			R 400 000.00		MLM	Updated housing sector plan	Housing sector plan
Increase construction of social houses	Identification of suitable land for social housing	Development of social housing	31	New project	-	-	R 5 000 000.00	-	Provincial Department of Human Settlements	Construction of 100 units	100 units built
Promotion of security of tenure	Re-registration of abandoned sites.	Re-registration of sites.	All	New project	-	-	R 5 000 000.00	R 600 000.00	MLM	Re-registration of 1000 sites	1000 sites re-registered

KPA 1

Basic Services and Infrastructure Investment

3. Outcome: All people in MLM be protected & feel safe.

Key Focus Area: FIRE AND RESCUE SERVICES

Budgetary projections(R')

Objective	Strategy	Project	Ward	Standard	Budgetary projections(R')			Funding	Target	KPI
					3-yr budget	2010/11	2011/12			

					projection				source		
Facilitate the development of safer communities through better planning & enforcement.	Enhance equipment for call receiving, timeous dispatching & capturing of information through a joint control room.	Joint control centre for best response times to incidents/ accidents.		Project continuation	5,000,000	-	-	-	Lejweleputswa District Municipality	May 2011	Progress reports
	Establishment of six satellite fire stations in suburban areas.	Set-up satellite fire stations for accessibility to fire incidents according to SANS 10090:2003.		Project continuation	84,000,000	-	14,000,000	14,000,000	MIG	1 Station per FY due to high cost	Monthly report indications

KPA 1

Basic Services and Infrastructure Investment

4. Outcome: Decent employment through inclusive economic growth.

Key Focus Area: FLEET MANAGEMENT

Objective	Strategy	Project	Ward	Standard	Budgetary projections(R')			Funding source	Target	KPI	
					3-yr budget projection	2010/11	2011/12				2012/13
Design service delivery processes to be labour intensive by improving the Mechanical Workshops	Upgrading of the Wash Bay.	Fully functional Wash Bay for all directorates.		New project	100,000	50,000	25,000	25,000	MLM	End FY2011/2012	Monthly Progress Reports
	Re-engineering of the Tyre Store.	Adequate tyre repairs & replacements, which are labour compliant.		New project	300,000	150,000	75,000	75,000	MLM	End FY2011/2012	Monthly Reports & Risk Assessments
	Identification of equipment, painting of floors & working areas in line with the OHS Act.	Compliance to & visibility of equipment as well as ease of access to all working areas.		New project	80,000	40,000	40,000	-	MLM	End FY2011/2012	Risk Assessments

Matjhabeng Local Municipality: IDP 2011 / 2012

	Replacement of hazardous asbestos roofs & poor illumination.	Extreme leaking roofs & lights replacement at Welkom & Virginia Workshops		New project	500,000	400,000	50,000	50,000	MLM	1 st Phase Dec 2011	Risk Assessments
Ensure proper maintenance & rehabilitation of essential services infrastructure	Re-opening of Mechanical Stores by stocking & run minimum parts & spares in tandem with SCM.	Availability of parts & spares on an in-house basis.		New project	1 000,000	800,000	100,000	100,000	MLM	End FY2011/ 2012	Monthly Progress Reports
	Prioritize & add on service delivery vehicles & equipment.	Upgrade fleet size to accommodate different business units.		Project continuation	10,000,000	5,000,000	5,000,000	-	MLM	End of 1 st Quarter FY2011/ 2012	Progress Reports
	Reduction in fleet with high repairs & maintenance costs.	Continue 2 nd Phase auction on certain high cost fleet to reduce repair costs & asset register.		Project continuation	10,000	10,000	-	-	MLM	End of 1 st Quarter FY2011/ 2012	Progress Reports

KPA 1											
Public safety and transport											
3. Outcome: All people in MLM be protected & feel safe.											
Key Focus Area: TRAFFIC MANAGEMENT AND SECURITY SERVICES											
					Budgetary projections(R')						
Objective	Strategy	Project	Ward	Standard	3-yr budget projection	2010/11	2011/12	2012/13	Funding source	Target	KPI
Direct the traffic control function towards policing high risk violations – rather than revenue collection	Intensify the Road safety Awareness projects / campaigns	1. Intensify Pedestrian awareness 2. Road safety Education (Scholar Patrol and Child in Traffic) 3. Easter Holiday (AA) 4. Intensify Summer Holiday Programme (AA) 5. Celebrate Ipoloke project 6. Celebrate Khanya Project		1. Once per Year 2. Continuously 3. Once per Year 4. Once per Year 5. Once per Year 6. Once per Year	600,000	200,000	200,000	200 000	PS&T (MLM)	End FY 2011/ 2012	Monthly Reports
	Upgrading of Traffic Administration System(Back	Tender to improve the current system to accommodate new legislation (AARTO			18,000,000	6,000,000	6,000,000	6,000,000	PS&T (MLM)	End FY 2011/ 2012	Monthly Reports

	Up Office)	implementation), Traffic fines and Accident capturing, Call Centre and Pay points. Installation of e NATIS System									
	Procurement of Radios and enhancement of two way radio communicatio n	To Purchase 100 radios, attend to issues of licensing of radios and fixed the repeaters for effective communication and to enhance our reaction time.			1,50 000.00	50 000.00	50 000.00	50 000.00	PS&T	End FY201 1	Monthly Reports
	Procurement of Speed / Alcohol Apparatus and K78 Road Block Trailer with Equipments	To Purchase three (3)speed machines, two (2) Dragger Alcohol testing machines and K78 Road Block Trailer with full Equipments for effective Traffic Law Enforcement in Matjhabeng			2 700 000.00	900 000.00	900 000.00	900 000.00	PS&T	1 st Phase Dec 2011	Monthly Reports
	Maintain the Accreditation Credentials of Matjhabeng Traffic Training Academy	Further Refurbishing the College Building, Parade Ground Construction, Fencing the Premises, Shooting Range. Attending the			720 000.00	240 000.00	240 000.00	240 000.00	PS&T		

		workshops and meetings, Purchasing the Books and upgrading the study materials. Development of the Data System for compliance with the National Training Policy and relevant legislations. Extension of training by including EOV and EDL Training.									
	Capacity Building of Traffic Personnel (Training and Re- Training for the compliance with the legislation)	Training of new Traffic Trainees at least 50 per year, Training of employees on short courses and on refresher courses as per the legislation.			1800 000.00 (330 learners)	60 000.00 (110Learners)	60 000.00 (110 Learners)	60 000.00 (110 Learners)	PS&T		
	Establishment of the Matjhabeng Municipal Branch Court	To finalized the draft Business Plan and submit it to council for Approval, to liaise with NPA and to indentify the Building and to attend to issues of the resources so as to			6,3 000 000.00	21 000 000.00	21 000 000.00	21 000 000.00	PS&T Through funding assistan ce (Hope fully MIG		

		ensure that the fines issued complete their circle and to address the challenge of treating Traffic fines and By-Law enforcement cases as minor cases and to ensure that they receive the priority in prosecution and administration.							Funds)		
	The Re-Engineering of the structure / Organ gram	To address the needs for effective Traffic Law Enforcement, Safety on our roads and visible traffic policing through out Matjhabeng. e.g. challenges at Venters burg,Hennenman and Virginia			4, 8 000 000.00	1,6 000 000.00	1,6 000 000.00	1,6 000 000.00	PS&T		
To ensure Sustainable Traffic Control	Painting of Road Markings and the erecting or replacement of road signs	Regular painting of road markings and the replacement of signs (at least to cover 750 km per year and 900 signs per year) will not only help to ensure the safety of our roads and to alleviate litigation but will ensure that the			2,4 000 000.00	8 000 000.00	8 000 000.00	8 000 000.00	PS&T		

Matjhabeng Local Municipality: IDP 2011 / 2012

		whole traffic endeavours becomes a success.									
Reduction of crime	Implementation of the Safety Strategy	To ensure the implementation of the plan			1 500 000.00	500 000.00	500 000.00	500 000.00	PS&T		
	Community Participation	To Establish crime prevention coordinating committee			600 000.00	200 000.00	200 000.00	200 000.00	PS&T		
	To protect Council Assets and & employees	Upgrade and Expand the existing security and access function to all municipal buildings									
	Effective By-Law Enforcement	To enhance the unit that is established by more training, workshops and increase the resources									
	Compliance with security policies	To comply with SIRA policies									
	Install and activate Electronic Security systems on the Identified Municipality Buildings / premises	Through tender procedures all the identified buildings and premises be installed with electronic security to safe the property of the municipality.			3, 000 000.00	1, 000 000.00	1, 000 000.00	1, 000 000.00	PS&T		

CHAPTER 5. CAPITAL INFRASTRUCTURE INVESTMENT PLAN

This section of the Chapter focuses only on the capital projects that will form part of the Financial Year 2011 / 2012, and reflect in the main projects that are already registered with MIG, notwithstanding the table immediately here-below.

Category	2010/2011	2011/2012	2012/2013	2013/2014
Registered MIG projects, Contractors appointed	143 916 806	81 268 752	32 152 925	27 602 931
New Projects MIG registration in process	16 834 226	83 627 248	168 346 074	261 749 526
Total	160 751 032	164 896 000	200 499 000	289 352 458

MIG 2011/12 Capital Budget: Projects

Projects registered and contractors appointed

Project Description	2011/2012	Ward
Matjhabeng: High mast lights in Thabong, Nyakallong & Kutlwanong phase 3	350 000	25,16,17,35,28,13,12,19,36,10,18,20,22
Calabria: Upgrading of streets and storm water Phase 1 (2)	1 206 435	4

Project Description	2011/2012	Ward
Odendaalsrus: Upgrading of wastewater treatment works	688 856	36
Kutlwanong: Upgrading of sewerage works phase 2	72 523	10
Thabong: Waterborne sewer network for 5324 stands, Phase 1	1 755 057	11,12
Matjhabeng: Purified effluent sewer network upgrading and overflow release pipeline	357 796	23,32
Nyakallong: Construction of Bus and Taxi Roads Phase 2	106 371	19,36
Kutlwanong: Phase 5 Bucket eradication on 2000 stands with toilet structures	665 539	18,21,22
Nyakallong / Mmamahabane / Phomolong: New sports and recreation facilities	8 787 227	1,19,3
Hennenman (Phomolong): Eradication of 1550 buckets Phase 8	200 000	2
Welkom (Thabong) T16: Construction of internal water network and waterborne sanitation	2 333 525	13
Meloding (Phase3): Sewer reticulation network and 1016 toilet structures	188 758	7

Project Description	2011/2012	Ward
Ventersburg/Mmamahabane: Upgrading of Waste Water Treatment Works, Feasibility study, etc (MIS:159961)	532 000	1
Allanridge/Nyakallong: Upgrading of main sewerage pump stations and new outfall sewers (MIS:165350)	1 460 091	36
Matjhabeng: Upgrading and restoration of Witpan Sewerage treatment works (MIS:165330)	318 759	32
Mmamahabane Provision of 3.72km stormwater drainage	6 740 735	1
Meloding: Provision of 3.5km stormwater drainage	8 611 236	4,5,6,7,9
Phomolong: Provision of 3.9km stormwater drainage	6 417 620	2,3
Meloding: Toilet structures and sewer network for 1317 stands (Phase 5)	424	6
Odendaalsrus, Kutlwanong, Welkom: Relining of worn-out sewer lines	1 275 218	35,10,18
Thabong: Rehabilitation of sewer purification works	204 346	23
Hani Park: Construction of 8.2km Road network and storm water	4 073 736	11,12

Project Description	2011/2012	Ward
drainage (MIS:159992)		
Matjhabeng (Bronville): Provision of 2.5km of roads	351 114	11
Matjhabeng (Thabong): Provision of 6.6km of roads	7 193 174	16,17,26,28,29,30,31
Matjhabeng (Kutlwanong): Provision of 15.7km of roads	7 100 000	18,20,21,22
Matjhabeng (Phomolong): Provision of 1.2km of roads	1 066 184	2,3
Matjhabeng (Nyakallong): Provision of 10.6km of roads	8 000 000	19,36
Matjhabeng (Meloding): Provision of 4.1km of roads	4 958 999	4,5,6,7,9
Matjhabeng (Bronville Ext 9): Construction of waterborne sanitation (MIS:185958)	852 249	11
Hennenman/Phomolong: Outfall sewer - installation of new pipeline (MIS:166130)	2 453 025	2,3
Matjhabeng: Witpan/Klippan - Reduction of water levels (MIS:173120)	103 618	23,32
Stateway: Upgrading of outfall sewer (MIS:159970)	241 206	33
Matjhabeng: PMU contribution	2 602 932	All

Project Description	2011/2012	Ward
	81 268 752	

MIG Projects, Consultants appointed, MIG registration in progress, Contractors to be appointed

Project Description	2011/2012	Ward
Sewer		
THABONG T12 PHASE 4 Sewer Network (Jerusalem park)	1 200 000	25
Odendaalsrus outfall sewer	3 000 000	36
Mmamahabane sewer network (53 stands)	450 000	1
Thabong and Bronville outfall sewer upgrading	1 200 000	16,15,12,23
WWTP		
Thabong Extension	25 000 000	23
Virginia sludge management	1 397 068	9
Pump stations Upgrading	-	
Meloding Upgrade 7 Electric pannels	1 000 000	5,9
Klippan Pumpstation flood remedial works	1 400 000	32
WATER		
THABONG T12 PHASE 4	140 000	25
Replace worn-out waterlines (Asbestos and steel) 8km 1st year, 24 km per year thereafter to reduce waterloss	341 001	All
Kutlwanong Stadion Area	500 000	18
Phomolong: water connections and stand pipes	225 000	2

Project Description	2011/2012	Ward
(100)		
ROADS	-	
Road 300 in T14/2 (integrated with SW)	1 000 758	13,17
Oppenheimer park roads (Ward 12)	1 800 000	12
STORMWATER	-	
Hani Park North Main Canal lining	1 200 000	12
Park 24689 road 200	300 000	13
Losaba	400 000	26
Xaluva	280 000	28
Thabong T14	33 000	17
Thabong T14/2	400 000	17
Stormwater T14 & T16 North	5 182 702	17,13
Kutlwanong – K2 area	600 000	18,20
Nyakallong	2 700 000	19,36
Meloding entrance, Kutlwanong K9 & B2, Thabong, Virginia Hilands, Bronville, Phomolong, Fiskaal st	2 600 000	7,9,18,20
Sandriver canal outlet protection works	4 000 000	23
PLANNING AND INSTITUTIONAL	-	
Pavement Management S investigation	800 000	All
Water balance of pans masterplan	1 000 000	32,33,35,36
Hydrological investigation of the underground water problem in Kutlwanong	700 000	20,22
Compiling of WSDP	1 500 000	All
Establishment of 6 satellite Fire Station	2 000 000	All

Project Description	2011/2012	Ward
Creating and upgrading of CEMETRIES	-	
Meloding (with ablution facilities)	300 000	9
Phomolong (with ablution facilities)	300 000	2
Bronville (with ablution facilities)	300 000	11
Kutlwanong (with ablution facilities)	300 000	10
Allanridge (with ablution facilities)	102 719	36
Landfill sites, relay stations and waste management	3 800 000	25
SMME/LED projects		
Public transport facilities including Taxi Ranks	8 000 000	All
Industrial park SMME zone Fencing/ paving & shelter	800 000	All
Upgrading/ Rehab Welkom showgrounds	375 000	All
Market and stalls (Welkom,4.5, Henn R0.62, Virg R1m)	1 000 000	32,33,34,9,3
PARKS, SPORT, RECREATION AND HEALTH SYSTEMS		
Upgrade and create new sports and recreation facilities Phase 3	2 000 000	
Meloding Sport Centre	2 000 000	6
Paved sidewalks on main roads and near schools	2 000 000	All
	83 627 248	
Grand Total 2011/12 MIG	164 896 000	

Additional funding from other sources: 2011/2012

Project Description	2011/2012	Ward
		2
Human Settlement		18,21
Phomolong School stands services 100	1 500 000	12
K5, K6 Kutlwanong sewer functionality	8 000 000	4
Thabong X18	6 648 000	16,25
Meloding: Calabria/Stilte bucket eradication	8 864 000	10,34
Thandanani	38 000 000	10
Phakisa	57 600 000	10
Leeubosch (Kutlwanong)	77 500 000	3
Ventersburg RDP Housing	6 400 000	3
Hennenman RDP Housing	6 400 000	All
Hennenman Putswa stene (Phomolong)	10 000 000	All
Land Acquisition	10 000 000	
Vision 2030	10 000 000	
	<u>240 912 000</u>	
Department Of Water Affairs		
Lotto		
Sports facilities	<u>500 000</u>	
		All
DETEA		
Mine mitigation	<u>7 000 000</u>	
Hlasela/ Department Of Roads And Housing		

Project Description	2011/2012	Ward
Roads	67 000 000	
Housing	12 800 000	
	79 800 000	

The following projects are for funding out of MUNICIPAL BUDGET

Roads and Storm water		Ward
PMU Counter funding	2 200 000	All
Witpan WWTP counter funding	10 000 000	32
High mast lights Thabong Kutlwanong: Counter funding	1 000 000	25,16,17,35,28,13,12,19,36,10,18,20,22
Calabria Streets and stormwater	1 800 000	4
Tana street stormwater retention dams	5 000 000	27
Koppie Alleen sewer	3 000 000	32
Cactus Street sewer (relining and road)	1 200 000	32
Road 200	3 000 000	13,15,17
Brian Street stormwater canal	500 000	35
Electrical		
Urania Substation	8 000 000	12
CBD electrical upgrade	2 000 000	32,33
Voorspoed Oos substation	1 500 000	23,27
Electrical upgrading of Witpan	15 000 000	32
Energy efficiency residential load management	2 300 000	All
Electrification - X15 (Phase 4) DME R500 and	1 200 000	11

Municipality R1.2m		
Buildings		
Fencing of fresh market Welkom	2 000 000	
Repair roof of fresh market Welkom	1 500 000	30
	61 200 000	30

This part of the Chapter talks specifically to programmes that the municipality would like to implement during the Financial Year under discussion depending upon the receipt and/or availability of additional funding from either external sources (such as sector departments), or from within itself.

NEW Electrical Capital Budget

IDP	Project	Objective	Key	Unit of	Actual Budget	Required budget
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Referene No.	Name	War d no.	performanc e indicator	measur ement	received for the 2009-2010 financial year	Total Cost	2010/201 1	2011/2 012	2012/201 3	2013/201 4	KPA
						#REF!	#REF!	#REF!	#REF!	#REF!	
Administration and strategic planning											
9.18.1.3	HENNEN MAN Upgrading of load control	3			No Budget Received	932 250	932 250	0	0		To upgrade and replace worn - out electrical infrastructure
						932 250	932 250	0	0	0	
Distribution low and medium voltage											
9.18.2.6	ODENDAALSRUS Provision and installation of a 11kV electrical ring feed between Hospitalpark and Eldorie	36			No Budget Received	847 500	847 500	0	0		Ensuring sound low and medium voltage networks
9.18.2.5	ODENDAALSRUS Replace stollen 11kV Medium Voltage Supply cable between Sub 8 and Mini Substation MS 17B Industrial Area	35			No Budget Received	853 150	853 150	0	0		Ensuring sound low and medium voltage networks
9.18.2.6	ODENDAALSRUS Replace stollen 11kV Medium Voltage Supply cable between Sub 1A and Mini Substation MS5	36			No Budget Received	508 500	508 500	0	0		Ensuring sound low and medium voltage networks
9.18.2.6	ODENDAALSRUS Upgrading of overhead electrical networks that was damaged due theft and vandalism	35, 36			No Budget Received	2 825 000	1 356 000	1 469 000	0		Ensuring sound low and medium voltage networks
9.18.2.6	WELKOM Upgrading medium voltage network Stateway new Businesses	32, 33			No Budget Received	8 136 000	3 955 000	2 825 000	1 356 000		Ensuring sound low and medium voltage networks

											13 170 150	7 520 150	4 294 000	1 356 000	0	
Street lights																
9.1.4.3	HENNENMAN Provision and installation of two(2) high mast lights for Phomolong	2,3				No Budget Received	900 000	450 000	450 000	0		To ensure a sound high mast and streetlight installation				
9.1.4.4	VIRGINIA Provisioning and installation of Two(2) high mast lights in Saaiplaas	8				No Budget Received	900 000	450 000	450 000	0		To ensure a sound high mast and streetlight installation				
9.1.4.4	VIRGINIA Provisioning and installation of Two(2) high mast lights Meloding	4,5,6,7,9				No Budget Received	900 000	450 000	450 000	0		To ensure a sound high mast and streetlight installation				
9.1.4.4	VIRGINIA Provisioning and installation of Ten(10) high mast lights Meloding Abany	7				No Budget Received	4 500 000	1 125 000	1 125 000	1 125 000	1 125 000	To ensure a sound high mast and streetlight installation				
9.1.4.4	ODENDAALSRUS Provision and installation of Tenn(10) high mast lights in Odendaalsrus Ward 35	35				No Budget Received	4 500 000	1 125 000	1 125 000	1 125 000	1 125 000	To ensure a sound high mast and streetlight installation				
9.1.4.5	ODENDAALSRUS Provision and installation of Thirteen(13) high mast lights in Kutlwanong	10,18,20,21,22				No Budget Received	5 850 000	1 462 500	1 462 500	1 462 500	1 462 500	To ensure a sound high mast and streetlight installation				
9.1.4.1	ALLANRIDGE Provision and installation of Six(6) high mast lights in Nayakalong	36				No Budget Received	2 700 000	675 000	675 000	675 000	675 000	To ensure a sound high mast and streetlight installation				

Matjhabeng Local Municipality: IDP 2011 / 2012

9.1.4.2	WELKOM Five (5) High mast lights Hani Park, Bronville	11,12				No Budget Received	2 250 000	562 500	562 500	562 500	562 500	To ensure a sound high mast and streetlight installation
9.1.4.3	WELKOM One (1) High mast lights Phomolong Ext2	35				No Budget Received	450 000	0	0	450 000		To ensure a sound high mast and streetlight installation
9.1.4.2	WELKOM Seven (7) High mast lights Welkom Reitz Park Ward 27	27				No Budget Received	3 150 000	787 500	787 500	787 500	787 500	To ensure a sound high mast and streetlight installation
9.1.4.2	WELKOM 26 High mast lights Thabong	11,13,12,14,15,16,17,25,26,29,30,31,27				No Budget Received	11 700 000	2 925 000	2 925 000	2 925 000	2 925 000	To ensure a sound high mast and streetlight installation
9.18.2.21	VENTERSBURG Three(3) High Mast Lights in Mmamahabane	1				No Budget Received	1 350 000	337 500	337 500	337 500	337 500	To ensure a sound high mast and streetlight installation
							39 150 000	10 350 000	10 350 000	9 450 000	9 000 000	

Electrical Capital Maintenance Backlogs								
IDP	Project Name	Ward	Objectives				Actual	Required budget

Matjhabeng Local Municipality: IDP 2011 / 2012

Referene No.		No.					Budget received for the 2009-2010 financial year	Total Cost	2010/2011	2011/2012	2012/2013	2013/2014	KPA
9.18.2.1	WELKOM Upgrading breakers and isolators 132KV reticulation	32	No Budget Received		1 035 426	621 500	413 926						Ensuring a sound and safe high voltage (132kV) distribution
9.18.2.2	WELKOM Main intake test, upgrade and repairs to 132KV	32	No Budget Received		713 664	452 000	261 664						Ensuring a sound and safe high voltage (132kV) distribution
9.18.2.3	WELKOM Provision 20MVA 132KV transformer	32		1 000 000	9 944 000	9 944 000	0						Ensuring a sound and safe high voltage (132kV) distribution
					11 693 090	11 017 500	675 590		0			0	
Administration and strategic planning													

Matjhabeng Local Municipality: IDP 2011 / 2012

9.18.1.3	ODENDAALSRUS Upgrading of load control	1	No Budget Received		124 300	0	0			To upgrade and replace worn - out electrical infrastructure
				124 300						
9.18.1.3	VIRGINIA Upgrading of load control system Virginia	9	No Budget Received		248 600	248 600	0	0		To upgrade and replace worn - out electrical infrastructure
9.18.1.3	WELKOM Upgrading load control Welkom	32,33,	No Budget Received		497 200	497 200	0	0		To upgrade and replace worn - out electrical infrastructure
	MATJHABENG Upgrading of remote meter reading software for the Matjhabeng Electrical Engineering Services Department	Mayjha beng	No Budget Received		22 600	22 600	0		0	To upgrade and replace worn - out electrical infrastructure
	MATJHABENG Ring fencing and Asset Evaluation of the Matjhabeng Electrical Engineering Services Department - All 6 Towns	Mayjha beng	No Budget Received		1 695 000	565 000	565 000	565 000	500 000	Adherence to Parlement Resolutions
	MATJHABENG Conduct a Risk assessment for the Electrical Engineering Services in terms of the OHS Act 85/1993	Mayjha beng	No Budget Received		186 450	186 450	0	0		Adherence to the NERSA licensing requirements in terms of adhering to the Quality of supply regulations

Matjhabeng Local Municipality: IDP 2011 / 2012

9.18.1.4	WELKOM Quality of supply	Mayjha beng	No Budget Received	3 107 500	1 864 500	870 100	372 900			To ensure that the Electrical Engineering Services Department adhere to all statutory and machinery requirements of the OHS act
				5 881 650	3 508 650	1 435 100	937 900	500 000		
Distribution low and medium voltage										
	WELKOM Alma development	27,10	No Budget Received	13 560 000	4 520 000	4 520 000	4 520 000	Council funding		Ensuring sound low and medium voltage networks
9.18.2.4	WELKOM Reyrole switch replacement	32	No Budget Received	124 300	124 300	0	0			Ensuring sound low and medium voltage networks
9.18.2.5	VENTERSBURG Replace High voltage ring feed to Hamilton Substation	1	No Budget Received	202 609	202 609	0	0			Ensuring sound low and medium voltage networks
9.18.2.6	HENNENMAN Ring electrical supply 11kV Atlass Street	3	No Budget Received	398 699	0	0	398 699			Ensuring sound low and medium voltage networks
9.18.2.6	HENNENMAN Ring electrical supply 11kV Goud Street	3	No Budget Received	474 713	474 713	0	0			Ensuring sound low and medium voltage networks
9.18.2.6	ODENDAALSRUS Upgrade electrical supply to Du Plessis Single	36	No Budget Received	149 160	149 160	0	0			Ensuring sound low and medium voltage networks
9.18.2.6	ODENDAALSRUS Complete 11kV electrical ring feed in CBD Area (Odendaalstreet)	36	No Budget Received	167 805	167 805	0	0			Ensuring sound low and medium voltage networks

Matjhabeng Local Municipality: IDP 2011 / 2012

9.18.2.6	WELKOM Ring feed Vista & Bongani Hospital	28	No Budget Received	2 406 448	0	0	2 406 448	Ensuring sound low and medium voltage networks
9.18.2.6	WELKOM ST Helena upgrading of cable distribution network	32	No Budget Received	1 988 800	745 800	745 800	497 200	Ensuring sound low and medium voltage networks
9.18.2.6	VIRGINIA Upgrading of electrical ring feed 11kV to Fauna Park	9	No Budget Received	1 559 965	745 800	814 165	0	Ensuring sound low and medium voltage networks
9.18.2.6	VIRGINIA Upgrading of electrical ring feed 11kV to Boabab Str	9	No Budget Received	248 600	24 860	223 740	0	Ensuring sound low and medium voltage networks
9.18.2.6	VIRGINIA Upgrading of electrical ring feed 11kV to Virginia and Harmony	8	No Budget Received	775 632	372 900	402 732	0	Ensuring sound low and medium voltage networks
9.18.2.6	WELKOM Upgrading of the St Helena Electrical distribution network	32	No Budget Received	1 988 800	745 800	745 800	497 200	Ensuring sound low and medium voltage networks
9.18.2.6	WELKOM NER bulk supply Extension 15 Thabong	12	No Budget Received	2 486 000	1 243 000	1 243 000	0	Ensuring sound low and medium voltage networks
9.18.2.6	WELKOM Upgrading medium voltage network Flamingopark	34	No Budget Received	1 491 600	745 800	745 800	0	Ensuring sound low and medium voltage networks
9.18.2.6	WELKOM Upgrading medium voltage network EXT 19	12	No Budget Received	1 491 600	0	745 800	745 800	Ensuring sound low and medium voltage networks

Matjhabeng Local Municipality: IDP 2011 / 2012

9.18.2.6	WELKOM Upgrading medium voltage network Civic Centre	32	No Budget Received	5 445 759	5 445 759	0	0	Ensuring sound low and medium voltage networks
9.18.2.6	WELKOM Upgrading medium voltage network Industrial Area	27	No Budget Received	3 616 000	3 616 000	0	0	Ensuring sound low and medium voltage networks
9.18.2.9	HENNENMAN Replace overhead transmission lines in Fabriek street	3	No Budget Received	273 460	0	0	273 460	Ensuring sound low and medium voltage networks
9.18.2.10	ODENDAALSRUS Upgrade electrical distribution boxes	35,36	No Budget Received	149 160	99 440	49 720	0	Ensuring sound low and medium voltage networks
9.18.2.11	WELKOM Rehabilitation of low voltage reticulation Phase 1 Bedelia	33	No Budget Received	2 050 950	807 950	1 243 000	0	Ensuring sound low and medium voltage networks
9.18.2.12	WELKOM Ext 19 LT electrical reticulation upgrade	12	No Budget Received	819 117	372 900	446 217	0	Ensuring sound low and medium voltage networks
9.18.2.6	ODENDAALSRUS Upgrading of low voltage overhead distribution lines	35	No Budget Received	1 028 583	652 575	376 008	0	Ensuring sound low and medium voltage networks
9.18.2.6	WELKOM Flamingo park LT Electrical distribution upgrade	34	No Budget Received	1 225 129	621 500	603 629	0	Ensuring sound low and medium voltage networks
NO 9.18.2.14	VENTERSBURG Provision and installation protection relays	1	No Budget Received	93 225	93 225	0	0	Ensuring sound low and medium voltage networks
9.18.2.14	HENNENMAN Provision and installation protection	3	No Budget Received	300 806	0	124 300	176 506	Ensuring sound low and medium voltage networks

Matjhabeng Local Municipality: IDP 2011 / 2012

	relays								
9.18.2.14	VIRGINIA Upgrading of protection relays	4,8,9	No Budget Received	604 098	106 898	248 600	248 600		Ensuring sound low and medium voltage networks
9.18.2.14	ODENDAALSRUS Upgrading of protection relays	35,36	No Budget Received	602 855	372 900	229 955	0		Ensuring sound low and medium voltage networks
9.18.2.14	WELKOM Upgrading of protection relays	27,32,33,34,35	No Budget Received	1 323 439	441 146	441 146	441 146		Ensuring sound low and medium voltage networks
9.18.2.15	VIRGINIA Provision and installation of remote Electrical metering systems	8,9	No Budget Received	223 740	37 290	186 450	0		Ensuring sound low and medium voltage networks
9.18.2.15	ODENDAALSRUS Provision and installation of remote Electrical metering systems	35,36	No Budget Received	362 061	229 706	132 355	0		Ensuring sound low and medium voltage networks
9.18.2.15	WELKOM Provision and installation of remote Electrical metering systems	27,32,33,34,35	No Budget Received	2 361 698	787 233	787 233	787 233		Ensuring sound low and medium voltage networks
	MATJHABENG Testing and verification of all large electrical consumer connections to the NRS 058 regulations in all towns by a SANAS approved authority		No Budget Received	4 651 928	1 550 643	1 550 643	1 550 643		Ensuring sound low and medium voltage networks

Matjhabeng Local Municipality: IDP 2011 / 2012

9.18.2.16	WELKOM Upgrade of SCADA system	27,32,33,34,35	No Budget Received	248 600	124 300	124 300	0		Ensuring sound low and medium voltage networks
				54 895 338	25 622 012	16 730 391	12 542 934	0	
Revenue protection									
9.18.2.18	VENTERSBURG Provision and installation of a STS pre-paid electrical meters	1	No Budget Received	124 300	136 730	0			Ensuring an effective Revenue Protection Service
9.18.2.18	HENNENMAN Provision and installation of a STS pre-paid electrical meters	3	No Budget Received	124 300	136 730	0			Ensuring an effective Revenue Protection Service
9.18.2.18	VIRGINIA Upgrading of STS pre-paid electrical metering system	4,8,9	No Budget Received	135 600	149 160	0			Ensuring an effective Revenue Protection Service
9.18.2.18	ODENDAALSRUS Upgrading of STS pre-paid electrical metering system	35,36	No Budget Received	237 300	111 870	149 160			Ensuring an effective Revenue Protection Service
9.18.2.18	ALLANRIDGE Provision and installation of STS pre-paid electrical metering system	36	No Budget Received	124 300	105 655	31 075			Ensuring an effective Revenue Protection Service
9.18.2.18	WELKOM Pre-paid metering upgrade	27,32,33,34,35	No Budget Received	210 858	231 944	0			Ensuring an effective Revenue Protection Service
				956 658	872 089	180 235	0	0	

Street lights								
9.8.21	PHOMOLONG Provision and installation of Street Lighting for main entrance road 6013.29 meters	2,3	No Budget Received	1 264 972	463 822	463 822	463 822	To ensure a sound high mast and streetlight installation
9.8.21	NYAKALONG Provision and installation of Street Lighting for main entrance road 1416.16 meters	36,19	No Budget Received	297 908	327 698	0	0	To ensure a sound high mast and streetlight installation
9.8.21	MMAMAHABANE Provision and installation of Street Lighting for main entrance road 4089.42 meters	1	No Budget Received	860 263	315 429	315 429	315 429	To ensure a sound high mast and streetlight installation
9.8.21	MELODING Provision and installation of Street Lighting for main entrance road 5882.04 meters	4,5,6,7,9	No Budget Received	1 133 003	415 434	415 434	415 434	To ensure a sound high mast and streetlight installation
9.8.21	KUTLWANONG Provision and installation of Street Lighting for main entrance road 1128.54 meters	18,20,22,10	No Budget Received	237 403	0	0	261 143	To ensure a sound high mast and streetlight installation

Matjhabeng Local Municipality: IDP 2011 / 2012

9.8.21	THABONG: NKOANE ROAD Provision and installation of Street Lighting for main entrance road 6294.79 meters	16,17,2 6,29	No Budget Received	1 324 191	0	1 456 610	0		To ensure a sound high mast and streetlight installation
9.8.21	THABONG: MANGOSUTHU BUTHELEZI ROAD Provision and installation of Street Lighting for main entrance road 1936.4 meters	14	No Budget Received	407 347	0	448 081	0		To ensure a sound high mast and streetlight installation
9.8.21	THABONG: PHAKATI ROAD Provision and installation of Street Lighting for main entrance road 1959.05 meters	28	No Budget Received	412 112	0	0	453 322		To ensure a sound high mast and streetlight installation
9.8.21	THABONG: NDAKI ROAD Provision and installation of Street Lighting for main entrance road 7225.81 meters	26	No Budget Received	1 520 044	0	0	1 672 060		To ensure a sound high mast and streetlight installation
9.8.21	THABONG: MOTHUSI ROAD Provision and installation of Street Lighting for main entrance road 2124.26 meters	29,31	No Budget Received	446 866	491 552	0	0		To ensure a sound high mast and streetlight installation

Matjhabeng Local Municipality: IDP 2011 / 2012

9.8.21	THABONG: CONSTANTIA ROAD Provision and installation of Street Lighting for main entrance road 2124.26 meters	30,12,1 4,31	No Budget Received	1 208 565	1 329 421	0	0		To ensure a sound high mast and streetlight installation
9.1.4.4	VIRGINIA Provision and installation of High mast and streetlights in Virginia	4,8,9	No Budget Received	774 615	0	372 900	479 177		To ensure a sound high mast and streetlight installation
9.18.2.21	VENTERSBURG Upgrading of streetlights	1	No Budget Received	136 730	0	150 403	0		To ensure a sound high mast and streetlight installation
9.18.2.21	HENNENMAN Upgrading of streetlights in Hennenman Town	3	No Budget Received	149 160	0	164 076	0		To ensure a sound high mast and streetlight installation
9.18.2.19	ODENDAALSRUS Provision and installation of streetlights Mimosa Way	36	No Budget Received	226 000	248 600	0	0		To ensure a sound high mast and streetlight installation
9.18.2.21	WELKOM Central park lighting	32	No Budget Received	135 600	149 160	0	0		To ensure a sound high mast and streetlight installation
9.18.2.21	MATJHABNG Upgrading lighting Othello Road	32	No Budget Received	56 500	62 150	0	0		To ensure a sound high mast and streetlight installation
				10 591 278	3 803 267	3 786 755	4 060 387	0	

Electrical work shop								
9.18.1.1	MATJHABENG Testing and repair all Electrical Installation that is property of the Matjhabeng Municipality in terms to the SANS10142-1 regulations		No Budget Received	791 000	372 900	248 600	248 600	Testing and repair of electrical building installations
9.18.2.23	HENNENMAN Provision and installation of security systems at electrical Substations	3	No Budget Received	56 500	62 150	0	0	To ensure an effective and efficient Electrical workshop
9.18.2.23	VENTERSBURG Provision and installation of security systems at electrical Substations	1	No Budget Received	50 850	55 935	0	0	To ensure an effective and efficient Electrical workshop
9.18.2.23	ALLANRIDGE Provision and installation of security systems at electrical Substations	36	No Budget Received	56 500	62 150	0	0	To ensure an effective and efficient Electrical workshop
9.18.2.23	VIRGINIA Provision and installation of security systems at electrical Substations	4,8,9	No Budget Received	115 260	99 440	27 346	0	To ensure an effective and efficient Electrical workshop
9.18.2.23	ODENDAALSRUS Provision and installation of security systems at electrical Substations	35,36	No Budget Received	119 690	83 530	48 129	0	To ensure an effective and efficient Electrical workshop

Matjhabeng Local Municipality: IDP 2011 / 2012

9.18.2.23	WELKOM Substation security and remote control system	27,32,3 3,34,35	No Budget Received	9 717 998	3 563 265	3 563 265	3 563 265	To ensure an effective and efficient Electrical workshop
NO 9.18.2.24	HENNENMAN Upgrading of substation buildings	3	No Budget Received	282 500	62 150	248 600	0	To ensure an effective and efficient Electrical workshop
9.18.2.24	VIRGINIA Upgrading of substation buildings	4,8,9	No Budget Received	847 500	186 450	372 900	372 900	To ensure an effective and efficient Electrical workshop
9.18.2.24	ODENDAALSRUS Upgrading Main substation	36	No Budget Received	113 000	124 300	0	0	To ensure an effective and efficient Electrical workshop
9.18.2.24	ALLANRIDGE Upgrading Main substation	36	No Budget Received	361 600	397 760	0	0	To ensure an effective and efficient Electrical workshop
9.18.2.25	ALLANRIDGE Emergency work to be done on all substation in Allanridge	36	No Budget Received	226 000	248 600	0	0	To ensure an effective and efficient Electrical workshop
9.18.2.26	WELKOM Mini-Substation Replacement	12,32	No Budget Received	1 234 299	452 576	452 576	452 576	To ensure an effective and efficient Electrical workshop
9.18.2.24	WELKOM Revamp main sub structure	32	No Budget Received	169 500	93 225	93 225	0	To ensure an effective and efficient Electrical workshop

Matjhabeng Local Municipality: IDP 2011 / 2012

9.18.2.27	VENTERSBURG Upgrading of OCB in distribution network	1	No Budget Received	395 500	0	435 050	0		To ensure an effective and efficient Electrical workshop
96 projects				14 537 696	5 864 431	5 489 691	4 637 341	0	
GRAND TOTAL				98 555 710	50 687 949	28 297 763	22 178 563	500 000	

KPA 1

Basic Services and Infrastructure Investment

OUTCOME: IMPROVED PROVISION AND UPGRADE OF COMMUNITY SERVICES THROUGHOUT THE MUNICIPAL AREA											
Community Services Directorate											
Key Focus Area: Parks, Sport & Recreation											
Objective	Strategy	Project	Ward	Standard	Budgetary projections(R')			Funding source	Target	KPI	
					3-yr budget projection	2010/11	2011/12				2012/13
Ensure that basic sport & recreational facilities are available to all communities		Upgrading of Kopano Indoor Sport Centre Swimming Pool	15		3,000,000		3 000.000		MLM/ LOTTO	JUNE 2012	Provision of facilities suitable for community usage and promotion of healthy sport and recreation participants.
		Upgrading of Riebeeckstad Swimming Pool	25		5 000,000		5 000 00		MLM/ LOTTO	JUNE 2012	Provision of facilities suitable for community usage and promotion of healthy sport and recreation participants.
		Upgrading of Doornpan Recreation Resort	13		15,000,000		10 000.000	5 000.000	MIG	JUNE 2013	Provision of facilities suitable for community usage and

											promotion of healthy sport and recreation participants.
		Upgrading of Welkom Swimming Pool	6		10,000,000		10 000.000		MIG	JUNE 2012	Provision of facilities suitable for community usage and promotion of healthy sport and recreation participants.
		Zuka Baloyi Stadium development of parking area around stadium	35		3,456,200		3. 456.200		MLM MIG	JUNE 2012	Provision of facilities suitable for community usage and promotion of healthy sport and recreation participants.
		Construction of new swimming pool in Phomolong	2		4,000,000		4 000. 000		MLM/ MIG	JUNE 2013	Provision of facilities suitable for community usage and promotion of healthy sport and recreation participants.
		Upgrading of Die Plekkie in Virginia	8		2,000,000		2.000.000		MLM	JUNE 2012	Provision of facilities suitable for community usage and promotion of healthy sport

											and recreation participants.
		Development of Kutlwanong Stadium area	18		3,456,200		3.456.200		MLM MIG	JUNE 2012	Provision of facilities suitable for community usage and promotion of healthy sport and recreation participants.
		Upgrading of B field in North West Stadium	33		4,500,000	4.500.000			MLM	APRIL 2011	Provision of facilities suitable for community usage and promotion of healthy sport and recreation participants.
		Upgrading of Flamingo Lake	33		4,500,000		4 000.000	5 000.000	MLM/ MIG	JUNE 2013	Provision of facilities suitable for community usage and promotion of healthy sport and recreation participants.

Matjhabeng Local Municipality: IDP 2011 / 2012

		Upgrading of pavilion at Unie Park Stadium	3		800,000		400,000	400,000	Internal Lotto	June 2013	Provision of facilities suitable for community usage and promotion of healthy sport and recreation participants.
		Upgrading of Harmony Sport complex	8		4,000,000		2,000,000	2,000,000	MIG Lotto	June 2013	Provision of facilities suitable for community usage and promotion of healthy sport and recreation participants.

CHAPTER 6. INSITUTIONAL OVERVIEW

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

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 Open transparent administration Functions Learnerships External Funding opportunities Established Service Providers	Compliance Incentive, enhance morale Community development Funding Explore funding windows & apply Develop a data base of service providers
THREATS	Actions to neutralise the External Threats
More litigations Training not effective for purpose	Information Professional recruitment and selection 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 section 26(h) of the Municipal Systems Act 32 of 2000 read with Regulation 2(3) of the Local Government: Planning and Performance Regulations, 2001.

The Financial Plan will reflect the budget projection for at least three (3) years, a financial strategy in order to ensure sound financial management as well as the financial management policies of the 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 3.7%
- Increase in Sedibeng Water tariffs by 8%
- Increase in Eskom tariffs by approximately $\pm 20\%$
- Salary increase of 8%
- Government grants for the 2011/2012 to 2013/2014 as per the Division of Revenue Act.

2.2 Operating Budget Projections

The operating budget of the municipality sets out indicative revenue per source and expenditure per category for the next three (3) years (MTREF). The 2011/12 budget of R1 548 045 854 is based on a collection rate of 62.5%, which is informed by past collection trends. The proposed income for the 2011/12 financial year is R1 114 865 784 and the provision for bad debts is R433 180 070.

Table 1 gives an indication of the Operating Budget projections for the period 1 July 2011 to 30 June 2014.

TABLE 1: OPERATING BUDGET 1 JULY 2011 TO 30 JUNE 2014

	2011/2012 BUDGET	2012/2013 BUDGET	2013/2014 BUDGET
<i>Revenue Per Source (Billed amount)</i>			
Assessment Rates	192,490,566	207,889,811	224,520,996
Water	183,016,590	183,016,590	197,657,917
Electricity	518,737,464	580,985,960	627,464,836
Sanitation	98,230,046	106,088,449	114,575,525
Refuse Removal	55,224,343	59,642,291	64,413,674
Grants & Subsidies	392,899,000	408,097,000	449,844,000
Interest and Investment Income	73,339,704	79,206,880	85,543,431
Other income	34,108,141	39,142,267	42,273,648
Total Income as per billing	1,548,045,854	1,664,069,248	1,806,294,027
Less: Contribution to reserves (Bad Debts)	433,180,070	443,549,727	489,398,976
Total realistically anticipated revenue collected			
	430,636,695	473,700,365	511,596,394
<i>Expenditure Per Category</i>	105,408,313	115,678,729	124,933,028
Salaries, wages and allowances	234,673,503	250,140,104	270,151,313
General expenses	198,429,776	214,304,158	231,448,491
Electricity bulk purchases	113,762,000	131,995,120	142,554,729
Water bulk purchases	4,500,000	4,500,000	4,500,000
Repairs and maintenance	27,455,496	30,201,046	31,711,098
Interest and Capital redemption	1,114,865,784	1,220,519,521	1,316,895,052
Contribution to capital expenditure			
Total Expenditure	-	-	-
(Surplus)/ Deficit			

2.3 Capital Budget Projections

The total Capital Budget Projection for the financial years 2011/2012 is R199 637 496, 2012/2013 is R237 200 046 and for 2013/2014 is R250 737 098. The Municipal Infrastructure Grant allocation for the respective financial years are, 2011/2012 R164 896 000; 2012/2013 R200 499 000; 2013/2014

R211 526 000. The other grant funding consists of allocations for the Neighbourhood Development Partnership Grant and the Integrated National Electrification Programme. The projected allocation from the contribution from Operating budget is R27 455 496 for 2011/12; R30 201 046 for 2012/13 and R31 711 098 for 2013/14.

Table 2 gives an indication of the Capital Budget projections for the period 1 July 2011 to 30 June 2014.

TABLE 2: CAPITAL BUDGET 1 JULY 2011 TO 30 JUNE 2014

	2011/2012 BUDGET	2012/2013 BUDGET	2013/2014 BUDGET
Own Funding			
Capital Replacement Reserve	27,455,496	30,201,046	31,711,098
Total	27,455,496	30,201,046	31,711,098
Grant Funding			
Municipal infrastructure grant	164,896,000	200,499,000	211,526,000
Other Grant Funding	7,286,000	6,500,000	7,500,000
Total	172,182,000	206,999,000	219,026,000
Total funding	199,637,496	237,200,046	250,737,098

***Source: Division of Revenue Act*

2.4 Total Budget Estimates for the period 1 July 2011 to 30 June 2014

The total estimated budget of the municipality for the 2011/2012 financial year is R1 747 683 350 of which the operating budget consist of 88.5% and the capital budget of 11.4%.

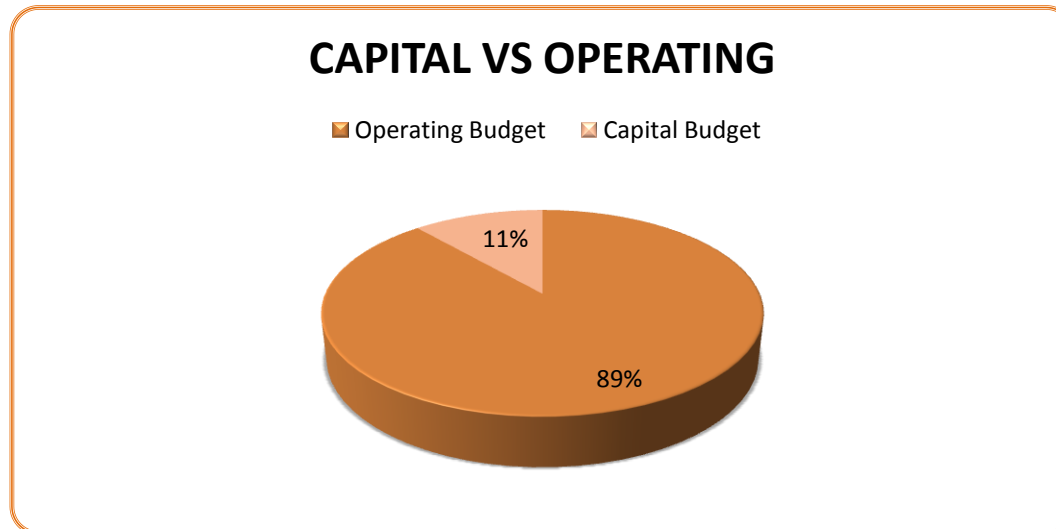
Table 3 gives an indication of the total budget estimates for the period 1 July 2011 to 30 June 2014

TABLE 3: TOTAL MUNICIPAL BUDGET (CAPITAL VERSUS OPERATIONAL)

	2011/2012 BUDGET	2012/2013 BUDGET	2013/2014 BUDGET
Operating Budget	1,548,045,85	1,664,069,248	1,806,294,027
Capital Budget	4	237,200,046	250,737,098
Total Budget	199,637,496	1,901,269,294	2,057,031,126
	1,747,683,350		

Figure 1 gives an indication of the Operating budget versus the Capital budget for the 2011/2012 financial year.

FIGURE 1: CAPITAL VERSUS OPERATIONAL BUDGET 2011/2012



2.5 Financial Resources for Capital Projects and Operating Expenditure

Section 18 (1) of the Municipal Finance Management Act 56 of 2003 states that an annual budget may only be funded from realistically anticipated revenues to be collected; cash-backed accumulated funds from previous years' surpluses not committed for other purposes; borrowed funds, but only for the capital budget.

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The capital projects are funded from grants and contributions from the operating budget. The main source of funding is grants such as the Municipal Infrastructure grant. The capital funding consists of 86% from grants and 14% of contributions to capital expenditure.

The operating expenditure is funded from operating income which consist of assessment rates, trading services, grant income and other income e.g. rental income and fines.

2.5 Investments and External Loans

The Matjhabeng Local Municipality had investments totalling R15 146 664 at the end of the 2009/10 financial year.

The balance as at 30 June 2010 for external loans was R26 920 836 of which R26 786 508 was short term liabilities.

Table 4 gives an indication of the debt management framework for the period 1 July 2011 to 30 June 2014

TABLE 4: DEBT MANAGEMENT FRAMEWORK PERIOD 1 JULY 2011 TO 30 JUNE 2014

	2010/2011 ACTUAL	2011/2012 BUDGET	2012/2013 BUDGET	2013/2014 BUDGET
Opening balance	26,920,836	22,813,719	18,313,719	13,813,719
Less: Capital repayments for the year	4,107,120	4,500,000	4,500,000	4,500,000
Closing Balance	22,813,716	18,313,719	13,813,719	9,313,719

3. FINANCIAL STRATEGY

The revenue collection rate of the municipality for the past financial years varied between 55% and 65% which resulted in a negative cash flow position. The current ratio of the municipality is presently at 0.36:1, 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.

During the 2009/2010 financial year the municipality received a disclaimer audit opinion. The municipality developed an audit query action plan to address the issues raised in the audit report and to also ensure that the issues do not re-occur in the future.

The following strategies have been employed to improve the financial management efficiency and the financial position of the municipality.

3.1.1 Revenue Raising Strategy

- ✳ Implementation of the Financial Recovery Ten (10) Point Action Plan – See Annexure
- ✳ Rejuvenate disconnection project (Operation Betaal) with a revenue protection unit in place to monitor reconnections and disconnections.
- ✳ Review accounting policies
- ✳ Implementation of the new Valuation Roll.

3.1.2 Asset Management Strategy

During the 2009/2010 financial year the municipality received a qualification on assets. The assets will be managed in terms of the applicable policy from Council. An asset management strategy was developed to address the aforementioned. The strategy will involve the following:

- ✳ Perform asset verification per department, which will be consolidated to the Asset Manager
- ✳ Implementation of Key Control Matrix on assets – monthly updating of assets
- ✳ Calculation of the accurate and correct depreciation using the correct method.
- ✳ Incorporate a separate recording of all assets acquisitions and disposed with their original price and disposal value.
- ✳ Establish an asset management steering committee that will assist in verifying the correctness of the asset report.
- ✳ Ensure that the service provider corrects all the errors with regard to the description, serial number and location of assets on asset register.
- ✳ Notifications message with regard to asset purchases and disposal to ensure the correct useful lives calculation and depreciation.
- ✳ Ensure all phases of asset life cycle are aligned to planning, budgeting and reporting process.
- ✳ Conduct risk assessment on asset verification and safety.
- ✳ Ensure the asset management plan forms part of the IDP
- ✳ Ensure the asset register comply with accounting standards (GRAP)
- ✳ Asset unit to consult with other departments in the development of the municipality's asset management plan.
- ✳ Review any legislative issues with the legal department.
- ✳ Review any human resource issues with the human resource department.
- ✳ Review any other issues with any other relevant manager, e.g. IT, CFO, etc.
- ✳ Compile maintenance plans and implement for all major assets with an extended lifespan.

3.1.3 Financial Management Strategy

The accounting policies of the municipality will be reviewed to conform to the provisions contained in all relevant legislation governing local government. By-law and procedures will be developed to give effect to these policies. The procedures will be aligned with council's policies regarding the various aspects, with reference to the applicable job description and terms of reference of the various standing committees to affix responsibility. Alignment with the performance management system will ensure the necessary control to Council.

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 adopt the following actions:

A. Public Policy

- Incorporate a commitment to sustainability into mission and value statements.
- Develop organizational 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 realizing 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:
 - Held-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.

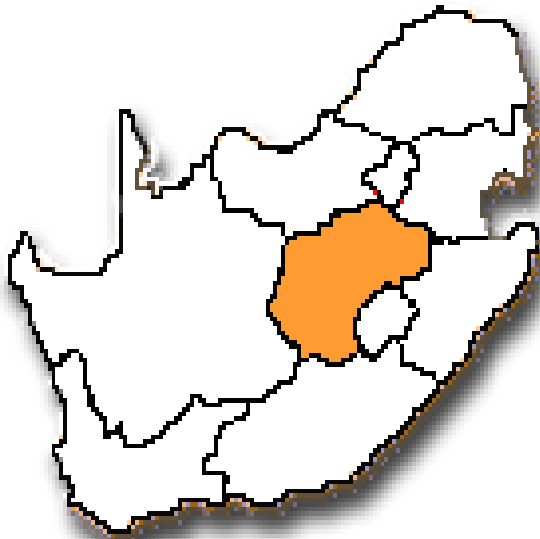
11. Revenue - the accounting policies for revenue include:
 - Revenue from rates
 - Service charges
 - Fines
 - Rentals
 - Approved tariffs of charges
 - Interest on investments
 - Sale of goods
 - Interest on outstanding debtors
 - Donations and contributions
 - Recovery of unauthorized, irregular, 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.

CHAPTER 8. 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

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- [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")

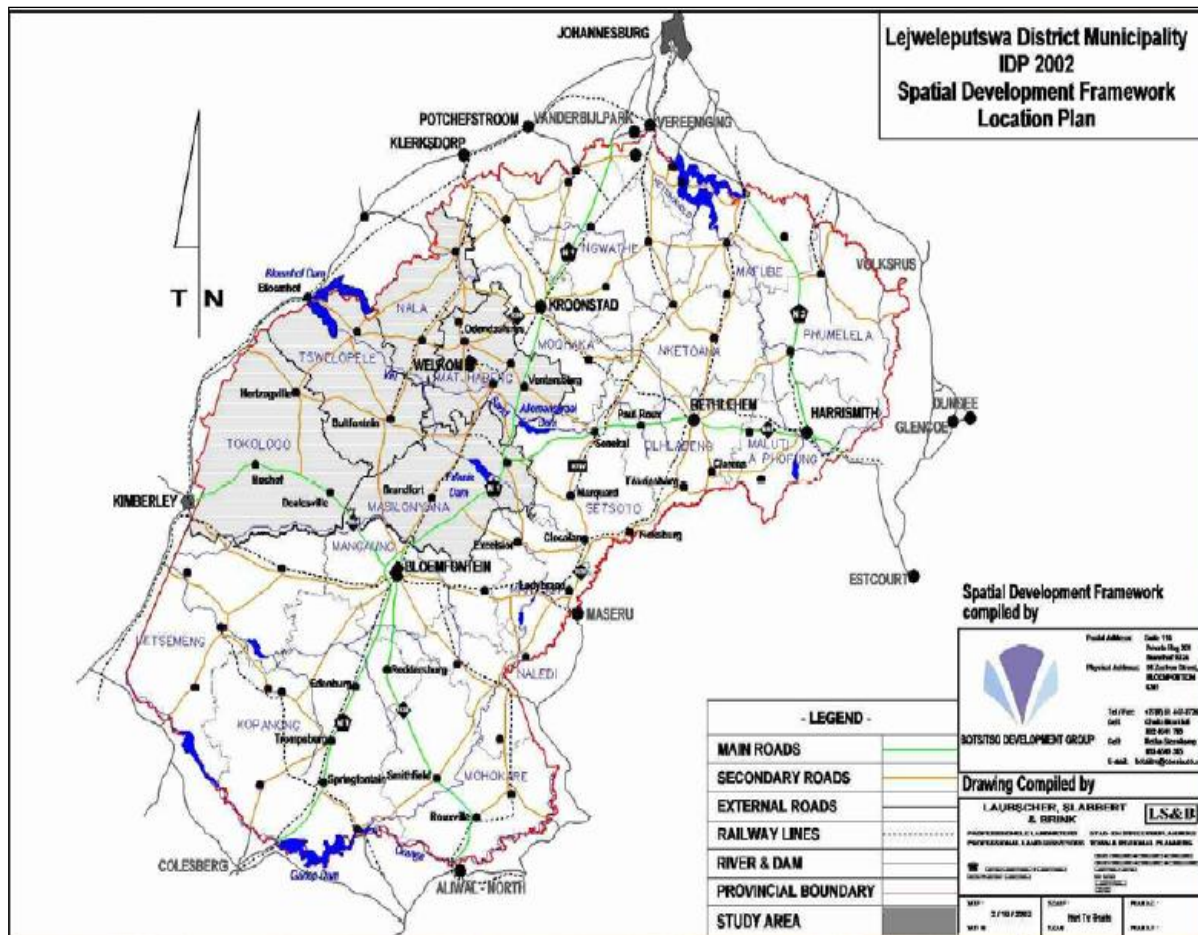
1.2 THE LEJWELEPUTSWA DISTRICT

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: Leweleputswa District Economic Development Strategy, p10)

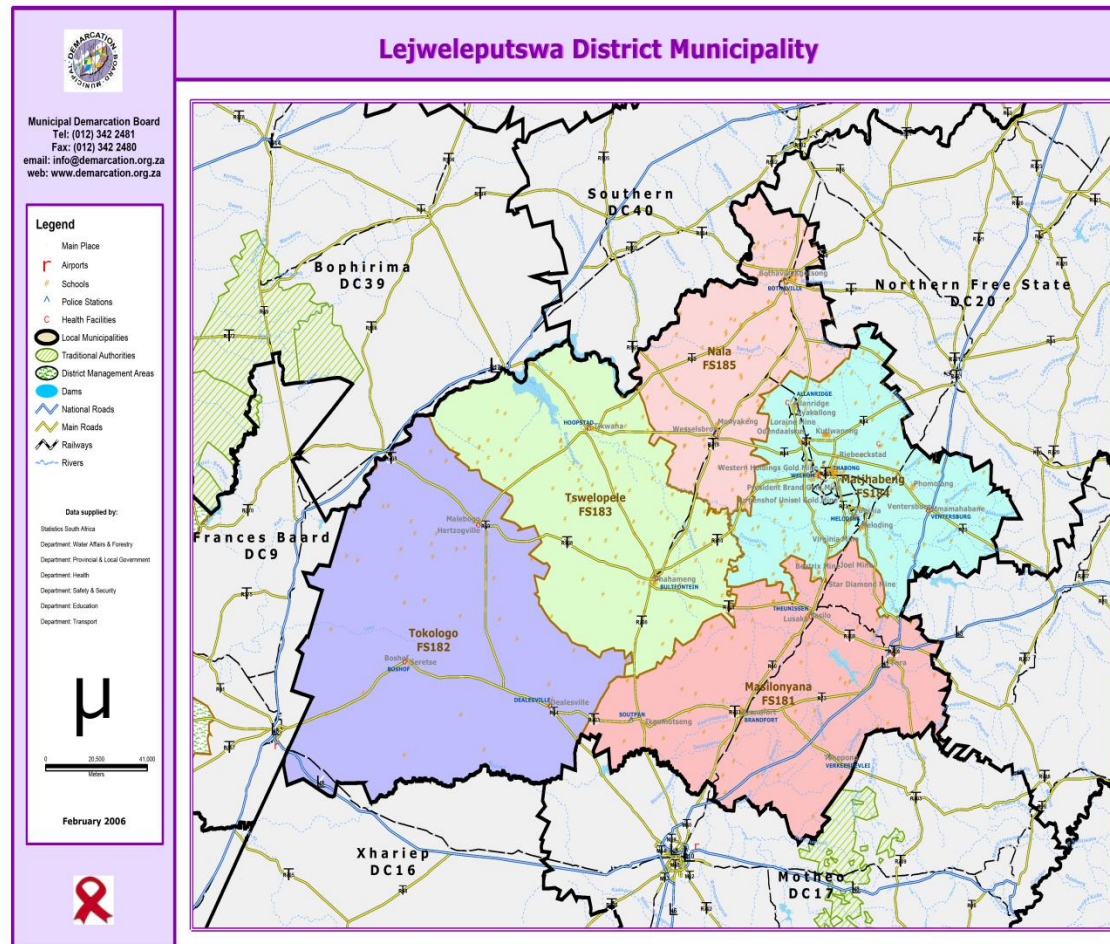
Lejweleputswa is surrounded by:

- [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:

Matjhabeng Local Municipality: IDP 2011 / 2012

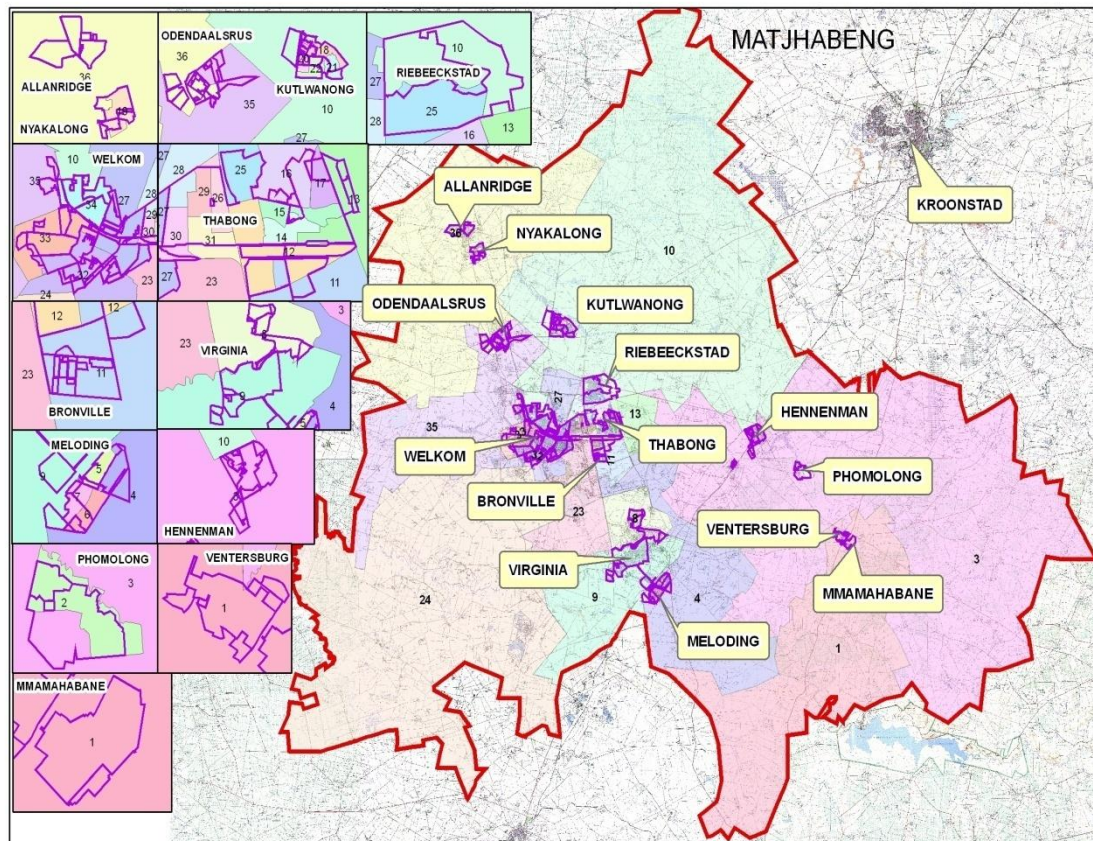
- Masilonyana Local Municipality consisting of the following towns: Theunissen, Brandfort, Winburg, Soutpan and Verkeedevlei
- Matjhabeng Local Municipality consisting of the following towns: Welkom, Virginia, Odendaalsrus, Hennenman, Ventersburg and Allanridge
- Nala Local Municipality consisting of 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.

1. 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 ERVEN	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

Matjhabeng Local Municipality: IDP 2011 / 2012

TOWN	TOTAL ERVEN	BUSINESS	CEMETERY	EDUCATIONAL	GOVERNMENT	INDUSTRIAL	INSTITUTIONAL	PARKS	RESIDENTIAL
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									
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

Matjhabeng Local Municipality: IDP 2011 / 2012

TOWN	TOTAL ERVEN	BUSINESS	CEMETERY	EDUCATIONAL	GOVERNMENT	INDUSTRIAL	INSTITUTIONAL	PARKS	RESIDENTIAL
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

TOWN	TOTAL ERVEN	BUSINESS	CEMETERY	EDUCATIONAL	GOVERNMENT	INDUSTRIAL	INSTITUTIONAL	PARKS	RESIDENTIAL
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.

1.3 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 proactive 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)

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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.

CHAPTER 9. PERFORMANCE MANAGEMENT SYSTEM

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

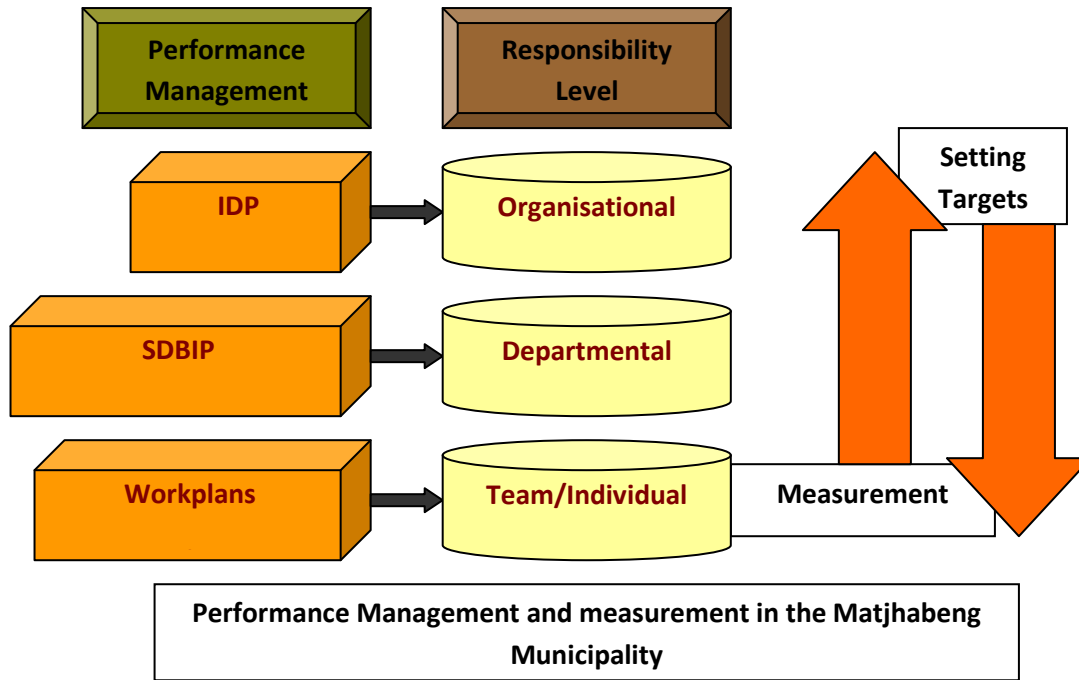
Performance management can be applied to various levels within any organisation. The legislative framework as set out above provides for performance management at various levels in the municipality including strategic (sometimes also referred to as municipal, organisational or corporate) level, operational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

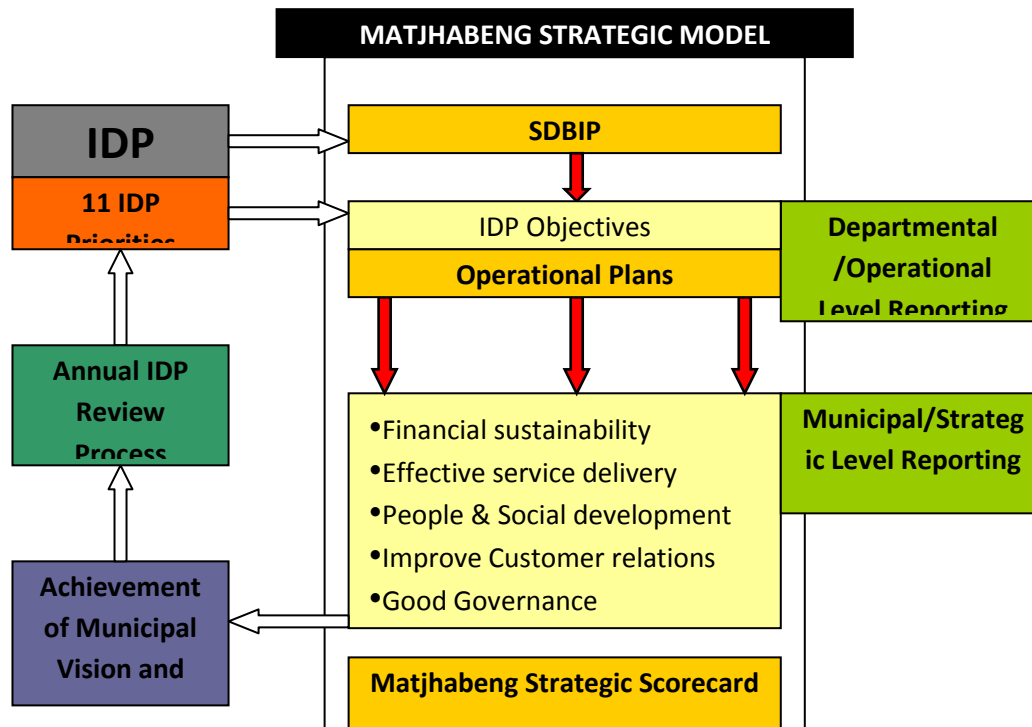
A number of performance models are available and any of them could be applied by the Municipality. The available models include the Municipal Scorecard, Balanced Scorecard and the Key Performance Area Model. The Matjhabeng Municipality has however chosen the Matjhabeng Strategic Model. In terms of the 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.

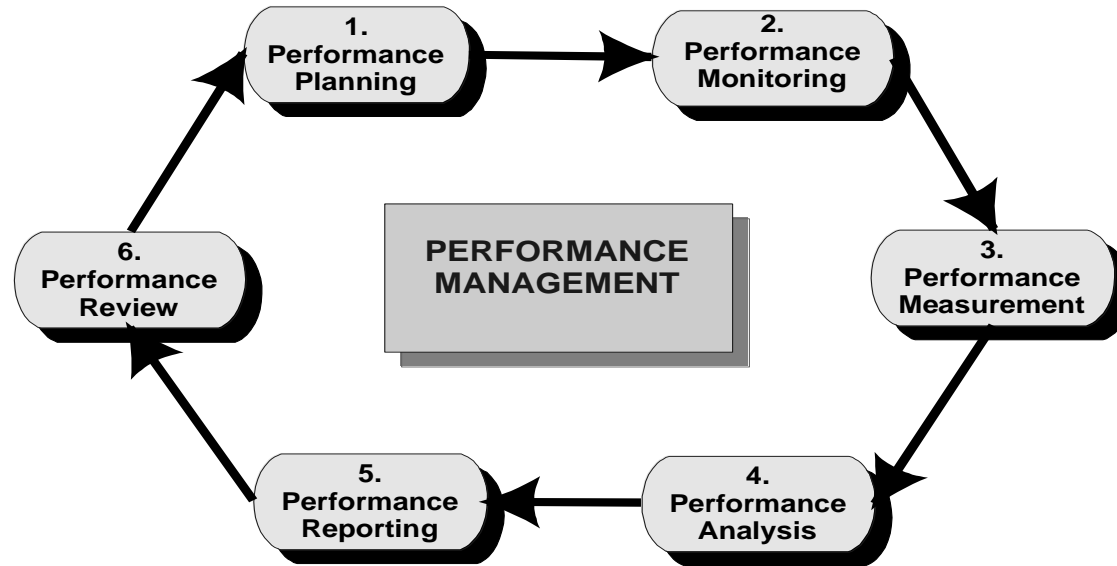
The Operational Plans will inform the Strategic Scorecard and the Individual MSA Section 57 Employees' performance agreements are also structured in terms of the perspectives of the Strategic Scorecard. This allows for appropriate linkage between the strategic or organizational PMS and individual PMS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

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting & Reviews
<p>Executive Mayoral Committee and the IDP Steering Committee</p>	<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)
<p>Municipal Manager + HODs</p>	<p>Assist the Executive Mayoral Committee in</p> <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

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting & Reviews
Directorate/ Departmental Managers	<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 fulfill the objectives of the system and address the emerging challenges from a constantly changing environment.

CHAPTER 10. PROGRAMME INTEGRATION

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				

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	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		Ward NO	TOTAL PROJECT ESTIMATE	ESTIMATES			KPA
IDP REF	PROJECT DETAILS			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 1 100 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		

